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1936

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Indian Finance Year-Book

1936

ANNUAL SUPPLEMENT TO
"INDIAN FINANCE"

Editor :

P. R. SRINIVAS.

Managing Editor :

C. S. RANGASWAMI



20. BRITISH INDIAN STREET
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Indian Finance Year-Book 1936

WE THANK YOU!

In placing the 1936 Edition of the *Indian Finance Year-Book* before our readers, somewhat earlier than in preceding years, we may, once again, venture to claim to have rescued this ponderous volume of annual reviews from the stigma and staleness of a routine publication.

Each section has been amplified both in scope and in detail.

While, formerly, the leading article was a review of the budgets, we have now attempted an economic survey of 1935-36. The Central and Provincial budgets are discussed at greater length and the "Bird's eye View" has been extended to cover the United Provinces as well.

A running survey of debt legislation, Central and Provincial, is also afforded, to facilitate the study of this paramount problem of agricultural indebtedness.

The Industrial Section contains, in each of its divisions, a financial survey of the industry during the year. An article on the handloom industry has been added; and most others have been rewritten in full.

The Agricultural Section now covers all the staples of this country.

The review of Foreign Trade is lent more point by being approached from the standpoint of the balance of payments and the outcome of our protectionist policy.

A review of the Stock Exchanges in India and articles from foreign contributors increase the wealth of new matter.

But we must confess, at the same time, to a harrowing sense of the incompleteness of the *Year-Book*. To cover every phase of the economic life of this Continent is, perhaps, not quite practicable. But the lure of this ideal can never fail to draw us. It would serve no purpose to set down here what we shall strive to achieve in the coming years. It is but fair to acknowledge, in humble gratitude, that the motive power of progress in the future, as in the past, will be the appreciation of our readers.

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INDIAN ECONOMY IN 1935-36

It is rarely, if ever, an easy task to gauge definitely the trend of national or world economy during a year. For, the various branches of a people's economic activity never move all in one direction ; and for the obvious difficulty of computing and comparing the changes in each one of them, it is impossible to strike the balance and arrive accurately at the net result. Nevertheless, the feeling has gained ground during the last two years that, excepting for the notable instances of the countries which have obdurately clung to the old parity with gold, the world, as a whole, is leaving behind the depression more fast than many of us were sanguine enough to hope. The improvement that has occurred since, say, the summer of 1932, seems all the more gratifying, as during this period the world has learnt to appreciate that world trade can never again rise to the heights of 1929 and that prosperity will have to be regained through other means than the high levels of international trade of the pre-depression years. The habit of looking to the figures of foreign trade as by far the most reliable index of national wellbeing is being slowly outgrown by governments and by economists. There are still many among the latter who sigh for the halcyon days of world trade of the 'twenties and are frankly sceptical of national prosperity ever reaching those high levels, except through the revival of international trade. But even they have come to believe that the obstacles in the path of the revival of world trade are insurmountable and that practical policy must be directed to the reconstruction of national economy with greater emphasis on the development of internal resources and a comparatively higher degree of economic self-sufficiency. The more thoughtful sections of economic opinion had maintained from the outset, that the depression, which set in in the Autumn of 1929, had created a well-nigh interminable deadlock and that its most lasting effect would be the diversion of

economic policy from the promotion of foreign trade to greater balance in internal economy. There is no doubt that there was need for such a corrective to the prevalent notions of economic policy ; and to the extent that State policy and academic opinion have recognised the change in the circumstances, the depression may be said to have accomplished its paramount end. But the reduced importance of foreign trade has enhanced the difficulty of gauging the trends of national economy, inasmuch as indices of internal economic activity cannot, in the nature of things, be as comprehensive, accurate or otherwise reliable as the returns of foreign trade. It has, therefore, become necessary to exercise the greatest caution in pronouncing any definite opinion about the vicissitudes in national economic fortunes.

In spite of the changes of recent times, it would be dangerous to under-rate unduly the importance of foreign trade at the present time. Though many countries are endeavouring to reduce their dependence on foreign markets or external sources of supply, the close links between internal economic activity and exports and imports have not been broken. Indeed, it is difficult to say how in many instances progress on the newly-conceived lines can be achieved without an expansion, however limited, of the trading relations with foreign countries. *Indian Finance* has often expressed the view that an expansion of international trade is necessary for the formulation of a practicable national economic plan. And in this view we have often pressed for the removal of such obstacles to the growth of international trade as the instability of foreign exchanges and unconscionably high tariffs. Though there has been no abatement of protection in governments' policy, there has been, what may be called, a re-assertion of the natural force of recovery.

It may be said that, on the whole, the upward trend of world trade has been kept up during 1935. The background of

world conditions has, therefore, been favourable to the growth of India's foreign trade. It is well-known that despite all that may be done by way of internal economic reconstruction, it will be a long time before the country can regard a fall in exports with any equanimity. India's export trade being primarily in agricultural staples, the well-being of the masses is closely bound up with exports. And if one reposes faith in the maxim that you cannot sell unless you buy, one will have to regard the entire foreign trade of the country as a matter of the gravest import to the people of India. It is well, therefore, to note at the outset that the total exports during 1935-36 increased from Rs. 155.22 crores in 1934-35 to Rs. 164.26 crores. At this level it shows an increase of 5.8 per cent. over the previous year. This compares with an increase of 3.7 per cent. in 1934-35 over the previous year; and it may be pertinent to recall that in 1934-35 exports recorded an increase of 10.4 per cent. as compared with its predecessor. Thus it will be seen that 1935-36 has made up in large part for the slowing down in the rate of increase of the export trade. It has also afforded another consolation in that the increase in the import trade of 14.7 per cent. which 1934-35 recorded over the previous year, has now declined to 1.6 per cent., imports during the year under review having increased only from Rs. 132.29 crores to Rs. 134.39 crores. If we make special mention of this, it is not because of an irrational prejudice against the import trade, but because of the fear that an increase in the import trade proportionate to the increase in the exports would render the problem of our foreign payments well-nigh insoluble, that is, when gold exports cease to figure so largely in our transactions with foreign countries. That this is no vague fear has been shown clearly by the fall in the private exports of gold in 1935-36 from Rs. 52.53 crores in the previous year and Rs. 57.05 crores in 1933-34 to Rs. 37.35 crores during the year under review. In fact, the balance of transactions in treasure has steadily fallen during the last three years from Rs. 57.23 crores to Rs. 52.53 crores and thence to Rs. 36.37 crores. Thus the increase in our balance of trade in merchandise from Rs. 23.42 to Rs. 30.55 crores has hardly sufficed to prevent the fall in the total visible balance of trade, which has shrunk from Rs. 75.95 crores to Rs. 66.92 crores. Some might

be inclined to interpret the fall in imports of gold as a faint indication of an improvement in the position of the agriculturists, though, for our part, we would attribute it mainly to a gradual drying up of the sources of supply.

Foreign Trade
(In Lakhs of Rupee)

	1933-34	1934-35	1935-36
Exports of Indian Merchandise ...	147,25	151,67	160,49
Re-Exports of Foreign Merchandise ...	8,42	8,55	8,77
Imports of Foreign Merchandise ...	115,00(a)	131,80(a)	133,71(a)
Balance of Trade in Merchandise	+85,67	+23,42	+30,35
Balance of transactions in Treasure private	+57,23	+52,58	+36,37
Total visible balance of trade	+92,90	+75,95	+66,92

(a) Excluding value Railway Materials (Rs. 86 lakhs, Rs. 49 lakhs, and Rs. 68 lakhs in the twelve months April to March, 1934-34, 1934-35 and 1935-36 resp.). imported direct by State Railways working under Company Management which was not paid for in the ordinary way and not, therefore, taken into account in arriving at the balance of trade.

The figures of foreign trade which are subject to closer scrutiny in the appropriate section of this *Year Book* must, however, be deemed encouraging. They confirm the impression that the trade recovery which set in in the summer of 1932, has not yet come to a halt and that the general pace of progress will be sufficient to lighten the problem of internal economic reconstruction. It would be unfortunate for economic planning if, at the time it is taken on hand, improvements in internal trade should be more than offset by a setback in foreign trade. The improvement in foreign trade is also, it must be noted, well spread over the principal agricultural staples. Excepting raw cotton, which shows a slight decline in volume and in value, the other commodities have maintained their position and some have shown an appreciable improvement.

Within the country, production has shown a marked increase over the previ-

ous year. Outturn of agricultural staples like cotton, wheat, jute, groundnuts and oilseeds compares very favourably with that of 1934-35, though rice shows a small decline. Industrial production has maintained the upward trend. The jute industry has by the end of the year abandoned restriction, though, in this case, the increase in jute mill production is a doubtful gain to the industry or to the country. Cotton industry has increased its output during the year in spite of the alarms expressed in the previous year that, as a result of the double shift, a glut might be created in the market with unfavourable reactions on the industry. In sugar, the first-half of the year showed a somewhat serious fall in production as compared with the corresponding period of the previous year; but there is every reason to believe that from the beginning of the new season in November, the loss would be more than made up, so that 1935-36 would even show a net increase over the production in 1934-35. In spite of the incompleteness of the statistics relating to the cement industry there is no mistaking the increase in output which the industry has maintained month by month. Iron and steel has an even more bright record to its credit and the production in minor industries like matches, paper and chemicals are all well over that of the previous year.

Production—Industrial

	1933-34	1934-35	1935-36
Cotton Manufactures (in lbs. Million) excluding Twist and Yarn ...	645'77	786'25	572'67 "
Cotton piece-goods (yds. million) ...	294 52	3,396'4	2,690'6
Jute Manufactures (Tons 000's) ...	907'05	950'83	754'08*
Sulphuric Acid (Cwts. 000's) ...	483'45	529'65	420'06*
Sulphate of Amonia (Tons) ...	889'10	13,578'4	13,294'0*
Sugar (Cwts. 000's) ...	6,609'87	13,268'0	5,874'0*
Wheat flour (Mds. 000's) ...	13,792'69	13,650'89	10,268'79*
Paper (Cwts. 000's) ...	823'32	891'00	724'04*
Matches (Million Gross) ...	17 01	16'41	18'58*
Pig-Iron (Tons 000's) ...	1,109'40	1,848'06	1,87'76*
Steel Ingot (Tons 000's) ...	720'90	838'04	641'85*
Finished Steel (Tons 000's) ...	550'60	626'97	500'85*

*Nine months figures

Production—Mineral

	1933-34	1934-35	1935-36*
Kerosene (Millions of Gallons) ...	153'98	169'26	121'23*
Petrol (Millions of Gallons) ...	72'62	81'29	63'94*
Coal (Tons 000's) ...	182'18	208'46	150'20*

*Nine months figure

One would wish that the increase in production, agricultural and industrial, were accompanied by an increase in the general level of prices. This, as everyone knows, has not materialised. The wholesale price index has hovered during the year about the level of 91 (July 1914=100). At the end of 1934-35, the downward trend of wholesale prices, which is usual to the first quarter of the calendar year, has well-nigh spent itself; but, it is difficult to detect the pronounced upward tendency such as would ensure a fair return for the

Raw Material Production—Agricultural

(In Thousands)

	1933-34	1934-35	1935-36
Rice (Tons)	80,856(b)	80,856(b)	29,822(b)
Wheat „	9,449	9,414	9,725
Sugarcane „	4,872	5,109	5,905
Cottou (Bales)	4,656	4,807	5,679
Jute „	8,012(a)	8,525(a)	6,89(a)
Linseed (Tons)	873(b)	872	418
Rape and Mustard „	957	948	900
Sesamum „	5,26(b)	4,08(b)	430(b)
Groundnut „	8,254(c)	8,254(c)	1,842(c)

- (a) Includes figures for Nepal.
- (b) Excluding Bhopal.
- (c) Excluding Mysore.

cultivators. That the wholesale price index has, generally speaking, kept at a higher level in 1935-36 than during the previous year, is a somewhat poor consolation; for there is no knowing whether the producers were able to reap any tangible benefits out of this slight increase in prices. It seems safe to presume that there has been no setback—another circumstance which enables a more hopeful outlook of the future.

It is somewhat disconcerting to note that the indices of internal trade activity are not as heartening as the figures of foreign trade or of internal production. As is well-known, such indices are notoriously incomplete and are only indirect evidence of the vicissitudes of internal trade. In the existing state of statistics in India, one has to rely, for gauging the trends of internal trade, mainly on the financial statistics such as clearing house returns, the figures of railway earnings and the returns in regard to coastal traffic. The figures of such clearings convey an impression of greater activity in internal trade, the total for the year being 1,742 crores as compared with 1,829 crores in 1934-35. But, it would be unsafe to draw conclusions from these figures as the increase may well be due to the changes brought about by the constitution of the Reserve Bank of India. In other words, it is more than possible that transactions, which formerly did not figure in clearing house returns, have come within the scope of the clearing on account of the constitution of a central banking institution distinct from the old Imperial Bank. Caution is particularly necessary as both in respect of railway returns and of coastal trade, no improvement is noticeable. The gross earnings of State-owned railways show a fall during the year, but wagon loadings show a slight increase which, though it does not indicate any marked improvement in trade activity, is still sufficient to suggest the steady continuance of the recovery. One must also pay heed to the fact that the total tonnage entered and cleared in our coastal trade has shown a fall as compared with the previous year.

Turning to national finances, the experiences of the provincial governments seem to confirm the view that though the recovery has not come to a halt, the general level of prosperity among the mass of people has not risen appreciably. The provincial governments cannot be said, as, indeed, the central government can be said, to have left behind the period of

deficit budgets and to be able to hope for increased outlay in those departments which further the common weal. The old theory that savings are best left to fructify in the pockets of the tax-payer is now completely obsolete; and national economic progress is generally conceived as the result of increased revenues derived from higher prosperity being spent in a manner that would promote the progress of business and the increase of national wealth. In India particularly, it is difficult to imagine any notable progress in national economy except with a large outlay of public expenditure on nation-building schemes. If this view is correct, the state of the provincial finances as disclosed in the budget statements of the Finance Members in February-March last cannot be considered to be altogether encouraging. For out of the various provinces, the Punjab, the United Provinces, Bengal and the Central Provinces have failed to avoid any deficits for the year 1936-37, though, in most cases, the revised estimates for 1935-36 proved to be better than the original budget estimates. The province of Sind, Orissa and Northwest Frontier have been brought into being as frankly unable to make both ends meet for a long time to come. Madras and Bombay have the distinction, or rather the misfortune, of figuring as provinces which have been able to budget for a surplus in 1936-37.

(In Crores of Rupees)

	1935-36	1934-35	1933-34
Notes in Circulation	2,304	2,196	2,186
*Cheque Clearance	1,829	1,742	1,641

*Unadjusted.

†By taking the value of Currency Notes in Circulation at the end of each month.

While the small surplus shown in the case of Madras and Bombay does not warrant any conclusions as regards an improvement in the prosperity of the people, the respective governments have had to pay a heavy price for their zealous regard for financial integrity. For, it has meant that in the recommendations for the adjustment of provincial and central finances, the provinces have lost a great deal, while the deficit provinces have gained through Sir Otto Niemeyer, various reliefs. The outlook of provincial finance as a whole, judging from the Niemeyer Report, is none too bright. The only improvement

which can be expected is that the provinces like Bengal, which had fallen into a state of chronic deficit, will in the future be able to produce a fair balance between current revenue and expenditure. But, at the same time, provinces like Madras, Bombay and the Punjab will have to call a halt to the expansion of Nation-building activity and to remain content with a slowing down of the pace of progress. The only hope of a substantial improvement in provincial finance is the possibility, too remote to seem real, of the Central Government being able to let the provinces have their share of the income-tax. According to Sir Otto, this would depend mainly on the Railways being able to resume their contribution to the general revenues and no student of railway finance and railway affairs will consider it as a fair prospect. We have already pointed out that economic progress in India on any appreciable scale, will have to come mainly through the impetus of larger outlay on nation-building schemes; and, in so far as this depends on a permanent improvement in the position of provincial finance, it would seem to be a forlorn hope, indeed. For the present, one has to be content with such indications of improvement as are contained in the review of the finances of the Central Government. The budget statement of Sir James Grigg, it must be said, contains many indications of general improvement in economic well-being.

The vast increase in the revenue derived from indirect taxation must be pronounced, in the absence of evidence to the contrary, to indicate a growth in consumptive capacity. Without overlooking the essential incompleteness of statistics in this

regard, one may say that the market for cotton goods and sugar has broadened during the period. In both these cases, imports and internal production have alike shown a marked increase. The increase in imports and internal production of sugar has enabled the Government of India to realise through the import duty and through the excise far more than they had anticipated, and the estimates for 1936-37 on this date are framed on the assumption that the internal market for sugar has begun to grow. Sir James Grigg has also assumed an increase in income tax revenue to the extent of Rs. eighty lakhs, which is another indication that the general economic situation continues to be on the mend. The Central Government have also cheerfully accepted the report of Sir Otto Niemeyer, which means that they will have in the coming years to part with more than 2½ crores by way of subventions and reliefs to the deficit provinces. This surely implies a hopeful outlook. But whether the economic aspirations of the people will be realised in any measure is more than any one can say. There is now throughout the country a pronounced reaction from the violent protectionist sentiment of earlier years and a tendency to emphasise the importance of reconstructing rural India, without prejudicing in any way the prospects of industries which have come into being. Whatever policy India may pursue in the future in regard to tariffs and foreign trade, the progress of agriculture is essential; and it is to be hoped that in the next few years, government and people will unite in a determined effort to break the shackles off the limbs of Indian agriculture.

FOREIGN EXCHANGES

RETROSPECT AND PROSPECT

By PAUL EINZIG

The year 1936 has been characterised, up to the time of writing at any rate, by a relatively high degree of stability of exchange rates. Since the devaluation of the currencies of Belgium, Luxemburg, and the free City of Danzig last year, there have been no further devaluations. Nor have any countries suspended the Gold Standard or allowed their exchange to depreciate to any material degree. The range of fluctuations has been much narrower than in any year since 1931. Even though this range was wider than in normal conditions when it is limited by the gold points, it was considerably narrower than is customary between inconvertible paper currencies.

The relative stability of the exchange was not, however, the result of a fundamental equilibrium. On the contrary, it was maintained artificially in face of strong currents tending to cause as wide exchange movements as were ever witnessed since 1931. The stability of a small number of currencies which are still on a gold basis was maintained by the working of the Gold Standard, while the predominant majority of exchanges were defended against unwanted fluctuations with the aid of official intervention in the foreign exchange market. Indeed, the management of exchanges with the aid of Exchange Equalisation Accounts has become the rule and *laissez faire* in the foreign exchange market the exception.

The stability of the currencies of the Gold Bloc—the French franc, Dutch guilder and Swiss franc—was maintained in relation to gold and the dollar in face of strong adverse pressure. In particular the French franc has been subject to a series of violent attacks. There has been an almost constant adverse pressure, due mainly to the flight of French capital abroad and also to some extent to speculative operations. For some time between February and April the effect of this pressure remained neutralised as a result of the credit of £40,000,000 granted to the French Government by a group of London

banks. These additional resources were, however, used up by May, when the franc had to face an intensified attack that followed the victory of the parties of the Left at the General Election. Notwithstanding repeated statements to the contrary, it was widely believed that one of M. Blum's first actions on assuming office would be the devaluation of the franc. The flight of French capital increased in volume for fear of devaluation, high taxation and other possible anti-Capitalist measures. It was not until the Government made it plain that it meant to continue defending the franc that the adverse pressure subsided and even became reversed.

In face of the strong adverse trend the French authorities defended the franc by "playing the game of the Gold Standard". That is, they allowed gold to leave the country freely and, whenever unfavourable movements became accentuated, they raised the Bank Rate to 6 per cent. It cannot be said, however, that the actions of the Bank of France conformed fully to the orthodox Gold Standard rules, in which the defence of an exchange would necessitate the contraction of credit. The French authorities were not in a position to pursue this rule; on the contrary, they had to expand credit in order to finance the deficit of the Treasury and in order to enable the banks to meet the withdrawals of deposits.

Since gold was allowed to be withdrawn from France to the United States, the franc-dollar rate remained steady around gold export point. On the other hand, the franc-sterling rate did not remain absolutely stable owing to the fact that, Great Britain not being on the Gold Standard, the gold points did not operate. Had natural tendencies been allowed to take their course, there would have been a sharp appreciation of sterling in relation to the franc as a result of the wholesale flight of French capital to London. Such an appreciation would have entailed a corresponding appreciation of sterling in

relation to the dollar; and this would not have suited the interests of British export trade. For this reason, the Exchange Equalisation Account endeavoured to counteract the depreciation of the franc in terms of sterling. In accordance with its traditional tactics it did not aim at the rigid stabilisation of the sterling-franc rate, but simply at the regulation and moderation of the movement. Thus, instead of allowing sterling to appreciate in relation to the franc to the extent of, say, 10 per cent., it kept down the extent of its appreciation to about 2 per cent. This end was achieved by means of buying francs heavily and converting the proceeds into gold through earmarking at the Bank of France. As a final result, the Bank of France lost a substantial amount of gold and the tactical position of the franc weakened further.

While the adverse pressure was to a large extent, prevented from producing its effect upon the spot franc, it was allowed to produce its effect upon the forward franc. Consequently the discount on forward francs, which was abnormal, widened at times of adverse pressure to spectacular dimensions. Occasionally, the discount for three months was equivalent to nearly 40 per cent. per annum, while the discount for shorter periods was considerably wider. This was due in part to speculative short selling of francs, which continued, notwithstanding the efforts of the authorities in various countries to discourage it. To a large extent, the weakness of forward francs was the result of genuine hedging against the risk of depreciation by those possessing assets in France.

It was inevitable that the unfavourable trend of the franc should spread over the Dutch and Swiss exchanges. In the case of Switzerland, the adverse pressure was to some extent justified by the inherent weakness of the currency due to the dangerous banking situation. In the case of Holland, however, the improvement of the general situation due to better Colonial trade failed to prevent the development of a weak undertone. It was assumed that once the French franc was devalued, neither Holland nor Switzerland would be in a position to resist devaluation any longer. Consequently whenever the French franc was weak, a wave of pessimism developed regarding the prospects of the other two currencies of the Gold Bloc.

The currencies which may be regarded

as satellites of the Gold Bloc were also subject to adverse pressure. Poland was compelled to introduce drastic exchange restrictions; and she chose to default on her foreign debt rather than devalue her currency. The German Reichsmark was maintained at par; but the various blocked marks depreciated further. Spain found it also increasingly difficult to resist unfavourable tendencies. Roumania decided to abandon the pretence of resisting devaluation and confirmed the *de facto* depreciation of her exchange by a legal devaluation to the extent of 38 per cent. In Czecho-Slovakia it was found that the devaluation of 16 per cent. which was carried out some two years ago was not sufficient and the exchange remained subject to adverse pressure. In Italy the sanctions and the extremely severe restrictions created a special position in which the lira rate was purely artificial. It was allowed to depreciate slightly after the victory in Abyssinia.

The tendency of currencies which were allowed to find their approximate equilibrium level through devaluation or through depreciation presented a sharp contrast to the tendency of the Gold Bloc and its satellites. This contrast was the most pronounced in the case of the belga, which until March, 1935 was one of the Gold Bloc currencies. The moment it was devalued, adverse pressure gave way to a favourable tendency. Confidence in the stability of the belga at its lower level was fully restored and most of the Belgian capital, which took refuge abroad, was repatriated. What is more, Brussels has become a centre for foreign refugee funds. As a result, the flight of capital from France and Holland resulted in a firm tendency of the belga which, apart from brief intervals, continued throughout the period under review. Forward belgas were at a premium; and the inflow of foreign funds assumed at times almost embarrassing dimensions.

The same phenomena were noticeable on a much larger scale concerning the dollar. It is now generally assumed that President Roosevelt will not experiment with a further devaluation of the dollar, if he can possibly avoid it. For this reason, the dollar commands much confidence and New York has become the chief centre for refugee funds. This, together with the favourable trade balance, resulted in an almost constant firm tendency of the dollar in relation to gold currencies. To some slight extent

it was sought to counteract this tendency by silver purchases in producing countries and in the East; but, for the most part, it resulted in a heavy influx of gold from the Gold Bloc countries and from the open market in London. As a result of this buying pressure and of the low interest rates prevailing in the New York market, forward dollars remained constantly at a premium. Since sterling is not on a gold basis, it is inevitably highly sensitive to the tendencies of other major currencies. If there is a flight from the franc both to London and to New York, it tends to affect sterling to a much higher degree than the dollar, for the simple reason that, while its effect on the dollar is limited by the operation of the gold points, its effect upon sterling is in theory unlimited. Even in practice the limitations of its effect upon sterling through the operations of the Exchange Equalisation Account are not complete. As we pointed out above, the Exchange Equalisation Account does not, as a rule, rigidly oppose exchange movements, but merely endeavours to reduce them. This means that, while the crises and the recoveries of the franc affect the franc-dollar rate to a moderate extent only, they affect the franc-sterling rate to a much higher degree; and since the franc remained pegged in relation to the dollar at gold export point, it was inevitable that sterling should fluctuate in terms of dollars at the same time as fluctuating in terms of francs. Official intervention kept the range of its fluctuations much narrower than during previous years. While in 1935 the range of its fluctuations was about 5 per cent., in 1936 it was rather under 3 per cent. Indeed, the conception that in practice, if not in law, sterling is stabilised has gained ground to no slight degree. It accounts for London's increasing popularity as a refuge for foreign capital.

The currencies of the Sterling Bloc continued to remain more or less pegged in relation to sterling. Some of them had their individual fluctuations which, however, seldom exceeded normal proportions customary between currencies on the same standard. Apart from the weakness of the Argentine peso, there were no violent fluctuations in Latin American exchanges, most of which have linked themselves up either with the dollar or with sterling. As for the remaining few silver exchanges, the relative stability of the price of the metal since the beginning of this year narrowed

down the range of their fluctuations in relation to gold and paper exchanges.

Having given a bird's-eye view of the development of exchanges during 1936, let us now consider their prospects. It is extremely risky to make any definite forecast amidst the existing uncertainty about the fate of the franc. All one can do is to enumerate the alternative directions of development.

- (1) The defence of the franc at its present parity will continue for a long time.
- (2) The franc will be devalued during the next few months.
- (3) The franc will be allowed to find its own level.
- (4) The franc will join the Sterling Bloc.

Should the stubborn defence of the franc continue, it would, in all probability, cause a further appreciation of sterling. There is no reason to suppose that the Exchange Equalisation Account would change its policy by rigidly resisting a further rise, unless and until the appreciation of sterling begins to embarrass the export trade. If its task in checking the rise of sterling becomes more difficult owing to exchange restrictions and gold embargo in France, then the chances are that sterling will be pegged in relation to the dollar. Until now the British authorities have preferred to operate in francs owing to the possibility of converting their purchases into gold. If, however, at any time this possibility should cease to exist, the next best thing would be to operate in dollars.

Let us now consider the probable effects of a devaluation of the franc. It is safe to assume that it would be followed by an all-round devaluation of the currencies of the Gold Bloc and its satellites. Among others, Germany would also devalue. This is a point of importance because, while there is very little competition between British and French export trades, competition is very keen between Great Britain and Germany. Thus, if a drastic devaluation of the Reichsmark should place British export trade in a difficult position, it would be inevitable to allow sterling to adjust itself to a level which is more in accordance with the interests of the export trade. In any case, an all-round devaluation is likely to be followed by withdrawals of refugee funds, which would be repatriated

WORLD'S STOCK EXCHANGES

RETROSPECT AND PROSPECT

By R. GORDON CUMMINGS

Any attempt to analyse the individual major and minor factors which have exercised their influence during the last eighteen months on world stock markets, and the detailed effects on security prices would be impossible of achievement in an article of this general nature. I shall, therefore, confine my remarks and conclusions to a general survey covering the principal markets.

Before proceeding, however, to what might be called a detailed survey of the major factors, and with a view to saving repetition, I consider that it is essential at this opening stage to summarise and to dispose of the factors which have played their part in swaying market sentiment since the beginning of 1935. Such factors, at least those of major importance, can be broadly summarised as coming under the following headings:—

1. International political influences.
2. The Abyssinian war.
3. The world re-armament race.
4. Exchange restrictions and currency devaluation fears.
5. Economic nationalism and tariff restrictions.
6. Commodity price fluctuations and restriction schemes.

Major Market Factors Analysed.

Thus broadly, as shown above, can be summarised the troubles which have had to be faced, alone, or, in many instances, one in conjunction with another, during a period which has been difficult in more senses than one. A brief examination of the major influences at work in stock markets may, perhaps, appear to be covering old ground, but is, nevertheless, essential if we are to obtain a clear picture of the past year's events.

We, in London, are now becoming phlegmatic about unexpected political upheavals, which are almost day to-day occurrences. Changes of political opinion of serious import do still, however,

continue to exercise the minds of market operators and investors. The reaction of stock markets to serious ruptures in international relations has generally been a precautionary marking down in prices followed by a period of comparative quietness—in some cases complete stagnation—eventually overcome by steady revival, or even a rapid recovery. The net effect, therefore, has been for political considerations to simply serve as a “brake” on upward movements.

Little notice was taken in its early stages of the possibility of a war actually breaking out between Italy and Abyssinia. True, caution was observable in the period immediately preceding actual fighting, but it was not until the Italians invaded Abyssinia that markets really reacted to the possible implications which might then have followed, had the trouble spread to other nations. After a few months, the Abyssinian war also became a thing of the past and was superficially ruled out of account as a market factor.

The present tendency for each nation to increase its defensive forces beyond what should be normal peace time limits has provided a double-edged weapon. On the one hand, re-armament naturally leads to fear of war, with its inevitable repercussions on international trade and stock markets, while, on the other hand, the expenditure of enormous sums of money on what, for a better word, might be called non-productive goods has led to the stage where certain industries in most countries of the world have reached a position of ever-increasing prosperity. We have, therefore, seen sections of the stock markets weakening on the possibilities of a war, while other sections, such as the armament and iron and steel markets, have been rising, preparations for war meaning bigger profits for companies operating in these trades.

Exchange restrictions have been playing a part in stock market movements for several years, so that they are now almost

a customary evil. Exchange restrictions in countries like Germany have been tightened up during the last eighteen months, while Italy joined the ranks of the Exchange Restrictionists not many months ago. At the present time there appears to be little hope of seeing such restrictions lifted in even the most promising of the South American countries.

France has led the way in providing plenty of scares on currency devaluation. The United States of America has also contributed its small quota of uneasiness. At one time, not so many weeks ago, it seemed almost certain that some form of devaluation would have to be applied to the franc.

The net result of these overhanging fears has been a constant transference and retransference of funds from the countries likely to be affected to those countries considered to be safely beyond the barriers of devaluation. This ebb and flow of capital has served, purely apart from sentimental factors, to bring about sharp fluctuations in stock market prices, typical instances, which can be cited, being the movements seen at various times in British Government securities following their purchase on behalf of French Nationals and their subsequent sale.

Wrong though it is, almost every country in the world is now doing everything in its power to shut itself off from other countries. Tariff barriers are raised and re-raised in order to keep down imports, while on the other hand, every effort is made to increase exports, a policy which naturally cannot get very far in both directions. While there are a few hopeful signs of world trade expanding, there is little hope of any big increase until "Economic Nationalism" is put to one side. There is no necessity for me to emphasise the great benefits accruing to the world as a whole from the free and easy flow of goods and raw materials from one country to another.

One outcome of this attempt to find economic self-sufficiency has been a noticeable effect on the consumption, supply and prices of commodities. Other factors have, of course, operated to account for the fall in commodity prices, such as an increase in production, but there is in my opinion no burking the fact that, if trade was allowed to be carried on without any hampering restrictions, the demand for raw materials would improve. A decline in productive power and a fall in spending power must inevitably be reflected in a lower demand for primary commodities, which in turn leads to falling prices and,

as has happened in many instances since 1930, the formation of restriction schemes aiming at maintaining the market level by limiting production to existing demands. Typical instances are provided by the tin, tea, rubber and copper restriction schemes.

What of the Future?

Having summarised the major influences effecting stock markets in one way or another, it might be advisable at this stage to consider what hope there may be in the future of seeing all, or even a few, of these adverse influences removed from the path of market recovery.

For all practical purposes, the Abyssinian war is now a thing of the past, although the backwash arising therefrom sometimes makes one think that it would be better to have the war rather than the results. Unless troubles should arise from the controversy over Sanctions, we can eliminate Abyssinia from our future market calculations.

Political upheavals are, I am afraid, likely to be with us for many years to come, unless, of course, a miracle happens. A very careful eye must be kept on Germany, which at the present time appears to be rapidly ripening into the plague spot of Europe. Japan is also an enormously serious factor, while Italy and some of the Central European states may easily do something at an unexpected moment to bring about serious trouble. Apart entirely from currency and economic considerations, France is a doubtful starter in the "Peace Race", her fears of invasion by surrounding nations creating the ever present possibility of getting rid of the nightmare by starting trouble herself.

The student of stock markets must, therefore, watch carefully every development in the political world, with a view to translating even the slightest hint of trouble into what effect it will have on market movements.

Rearmament programmes are bound to continue on an enormous scale, but, as pointed out earlier in this article, what may mean loss to one part of the community means profit to the favoured few who stand to make money out of the manufacture of fighting machines. We can, therefore, look for sustained interest in the shares of companies having direct and even remote interests in the manufacture of armaments.

Sooner or later, there will have to be a wholesale revaluation of world currencies based on present conditions. The position which has been existing since soon after

the end of the Great War is that one country appears to be afraid of taking any step in priority to any other country. It only needs co-operation and the framing of a definite policy between Great Britain, France and the United States of America to bring every other country in the world into line. International distrust is, however, too great, although I feel that the United States may suddenly get fed up with sitting on the fence and take the necessary step which will start the ball rolling.

The first effect of currency devaluation on stock markets would be a fall, possibly sharp, followed by sharp improvement when minds have been adjusted to the new conditions. Stock markets of the devaluation countries would be those standing to benefit to the greatest extent, the behaviour of London markets in September 1931 being an ideal illustration of what may happen.

Prices of many commodities are only being kept at their present levels by schemes formulated to restrict output to a level sufficient to meet current demands, and, in some cases, to a level which will also serve to reduce accumulated stocks. Some of these restriction schemes are voluntary in nature, for instance, that applying to copper, while in other instances, such as tin, rubber and tea, they have been formulated in conjunction with the Governments of the countries primarily concerned in the prosperity of the particular industries in which they are interested. Such schemes are more rigid and are usually entered into for a definite period of time, with the proviso that periodical adjustments can be made to meet changing conditions. The rubber restriction scheme is an outstanding example, the committee altering the production quotas whenever it is considered that the price of the commodity is rising too sharply.

Restriction schemes naturally cut both ways. They benefit in a general sense the producer, but, on the other hand, they are not often to the liking of the consumer who realises that, if there were no restriction, he would be able to buy his raw materials at cheaper prices, although perhaps shortsightedly, forgetting that his own sales might suffer from an ultimate fall in purchasing power.

At the time of writing there is the possibility of seeing the tin restriction scheme completely abandoned by the end of 1936. Such fear has brought about a decline in the price of tin, and a fall in the price of

tin shares. Factors like these will continue to exercise their influence on commodity share markets; but it is not for me to forecast what may be the position a year hence.

Prospects summed up.

Dealing generally, as I am, with world stock markets, any forecasts, which I make, must necessarily be of a very broad nature. So far as I can foreshadow at the time of writing, I think that movements in the leading stock markets will be more or less upward for a period of twelve to eighteen months. Intermediate fluctuations will, of course, be seen; but on the whole there is some reason to anticipate a lightening of political and financial burdens now casting their shadows over the world.

The cost of money, by which I mean short and long term interest rates, will play a big part in the type of security likely to become most popular. If we are to have large scale expansion in international and internal trade, it is inevitable that money rates will harden. Higher interest rates will be reflected in a lowering of the market prices of fixed interest securities, while the diversion of more money to industrial enterprise will mean a rise in profits and a rush for industrial equity shares. As I have pointed out in many of my articles, which appear regularly in *Indian Finance*, fixed interest securities should be sold and the money reinvested in the ordinary shares of companies standing to benefit from trade expansion.

Countries, which are now in the very backward stages of economic recovery, will be the ones likely to yield the greatest profits to investors having the patience to nurse their holdings, for several years if necessary. The United States of America may also turn out to be a very promising field for investment, but there need be no hurry to rush into this market until the internal political situation is clearer.

The rearmament boom is serving to stimulate business in Great Britain, for not only are the companies directly interested in the manufacture of armaments finding themselves in the position of making profits, but such increasing prosperity is going round the circle and bringing more trade to other industries. According to calculations, the Government's programme will take about five years to complete, so to this extent many industries can be certain of being busy for some years to come.

This present prosperity is, unfortunately, not based on a sound productive foundation. At any time the Government may decide to curtail its ambitious programme. But even setting aside this possibility, it needs little thought to realise that the manufacture of non-productive goods is not even on the remotest possibilities likely to have any lasting good. Sound trade is only built up by the steady circulation of goods, not by the rush-manufacture of large quantities of things which will never come into circulation.

While this false feeling of prosperity continues, industrial share markets will attract investors. Particular attention will be directed to the armament and iron and steel sections. The shipbuilding industry and aeroplane manufacturing companies will also provide popular counters for the speculatively-minded investing public.

Certain of the commodity markets, such as copper, tea and rubber will rise to higher levels over the next twelve months. I pin my greatest faith, however, in gold shares, for, whatever happens, industrially or economically, the value of gold is more likely to increase than to fall.

I have already indicated that some of the more depressed foreign countries are worth watching. Large sums of British capital are invested in South American enterprises, the stocks and shares of which are free markets in London. Judicious selections amongst these securities, mostly now obtainable at a large discount on their par value, is worth the attention of the far-sighted investor who is in a position to ignore immediate income return in exchange for capital appreciation. The bonds of South American States also come in this category.

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THE LONDON CAPITAL ISSUE MARKET

By R. GORDON CUMMINGS

There is no need for me to dilate on the part which the city of London plays in the finding of new capital, it being generally recognised throughout the world that the "City" stands predominant, both from the point of view of the amount of money raised each year and the comparative ease with which large loans, incapable of being placed in other markets, can be floated with the minimum of trouble and on the best possible terms for the borrower.

One aspect of the capital issue market is not, however, fully appreciated; and until recently, very little statistical evidence was available on the subject. Statistics have been compiled for many years covering the total amount of capital raised in Great Britain month by month and year by year; but insufficient attention has been directed to the manner in which this money has been utilised, and, most important of all from an economic point of view, the exact amount made available for further business expansion.

Realising the urgent need for such figures, I came to the conclusion some time ago that the preparation of comprehensive statistics would serve to throw light on these and other important matters. As a result of my investigations special statistics were commenced as from July 1935, these being prepared for and published by *The Daily Herald*, under the title of "The Daily Herald Monthly Digest of Capital Issues." The monthly figures having now been running for twelve months, that is up to the end of June 1936, it is possible to draw some interesting conclusions.

Before summarising the figures for the year under review it is necessary, first of all to give some idea of the basis of compilation.

There are three main methods by which money is raised in the British capital market, these being by public issue, "introductions", and private issues to shareholders of established companies.

Public issues, by which I mean all offers made by way of prospectus, can take three forms: public issues, offers for

sale at fixed prices, and offers by tender, the method usually adopted by Public Utility undertakings, at varying prices.

The "introduction" system is one deserving special attention, as there has been a tendency of late for this type to increase. There is no necessity to circulate the usual prospectus, the Promoting House or stockbroking firm responsible simply having to meet certain requirements laid down by the Committee of the London or Provincial Stock Exchanges. Such particulars, which must be advertised in two newspapers, give information on the nature of the business, the profit record, balance-sheet, and material contracts.

So far so good. But it is when we come to the question of marketing that inequities may arise, the general method adopted by those responsible being to place blocks of shares at fixed prices amongst private investors or friends, or to purchase substantial numbers of shares at agreed prices and later to sell these through the usual Stock Exchange channels.

There is no fixed price at which the public can buy the shares "introduced", this depending upon the opening quotation. The opening price is, therefore, unrestricted and is governed partly by the limits investors are prepared to pay for a participation in the business. There are cases, of course, where "introductions" are confined to private placings of debenture stock and preference shares, but when we come to ordinary shares the position is different.

I have known instances where the opening price of ordinary shares has been almost twice that paid by private subscribers, the difference between the two levels representing the profits accruing to the Issuing House, the people with whom shares were privately placed, and the market.

Early in 1935 the Committee of the London Stock Exchange notified its members that particular scrutiny would be directed to this type of issue and even hinted that, if the amount of capital involved was more than a small amount,

the brokers to the offer would be advised to make it by way of public issue or offer for sale. Since this announcement was made, the volume of "introductions" has become greater.

The third method of issue is self-explanatory, many existing companies adopting the satisfactory all-round method of raising new capital by the offer of shares or debenture stocks to their shareholders, usually at a price giving them a bonus when account is taken of the market price of existing stocks of the same category. For the purpose of these statistics private placings of securities in existing public companies and new money subscribed by the exercise of options have also been included under this heading.

The basis of computation used in compiling the figures can briefly be summarised by stating that the issue price has been used in the case of public issues and offers

for sale; the average gross realised price in regard to tenders, the opening market price for "introductions"; the issue price for offers to shareholders; the opening market price for private placings; and the option price in the case of options, excepting where these are exercised by Finance Houses and market interests, when the market price has been adopted. Shares and stock allotted to Vendors as part of the purchase consideration for assets taken over have been valued on the same bases.

While it is impossible to give all of the tables for the past year, it is felt that a clear picture will be obtained from the following summaries, which bring out the salient features.

The first statistical table shows the total amount of money represented by all issues for each of the past twelve months, together with the methods, expressed as percentages of the total, by which it has been raised.

Percentage of Total

Month 1935	Total	Public issues	Introductions	Shareholders	Debentures	Preference	Equity
July	71,643,739	30.3	6.5	18.2	60.9	9.2	29.9
August	10,409,008	31.2	56.9	11.9	52.2	38.9	8.9
September	12,917,459	22.0	49.8	23.7	21.8	16.5	62.2
October	10,823,684	16.8	52.6	30.6	4.1	30.5	65.4
November	18,141,182	52.0	12.3	35.7	37.1	11.8	51.1
December	15,136,795	60.7	16.0	23.3	31.5	19.7	48.8
1936							
January	42,954,464	69.6	69.9	13.5	72.3	6.9	20.8
February	34,340,668	49.8	26.8	23.4	44.8	8.2	47.0
March	22,933,917	50.5	39.8	9.7	21.5	9.0	69.5
April	22,003,347	50.6	24.1	25.3	18.5	15.5	71.0
May	28,571,578	44.3	20.1	35.6	30.4	11.6	58.0
June	32,984,114	20.3	51.8	27.9	11.6	17.1	71.3
Total	322,359,950	53.7	25.4	20.9	40.5	12.8	46.7

Variations in the methods of raising the capital have more or less fluctuated in accordance with the changing moods of the investing public. Attention has been directed in earlier paragraphs to the "introduction" system. Expressed in money values the total of £322,359,950 for the year was represented by £178,038,012 from public issues, £82,017,054 from "introductions, and £67,809,884 from shareholders, etc., while the denominational category discloses that £180,586,868 was raised by debenture issues, £41,299,895 by preference stocks and shares, and £150,474,192 by ordinary stocks and shares.

Out of the above totals, it has been calculated, £247,990,267 was subscribed or directly purchased by the public, vendors taking the balance of £74,369,683. In

addition, vendors were paid £45,551,239 in cash, thus making a total of £119,920,922, in exchange for which they handed over fixed assets valued at £70,729,499, net liquid assets of £18,724,800, and goodwill, patents, etc., valued at £35,466,623.

The distribution or allocation of the publicly raised money is, as previously indicated, of the greatest importance. *The Daily Herald* statistics reveal that out of the total of £247,990,267 put up by private investors, no less than £152,352,901, or 61.4 per cent., was money made available for the purchase of new assets and business expansion. Moreover, this figure might be increased; but to what extent, it is impossible to calculate, by the fact that a sum of £34,771,590, or 14 per cent. of the total, was used in repayment of short-term loans owing to bankers and

other lenders. It is safe to assume that good proportion of this money would find its way back into the financing of other business expansion.

Costs of raising this money in the form of preliminary expenses and promotion profits took £15,814,587, or an average of 6.2 per cent. on the money subscribed by the public. This figure should be taken with due reserve as issues to shareholders are usually made at a negligible cost, while debenture and Municipal loan issues, together with private placings of debenture stock, cost little more than half to one per cent. on the money involved.

The balance of the publicly raised money, equal to 18.4 per cent., was paid to vendors as part of the purchase consideration.

Our next stage is to analyse the destination of this money into geographical sections. The following table shows how the total £822,859,950 has been distributed between Great Britain, British Colonies in Africa, Asia, Australia and America, and the amount of money raised for foreign countries.

	£
Gt. Britain	262,888,844
Africa	41,244,960
Asia	4,554,915
Australia	6,890,883
America	4,542,890
Foreign countries	8,292,508

Treasury restrictions on the export of British capital have naturally influenced the raising of loans for foreign countries. As will be seen from the table given above, money for abroad was only about 1 per

cent. of the total for the twelve months ended June 30, 1936. A special Committee has recently been set up in London to examine the whole question of foreign lending; and while the present restrictions may not be lightened to any material extent, a greater degree of flexibility may in future be allowed.

Another very important matter worthy of detailed analysis is the amount of capital raised for different types of industry, together with the amount of new money available out of these offerings. Excluding conversion offers, the twelve monthly total can be broadly summarised as under :

Group	Total £	For Development £
Transport and Shipping	65,524,766	58,166,507
Steel and Engineering	38,307,378	8,772,554
Mining	87,196,230	16,467,148
Sundry Manufacturing	30,812,680	7,236,025
Motors and Aircraft ...	28,992,212	7,594,651
Government and municipal	25,575,999	11,814,683
Public Utility	23,582,492	19,916,589
Retail and Wholesale	14,958,343	2,773,529
Investment Trusts	14,606,106	6,564,955
Property	11,478,308	2,160,555
Building Trades	10,908,711	3,476,812
Breweries and Hotels	5,576,940	1,714,683
Plantations and Oil ...	5,288,845	1,322,055
Bank, Insce., Finance	5,073,130	3,029,509
Entertainment	4,532,805	1,345,646
	<u>322,859,950</u>	<u>152,352,901</u>

The above figures are, it should be noted, given in order of total borrowings. Variations in the amounts available for development purposes are not, of course, in the same order.

CENTRAL FINANCES IN 1935-36

The experiences of the Central and Provincial Governments in 1935-36 and the indications, which they contain, of the changes in the national economy have been briefly indicated in the preceding article of this *Year-Book*. It remains in this section to examine at length the national finances during the year. The Central Government have enjoyed a measure of prosperity, which they, obviously, did not hope for at the beginning of the year. It was hardly expected that in the budget statement for 1936-37, the Finance Member would have to confess that he had not been sufficiently optimistic in framing the estimates for 1935-36. The actual realisation in 1934-35 of a surplus of Rs. 495 lakhs instead of Rs. 327 lakhs originally anticipated and a surplus according to revised estimates of Rs. 245 lakhs for the year under review together with a surplus on the basis of present estimates of Rs. 205 lakhs for 1933-37 enable a more cheerful financial outlook.

It is useful to examine the nature of the deviations. Towards the end of 1934-35, it was anticipated that the year would end in a surplus of Rs. 3,27 lakhs. The actual figure has proved to be Rs. 168 lakhs in excess of revised forecasts. This is explained largely by an increase of Rs. 150 lakhs under customs and excise. Income tax has contributed Rs. 30 lakhs, Posts and Telegraphs Rs. 24 lakhs, currency and mint Rs. 19 lakhs. And it must be added that these are offset by a shortfall of Rs. 55 lakhs on salt. The shortfall is due to a postponement of clearances at the end of 1934-35. Under customs and excise there were increases both in imported and indigenous kerosene, improvement in the yield of export duties on jute and rice, an improved yield in matches and unusually high seasonal importation of cotton fabrics, raw cotton and machinery. Telephone receipts showed a spurt in the last quarter of the year and the rise in the profits on small coinage followed the increasing demand for this medium of payments. Though, obviously, all the

increases have not the same significance to the economic well-being of the nation, it may be generally conceded that the experiences of the central revenues confirm the impression, that one has often gained, that economic prosperity is far from being on the wane.

Sir James Grigg also submitted his proposals for the utilisation of this surplus; for, it had been decided that the surplus of Rs. 327 lakhs was to be devoted to various non-recurring objects including Rs. 1 crore for constituting a fund for the economic development and improvement of rural areas thus leaving, according to the estimates of the time, a free surplus of Rs. 13 lakhs. It was decided later to transfer the whole of the unallocated surplus to the rural development fund, so that in the light of what has now happened the transfers to the fund would amount to, not Rs. 113, but Rs. 281 lakhs. On account of this and similar adjustments there remains in the fund a balance of Rs. 173½ lakhs.

As for 1935-36, the revised forecast shows a surplus of Rs. 243 lakhs instead of Rs. 6 lakhs. Revenue shows an increase to the extent of Rs. 353 lakhs and this is offset to some extent by an increase in expenditure to the extent of Rs. 117 lakhs. More than half the increase in revenue is accounted for by the import duty on Sugar, as on this item alone the Government have realised Rs. 185 lakhs more than originally anticipated. The incometax is expected to yield Rs. 40 lakhs more than in the budget estimates. In customs, it may be noted, the Finance Member hopes to realise the same kind of excesses as were shown by the final results of 1934-35 over the revised forecast for that year. For, raw cotton, machinery, petrol, the export duty on Jute, excises on sugar and matches are all promising to yield substantial surpluses. In sugar, the original estimates have turned out to be too pessimistic; for in spite of the failure of

the canecrop, the yield of the excise duty seems likely to exceed original expectations by Rs. 21 lakhs. Factory production on the basis of the progress of collections promises to amount to 600,000 tons from factories alone exclusive of Khand-sari production. The total anticipated excess of customs thus comes to Rs. 287 lakhs making with the Rs. 40 lakhs on incometax Rs. 327 lakhs. On interest account a decline of Rs. 13 lakhs is expected. Currency shows no serious change ; but the mint may leave a surplus of Rs. 16 lakhs due to the greater absorption of small coin. Post and Telegraphs promises a betterment of Rs. 19 lakhs.

On the expenditure side, the Quetta earthquake is responsible for an increase of Rs. 41½ lakhs. On interest account, the revised estimates provide for Rs. 10,63 lakhs instead of Rs. 10,39 lakhs ; and the increase is due to the final result of a large number of forces pulling in different directions. Currency and mint call for an increase in outlay by Rs. 10 lakhs, which, it is well to remember, is more than offset by the increase on the revenue side. In the Defence Budget, a number of variations account for an under-spending of Rs. 4 lakhs below the original estimate of Rs. 44,98 lakhs. Perhaps, the most welcome feature of the revised estimates is the conversion of the budgetted deficit of Rs. 13 lakhs on account of Posts and Telegraphs into a surplus of Rs. 6 lakhs. The increased sales of stamps and the growing popularity of trunk calls have contributed a great deal to the change, which is due, doubtless, in large measure, to the lower interest rates. The net result of the various changes in the original budget estimates is that 1935-36 is expected to close with a surplus of Rs. 242 lakhs.

Turning to the budget year 1936-37, the total revenue is placed at Rs. 8,735 lakhs, an improvement of Rs. 83 lakhs over the revised estimate for 1935-36. Of this, as much as Rs. 5,482 lakhs is expected to be realised from customs. A deterioration of Rs. 160 lakhs has been allowed under the import duty on sugar, though an alround improvement of Rs. 171 lakhs under other heads is expected at the same time. The realisations on account of the import duty on sugar are calculated to cause a certain amount of concern in the public mind regarding the future of the Indian Sugar Industry. It is, therefore, necessary to note that in the budget estimates for 1936-

37 the Government expect to derive Rs. 2 crores from the import duty.

The Finance Member hopes to realise from income tax an amount of Rs. 17,60 lakhs which is Rs. 80 lakhs in excess of the revised estimate of the current year ; and currency receipts are put at Rs. 81 lakhs, which includes an amount of Rs. 65 lakhs as the Government's share of the profits from the Reserve Bank on a full year's working.

The total figure for expenditure is placed at Rs. 85,30 lakhs at which it is Rs. 120 lakhs over the revised estimate. Interest payments account for a reduction on Rs. 1½ crores ; but taking into account account the changes in accounting procedure regarding the the Indian Military Service and the Indian Civil Service Family Pension Funds the actual improvement under interest heads is over Rs. 2 crores. The subventions to the new provinces of Sind and Orissa account for Rs. 108 lakhs and Rs. 50 lakhs respectively. An increase of Rs. 64 lakhs is provided for under civil administration ; and of this amount Rs. 18 lakhs is to be devoted to two public health schemes in Delhi, Rs. 4 lakhs to the Delhi Broadcasting Station and Rs. 5 lakhs to civil aviation. Provision is also made for the restoration of the cut in the pay for the full 12 months of the year instead of eleven in the figures for 1935-36. The Army budget stands at Rs. 45,45 lakhs but taking into account the changes in regard to certain funds, the comparable figures for the two years according to Sir James are Rs. 44,64 and Rs. 44,85 lakhs. Of the real increase of Rs. 21 lakhs, Rs. 20 lakhs represent an increased provision for Ordnance Stores. The sum of Rs. 40 lakhs is provided for extraordinary payments on account of the reconstruction of the most urgently required civil buildings in Quetta. It may be noted in passing that the cost to Government of the Quetta disaster up to the stage of beginning reconstruction came to almost exactly a crore. The Posts and Telegraphs are estimated to leave a net surplus of Rs. 15 lakhs. The net result is that with a revenue of Rs. 87,35 lakhs and an expenditure of Rs. 85,30 lakhs, 1936-37 is expected to end in a surplus of Rs. 205 lakhs.

The utilisation of this surplus is as below :—

From the surplus for the year 1934-35 and from the balance of Rs. 137½ lakhs available Rs. 30 lakhs have been allotted for agricultural research, especially for sugar-cane research and

investigations in connection with the dairying side of animal husbandry ; Rs. 10 lakhs grant for the Indian Research Fund Association for work on prevention and cure of Malaria. Rs. 5 lakhs for assistance to cottage and small-scale wool-len industries; Rs. 20 lakhs to broadcasting for capital expenditure. The remaining Rs. 108½ lakhs will be spent on other schemes of rural development through the agency of provincial governments but reports on the schemes which are already in progress will first be examined to see if any alterations in the last year's conditions are necessary.

From the surplus of Rs. 242 lakhs for 1935-36, it is proposed to allot Rs. 45 lakhs to the fund for providing initial building equipments of the Capitals of the new provinces of Sind and

Orissa, giving 17½ lakhs to Sind and Rs. 27½ lakhs to Orissa. The remaining Rs. 187 lakhs is to be credited to the revenue reserve fund for assisting the Central Budget in the first year of Provincial Autonomy when separation of Burma will cost Rs. 2½ crores and Provincial autonomy may cost something like Rs. 23 crores.

From the surplus of Rs. 205 lakhs for 1936-37 it is proposed to utilise first the abolition of taxes on incomes between Rs. 1,000 and 2,000 and reduction of the present surcharge on income-tax and super-tax from one sixth to one twelfth costing Rs. 185 lakhs and secondly, to allow increase in the weight of the one-anna letter from half to one tola and adoption of the scale of additional half anna for every additional tola costing Rs. 13 lakhs.

(Continued from page 8)

ed. It is difficult to foresee the pace and extent of these repatriations, which depend upon a number of political, economic, financial and psychological considerations. Conceivably, repatriations will assume such dimensions as to force British authorities to allow sterling to depreciate. This is all the more probable as a large proportion of the gold acquired by the Exchange Equalisation Account is no longer available for the defence of sterling if and when the tide should turn. Owing to the expansion of the Note Issue a large part of the gold had to be added to the Bank of England's resources. The chances are, therefore, that in case of a strong adverse pressure the extent of the resistance to be put up by the Exchange Equalisation Account will be limited. It is safe to take it for granted that, should sterling be allowed to depreciate, most of the currencies of the Sterling Bloc would follow it. It is also highly probable that should its depreciation exceed certain proportions, the United States would decide to devalue the dollar once more. Quite conceivably, this might lead to further devaluations, though this would not necessarily be the case.

Should France suspend the Gold Stand-

ard and allow the franc to fluctuate, the immediate effect would be an intensification of the flight of capital. There would be a brief period of currency chaos similar to the periods that followed the suspension of the Gold Standard in Great Britain and in the United States. How the various currencies would be affected in such circumstances depends to a large degree upon the policy and tactics pursued by their respective authorities. On the whole, it is safe to conclude that in that case sterling and most other currencies would depreciate further in terms of gold.

The same conclusion holds good also if France and other countries should decide to join the Sterling Bloc. In that case, they would be at liberty to choose their own exchange rate in relation to sterling, and it is possible that the rates chosen would be unfavourable to British trade. In such circumstances, the only possible way of defending the interest of trade would be to allow sterling to depreciate further in terms of gold. Amidst the world-wide rise in commodity prices that would follow, it might be possible to maintain prices in Great Britain at a reasonable degree of equilibrium with world prices.

PROVINCIAL FINANCES IN 1935-36

It is, in the nature of things, impossible to generalise about the state of the finances of the provinces. For the provinces, as is well-known, approximate in size and in the variety of their resources to the various nations of modern Europe ; and economic changes do not affect all the provinces in the same way and to the same extent. But, generally speaking, the period of stress and strain is ended. It is true that in the budgets outlined in February-March last, deficits figure to a distressing degree. But they are of a nature, which calls for a readjustment of the finances, and have not much in common with the deficits of the depression period. Finance Members at that time were entitled to believe that the short fall in revenue was an essentially temporary phenomenon and that there was no obligation on their part to do more than effect certain increases in taxation and cuts in expenditure and that the deficits which remained should be endured. Such a claim in March 1936 would be a grave reflection on the intelligence and integrity of the Finance Member concerned. For the norm of the post-depression period is well-nigh reached ; and the adjustments that are necessary to balance the budget or produce the revenue for expenditure urgently needed cannot reasonably be postponed in a spirit of wait-and-see. It need hardly be said that the continuance of deficits after the recovery has been with us for three years would indicate an inexcusable fatalism. It would have been well if the Provincial governments had regarded their tasks in this light. While they have no illusions about a natural expansion of their customary sources of revenue, they have not, all of them, grappled with the problem of the deficit. They have found a comfortable way out by stressing the urgency of revising the financial relations between the Centre and the Provinces. In the last few months of 1935-36, Sir Otto Niemeyer was engaged in his task of making recommendations to His Majesty's Government regarding the date of inauguration of provincial autonomy, the allocation of percentage of income tax to the provinces, subven-

tions to new provinces and reliefs to the deficit provinces. The provincial budgets were formed with the full knowledge that Sir Otto was far from likely to turn down the demands of the deficit provinces. In fact, the recommendations of Sir Otto were published soon after the budgets were released. The finances of the provinces, therefore, cannot be understood merely by a perusal of the budget statement for 1936-37. And to gauge the financial outlook it is necessary to understand what each province has been awarded or deprived of by Sir Otto Niemeyer. Without going into the merits of the Niemeyer Award, it is unfortunate that it has in effect set a premium on extravagance and penalised prudence. The only advantage is that the number of deficit provinces will be very considerably reduced.

In a circumscribed view, which precludes a consideration of the margin of taxable capacity, potentialities of revenue expansion and pace of popular progress, Madras leads among the provinces of India by reason of its adherence to sound principles of finance and the avoidance, to the utmost extent possible, of revenue deficits. The budget for 1936-37, which was presented by Mr. C. T. H. Bracken, was formulated in the best traditions of the Finance Department of the province. Madras has good reasons to feel satisfied that she has come through the worst of the depression with no serious injury to the soundness of her finance. Of the three years usually dealt with in a budget statement, 1934-35 has left a surplus of Rs. 11 lakhs, while the current year is expected to close with a revenue deficit of Rs. 32 lakhs on the basis that Orissa is part of Madras and a deficit of Rs. 10 lakhs on the basis of the separation. For the year 1936-37 Mr. Bracken has produced a budget nicely balanced at Rs. 16.40 crores. Originally 1934-35 was expected to leave a deficit of Rs. 19 lakhs ; but actually it turned into a surplus of Rs. 11 lakhs, owing to the fact that revenue fared some what better than expected and, at the same time, the spending departments had proved

to have been very optimistic in their programme of expenditure.

As for 1935-36, one of the notable developments is the reduction in the Famine Relief Fund by Rs. 44 lakhs owing to the expenditure on the famine in Bellary and Anantapur. It is a matter for gratification that, in spite of the vagaries of the weather being widespread over all parts of the Presidency, there was nothing like a general famine. In the revised estimates land revenue is expected to fall by Rs. 13 lakhs, excise by Rs. 16 lakhs and stamps by Rs. 30 lakhs. Mr. Bracken has aptly pointed out that, though commodity prices have been on the increase, the Agricultural population has been so hard hit in the previous years of the depression, that some time is needed for recuperation and, therefore, the land revenue concessions should be continued for the current fasli. As against the decline referred to above, the Hydro-Electric Works are responsible for an increase in revenue over the original expenditure. The progress of expenditure during the year has been normal though, an additional sum of Rs. 4 lakhs has been provided for elementary education. The net result is a deficit of about Rs. 32 lakhs. As pointed out already, according to the estimates prepared on the basis of Madras with Orissa separated from it, the deficit for Madras for the current year should be put at only Rs. 10 lakhs.

As regards the year 1936-37, the separation of a deficit area like Ganjam and Vizagapatam means a financial gain to the extent of Rs. 20 lakhs to the parent province, and this has enabled an outlay on Part II schemes which would otherwise have been very small and totally inadequate. In framing the estimates for the budget year, Mr. Bracken has characterised his general attitude as one of "hesitant hope." The hopefulness is due to the general improvement of commodity prices which began in 1934 and has continued in 1935. The revenue estimates hardly call for any comment as they have been calculated on the basis of a normal monsoon with an increase in the Cauvery Mettur Project. Owing to the measures that have been taken for agricultural indebtedness and debt conciliation, the Government have framed their estimates on the assumption that there will be a decrease in litigation and a consequent loss of revenue on that account. Likewise, on the expenditure side the standing commitments call for no special comment; and Madras like other provinces has provided for the expenditure connected with the next elections. What is important to note is that after providing for

standing commitments, the sum that is available for Part II expenditure is Rs. 35 lakhs.

Turning to capital and debt payments, the productive expenditure in the next financial year, it is necessary to note, will be financed entirely from loans. The hydro-electric schemes are sought to be speeded up, as may be seen from the fact that in 1934-35 the expenditure was only Rs. 23 lakhs and in 1935-36 Rs. 53 lakhs, while for 1936-37 the Government are budgetting an expenditure of over Rs. 1 crore. Provision has also been made for Rs. 20 lakhs for the relief of rural indebtedness, and the Government have promised that, in the event of this amount being found inadequate, more money will be provided.

BOMBAY.

The Bombay Budget for 1936-37 is framed to leave a small balance on the right side of Rs. 41,000. Bombay's finances have gone through serious vicissitudes not only on account of the depression but also on account of other causes which are not common to the rest of India. The deficits of 1935-36 and the year previous have been avoided in 1936-37 thanks mainly to the relief to the extent of Rs. 92 lakhs which Bombay has gained owing to the separation of Sind and its constitution into a new province.

The Budget estimates for 1936-37 are as below.

Revenue ...	Rs.	12,03,58,000
Expenditure ...	„	12,03,17,000
Surplus ...	Rs.	41,000

A scrutiny of the various items of the Budget will show that real expansion will come in only with the receipt of Bombay's share of the income-tax as fixed by Sir Otto Niemeyer.

BENGAL.

The Bengal Budget affords an arresting illustration of our remarks at the beginning of this section on the attitude of provincial finance members to the publication, then imminent of the Niemeyer report. The allotment of half the jute export duty, on which a further increase of 12½ per cent. has now been recommended by Sir Otto had already wrought a great change on Bengal's finances. Thanks to it, it may be said that in comparison with the unrelieved gloom of years, the three years which formed the period of review in the last budget state-

ment present a highly heartening picture. For one thing, 1934-35 did not end with the deficit of Rs. 209 lakhs and an addition of Rs. 194 lakhs to be overdrawn with the Government of India which were apprehended at the time the budget estimates for the year were framed. This turn in Bengal's financial fortunes is due to an increase in revenue receipts to the extent of Rs. 183½ lakhs, of which by far the larger part of 158½ lakhs was due to the assignment to Bengal of half the Jute Export duty. There was also at the same time a decrease in expenditure over estimates amounting to Rs. 20½ lakhs. The result was a revenue deficit of only Rs. 5½ lakhs instead of Rs. 2,09 lakhs which the province had every reason to fear at the start.

As for 1935-36, revenue receipts were placed in the budget estimates at Rs. 11.02½ crores. The revised estimates show an improvement of Rs. 40½ lakhs, of which Rs. 15 lakhs is due to an increase in the receipts on account of the Jute Export duty, Rs. 11½ lakhs in land revenue, about Rs. 3½ lakhs from the scheduled taxes passed during the course of the year. The capital account also shows an increase of Rs. 10 lakhs in "Advances from the Provincial Loans Fund" and Rs. 16 lakhs in the shape of a grant from the Central Government for the economic development and improvement of rural areas. Taking revenue and capital receipts together, the revised estimates provide for a total revenue of Rs. 12 crores 28½ lakhs. The total expenditure will be Rs. 12 crores 33½ lakhs. The excess of expenditure over revenue in the Revenue account is Rs. 15½ lakhs; and utilising the surplus of Rs. 10½ lakhs on capital account, 1935-36 is expected to end in a deficit of Rs. 5 lakhs which will be met out of the opening balance.

The revenue deficit of Rs. 5½ lakhs in 1934-35 and of Rs. 15½ lakhs in 1935-36 might encourage the hope that Bengal has left behind the period of big-sized deficits; but such hopes have been belied by Sir John whose estimates for 1936-37 provide for a deficit of nearly Rs. 52 lakhs. The receipts on revenue account according to the budget estimates for 1936-37 follow closely the revised estimates for last year; and the only two heads which exhibit marked departure from the revenues are "civil works" and "miscellaneous." The former account for an increase of Rs. 8½ lakhs on capital account. There is a provision for a loan of Rs. 18 lakhs for the commuted value of pensions. Exclusive of the advance to be taken to cover the year's deficit, the

estimate of the total receipts on revenue and capital account stands at Rs. 12 crores 48.25 lakhs.

On the expenditure side the estimates provide for an expenditure on revenue account of Rs. 11 crores 90.75 lakhs. The increase of Rs. 32½ lakhs over the revised estimate of the current year is explained by a number of items of new expenditure which altogether account for Rs. 34.71 lakhs. On capital account there is a provision of Rs. 8.12 lakhs on account of the Damodar Canal system, which, according to the revised estimate for repairing and reconditioning the weir, would cost Rs. 12.98 lakhs. Another notable item on this side of the budget is Rs. 10 lakhs for Loans to Agriculturists and Rs. 8½ lakhs for loans to local authorities. Thus taking the Revenue and Capital account together, but exclusive of the advance to be taken to cover the deficit, the estimate of receipts stands at Rs. 12 crores 48.25 lakhs and that of expenditure at Rs. 13 crores, thus leaving a deficit of Rs. 51.75 lakhs. Of this deficit Rs. 12½ lakhs will be met out of the opening balance and Rs. 39 lakhs will be covered by an overdraft from the Government of India.

To appreciate the change in Bengal's financial position, it is necessary to see this year's budget in the setting of a retrospect. 1929-30 was the last year in which there was a fair revenue surplus amounting to Rs. 2½ lakhs; and the year closed with a free balance exclusive of the balance in the Famine Insurance Fund of Rs. 182 lakhs. In the year following, the revenue receipts fell by Rs. 170 lakhs. The year 1931-32 witnessed a further contraction in revenue to the extent of Rs. 65 lakhs; and in spite of a fall in expenditure of Rs. 40 lakhs as compared with 1930-31, the revenue deficit amounted to nearly Rs. 2 crores. During 1932-33 and 1933-34, the province should have worst fared for worse than it did but for a fall in the former year under "Stamps" in the shape of probate duties. But apart from this, revenue showed further decline. If the abnormal factors are left out of account the revenue receipts in 1933-34 were nearly Rs. 2 crores below the level of 1929-30. On the other side of the account, the expenditure during these years was considerably lower than in 1929-30. It reached its lowest point in 1932-33 when it was Rs. 73 lakhs below the figure of 1930-31; and in the following year the increases were of a purely necessary and unavoidable kind. The net result is that, while at the beginning of the period the province possessed a free balance of

Rs. 182 crores, at the end the free balance had entirely disappeared and, in addition to a liability of Rs. 38½ lakhs to the Road fund and Motor Vehicles Taxes Fund, the deficit debt amounted to Rs. 4½ crores.

PUNJAB

The Punjab is another of the numerous provinces which have to face a deficit budget for 1936-37. Even the revised estimates for 1935-36 have shown, a revenue deficit of Rs. 6½ lakhs, instead of a surplus of Rs. 56,000 budgeted for. Land revenue stamps and civil works "let us down" to the extent of Rs. 30 lakhs, but Forests, Agriculture, Irrigation, Land and Hydro-electric schemes made up in part, leaving the total revenue income, for 1935-36 at Rs. 15.2 lakhs worse than the Budget estimate.

The estimates for 1936-37 show a deficit of Rs. 16,38,000, revenue receipts being Rs. 10,44,20,000 and revenue expenditure Rs. 10,60,58,000, which are respectively 20 and 16 lakhs more than the corresponding revised estimates for 1935-36. If the extraordinary receipts of Rs. 36,17,000, which represent the sale proceeds of Crown lands and the capital expenditure met from these receipts of Rs. 17,27,000 is taken into account, the Budget estimates show a surplus of two and a half lakhs.

Referring to expenditure estimates, which were Rs. 18½ lakhs above the decennial

average, Sir Donald Boyd said that, apart from general factors, the particular factors which had swollen the expenditure, were the holding of the elections to the future Legislature, which cost Rs. 5½ lakhs, of which Rs. 4,81,000 would be spent in 1936-37, and the communal situation.

Sir Donald Boyd admitted that the increase in expenditure was disturbing. While assuring, that no means of economy would be overlooked, he proposed to have the increases fully analysed at leisure. Referring to the future financial prospects, the Finance Member stated that the adverse factors included the loss when Provincial Autonomy commenced of the fixed assignment of Rs. 697 lakhs granted to the Province by the Government of India in respect of excise on liquors distilled in the Punjab and consumed in N. W. F. and Delhi Provinces, the threatened stoppage of export of charas from Yarkand under orders of that Government, by which the Punjab stood to lose Rs. 11 lakhs per annum and the anticipated recurring increase in expenditure of Rs. 4 lakhs owing to the new system of Government. On the brighter side were the share they were likely to receive from the surplus income-tax from the Federal Government and the growing returns from the Hydro-Electric Project and increase of revenue from the Haveli Irrigation scheme.

A BIRD'S EYE VIEW OF PROVINCIAL ECONOMY

In the following articles, an attempt is made to give a bird's eye view of the economic life of each province in India. Our aim is to encourage the habit of taking a comprehensive view of the economy of each province. Such a habit is not merely desirable for its own sake ; it is of great national

importance at a time like the present, since, with the inauguration of provincial economy, each Provincial Government will be called upon to apply itself to economic reconstruction, and the people of each province will have to be prepared to help it intelligently with their judgment and opinion.

BENGAL

Bengal is the most highly populated province in India. The population in 1931 was 50.1 million, which is very nearly one-sixth of that of India as a whole. Amongst the major provinces of India, it is the most densely populated also. While the population for 100 acres of sown area for British India is only 119, in Bengal it comes to as much as 213. The growth of population by 38 per cent. in the Province during the last fifty years, however, is the same as that for the rest of India during the same period.

Production of raw materials forms the principal occupation of the people of India. The following figures would be of help in making a comparative study of the occupation of the people in Bengal with that of India.

DISTRIBUTION OF WORKERS IN 1931

(Earners and dependents of both sexes)

	In Bengal %	In India %
1. Exploitation of animals and vegetation ...	68.94	67.11
2. Exploitation of minerals ...	0.20	0.28
3. Industry ...	8.80	9.97
4. Transport ...	1.98	1.58
5. Trade ...	6.48	5.15
6. Public Force ...	0.41	0.55
7. Public Administration ...	0.85	0.64
8. Professions and Liberal Arts ...	1.95	1.50
9. Persons living on their income ...	0.17	0.14
10. Domestic Services ...	5.58	7.08
11. Insufficiently described occupation ...	4.82	5.05
12. Unproductive ...	1.48	1.05

The percentage of people living by the production of raw materials is higher in

Bengal than the all-India figure. Transport, trade, professions and liberal arts and persons living on their income, all claim a higher percentage in Bengal than of India as a whole. The percentages in Bengal are less than those of India, in industry, public force, public administration and domestic service.

Agriculture is the main avocation of the people in Bengal as elsewhere in India. Although the sown area is only 28.7 million acres which is roughly about one-ninth of the net sown area in British India, the land being exceptionally fertile, the agricultural industry of Bengal is second to that of no other province in India. Of the 28.7 million acres, rice is cultivated in as much as 22.1 million acres, other food grains and pulse are grown on 1.1 million acres, jute is grown on 1.6 million acres, oil seeds on 1.1 million acres and the various other crops such as cotton, tea, spices, tobacco, fodder etc., on the remaining 2.8 million acres. The acreage under rice cultivation in Bengal is not only the largest in India but also in the whole world. Even Italy, which comes after India, in regard to acreage under rice cultivation in India itself, amounts to 27 per cent. Bengal contributed in 1933-34, 8,646,000 tons of rice out of the total Indian production of 30,353,100 tons. The huge production of rice in Bengal is rendered possible by the physical condition of the province such as the abundant supply of water whether by means of annual floods or good rainfall, and also by the direct dependence of the population on it for their very food.

After rice, jute which is the monopoly of India, is the most important crop of Bengal. Unlike rice, which is produced all over Bengal, jute production is mainly concentrated in six districts—Mymensingh, Tippera, Dacca, Rangpur, Faridpur and Patna. The total area under jute in 1931-32 in India was 1,845,216 acres. Of this Bengal itself contributed 1,596,700 acres. The rest was divided between Assam and Bihar and Orissa. Indian production of jute in 1931, 1932, and 1933 was 5.6 million, 7.1 million and 7.93 million bales, respectively. The world depression has hit the Bengal agriculturist hard. The price of jute has fallen by nearly 60 per cent. and rice by 50 per cent. of the pre-depression prices. On the whole, it would be no exaggeration to state that the income of the agriculturist has fallen to between 40 and 50 per cent. of what it was in 1929-30.

The fall in the agricultural prices has told heavily on the agriculturists who form the major portion of the population. The agricultural indebtedness of Bengal was estimated at Rs. 100 crores by the Central Banking Enquiry Committee. On account of the ruinous fall in the price of agricultural produce, the indebtedness must at least be double now. Tenants and Zemindars have been put to great difficulty in ever adequately meeting their rental charges to the Government. The co-operative movement has been doing something in its usual way to help the agriculturists but as would seem from the foregoing brief account, by itself it cannot do anything appreciable to lighten the burden of indebtedness. In February 1934, the Bengal Board of Economic Enquiry was constituted with a view to study the economic problems of the province with special reference to the rural problem and advise the Government of the measures that should be adopted. The first year of its existence has been spent in making a study of the rural conditions of the province. The Board has also drafted a bill to conciliate and adjust the debts of the rural area by arbitration tribunals. Unless the Board studies the rural problem of the provinces intensively and is in continuous existence for a number of years it cannot do anything substantial.

The Co-operative movement in this province, as elsewhere in India, has so long been an agricultural credit movement. Since the agriculturist in the country is simply notorious for being born in debt, wallowing in debt and dying in debt, no wonder attention has been focussed on the

credit aspect of the movement to the detriment of the other aspects of co-operation. Though the six years of world depression has affected the agricultural credit societies in this Province as in other provinces, the co-operative movement has not unduly suffered. Amongst the major provinces in India, Bengal has the largest number of co-operative societies, after Punjab. While the number of societies per 100,000 inhabitants in 1932-33 was 32.9 for all-India, in Punjab and Bengal it amounted to 89.3 and 47.2. The total working capital of the co-operative societies in Bengal in 1932-33 was Rs. 17 crores and 10 lakhs. In regard to this, however, Bengal occupies the third place in India, after Punjab and Madras.

The co-operative credit societies in Bengal, as in other parts of India, cater only to the short-term credit needs of the agriculturists. The supply of long-term credit is beyond the means of these societies as their funds are mainly obtained from fixed deposits of one or two years and current deposits. For effecting improvements in land, purchase of lands, cattle etc., these societies are of very little help to the agriculturists. For such purposes land mortgage banks capable of supplying credit for periods ranging from 5 to 15 or even 20 years are necessary. The co-operative land mortgage banks were first started in India only as recently as 1920. While the land mortgage banking has made some appreciable headway in Madras, its progress in other provinces, especially in Bengal, is negligible. In 1934, however, five land mortgage banks have been organised with a working capital of Rs. 2½ lakhs.

The non-credit co-operative movement in India has been showing some signs of animation only during the last few years. Those which are absolutely peculiar to the Province may be briefly noticed here. The anti-Malarial and Public Health societies are the most important of the non-credit co-operative societies of Bengal. When it is remembered that Malaria is one of the severest curses of Bengal, that out of 86,618 villages in Bengal at least 60,000 are afflicted with the scourge and that it is responsible for the death of 3½ lakhs of people annually, the imperative need and importance of these societies would become immediately apparent. Two of these societies were originally started in 1917 and in 1932-33 they numbered 927 and had a membership of 18,720. Though these societies have as yet not progressed in any magnificent manner, as pointed out by Dr. C. A. Burtly before the Agricultural Commission, they,

however, appear to have succeeded "in awakening Bengal villages to the necessity and possibility of improving the health of their villages by their own efforts." The rural societies are all federated into the Central Co-operative Malarial Society situated at Calcutta. These societies certainly deserve to be encouraged and to be increased in larger numbers.

When dealing with the development of co-operative movement in India, the Indian Year Book of 1934 started about the milk societies that "one of the notable contributions of Bengal to the co-operative movement is the immense organisation built up on the co-operative sale and supply of milk." The unit of organisation is the rural society covering a village and having as its members only *bona-fide* milk producers. The Central organisation with which the rural milk societies in the Presidency Division are federated is the Calcutta Milk Societies' Union. This Union handled last year 115 maunds of milk a day on an average and sold Rs. 4½ lakhs worth of milk.

Bengal is backward in regard to industrialisation in India only in comparison with Bombay. This inferiority is undoubtedly due to the greater attachment that the people of the Province have for investments in land. Of late, Bengal has been showing signs of being industrialised at a faster rate than before. Amongst the industries of the Province, the jute industry naturally occupies the pre-eminent position. The history of the industry up to the year 1925-26 has been practically one of continuous progress in respect of number of mills, looms and output. The number of mills has increased from 60 in 1900 to 92 in 1933-34. The looms have risen in the same period from 15,000 to 60,000. The Indian Jute mills consume nearly half the jute goods in India. The demand for jute and its manufactures both in India and abroad has fallen very considerably during the last four years owing to the depression in world trade. In order to keep the equilibrium between the restricted demand for jute all over the world and its huge supply, the Bengal Government have started an intensive propaganda for the voluntary restriction of jute crop. As the jute industry of India, which is practically synonymous with the jute industry of Bengal, is dealt elsewhere in detail, it is unnecessary to dwell on it at greater length here.

The cotton mill industry of Bengal which comes next in order of importance is of more recent growth. There are now 22 cotton

mills in existence having about 5,000 looms in all.

The quantity of piecegoods produced in the Province now is nearly ten times what it was twenty years back. Though the achievement is by no means negligible, there is plenty of room for further development. On the basis of 14.17 yards *per capita* consumption in India, Bengal's demand for piecegoods amount to 730 million yds. The mills in Bengal are able to supply only about one-seventh of this demand, the rest being met from the supply of other provinces and foreign countries. The scope for development in the Province is, therefore, about six-fold.

The other major industries of the Province are coal mining, tea, sugar, paper and iron and steel industry. The coal mines of Bengal contribute one-fourth of the total Indian coal production. In 1931, Bengal's output was 5.8 million tons out of 20.7 millions in India. Raneegeunge is the most important coalfield of Bengal. The welfare of this industry is of great importance to this Province. The tea industry of Bengal has absorbed a large amount of capital and is concentrated in Jalpaiguri and Chittagong. This industry engages on an average 200,000 people. As regards the sugar industry though it has made rapid progress elsewhere in India under the aegis of protection, in Bengal its development has been very poor. This is really a matter for surprise when the soil and climate which are very favourable for the cultivation of sugarcane are taken into account. The estimated production in Bengal in 1934-35 is 11,000 tons, whereas the demand is approximately 130,000 tons. When the various natural advantages which Bengal enjoys in regard to this industry by way of favourable soil, cheap labour price, advantage in railway freight as compared with sugar from other provinces are considered, it is apparent that the industry has a great future when it begins to be developed in right earnest. In regard to the paper industry, Bengal stands supreme in India. There are three well-equipped and large paper mills in the Province. The paper production of Bengal in 1931 was 35,000 tons out of the total Indian production of 40,000 tons. A big factory for the manufacture of steel castings, scrap, etc., is being constructed at Belur a few miles from Calcutta. The factory will commence to work within a few months from now.

Apart from these large-scale industries, there are the medium size industries and the small-scale industries providing employment for many in the Province as well as occupy-

ing an important position in the economic structure of the Province. Some of the medium-sized industries are chemicals, toilettes and soaps, electric fans, electric bulbs, paint, varnish, glass, match, shoe-making, hosiery, flour mills, oil mills, rice mills etc. All these have shown considerable expansion during the last few years. The small-scale or cottage industries are those which have been carried on from time immemorial in the villages. They form a vital part in the economic structure in that they provide alternate sources of employment to millions of under-employed agriculturists.

Handloom weaving is the most important cottage industry and is widely spread throughout the Province. It is true that the world famous muslin weavers of Dacca are all dead and gone and the very cotton with which they wove their fine webs are grown no more and is probably even extinct. And yet, even to-day their descendents are carrying on against great odds, if not the weaving of muslins, at least the manufacture of some fine hand-woven cloth. Though no statistics are available as to the total output and the price realised of these handloom products, both must be very appreciable. It is a matter for congratulation that the Government of India should have realised the importance of the handloom industry for India and undertaken to provide five lakhs of rupees for that purpose annually. Bengal is given a grant of Rs. 35,000 for the current year and Rs. 80,000 from the next year. The brass and bell metal industry of Bengal is the next most important cottage industry of the Province and the value of the products annually produced amounts to several lakhs of rupees. Amongst the other cottage industries, the more important ones are cutlery, pottery, fishing, silk weaving and rearing, mat and coir making, ceramics, toy making, button making etc. The cottage industries of Bengal have recently been given a fillip by the keen interest shown by the Department of Industries in Bengal which has undertaken the resuscitation of several industries and have been also training many *bhadrolok* young men into such industries. The rural industry all over India are also likely to see better days, because two forces, the Government as well as that of the Indian National Congress, are now definitely getting to be ranged on its side. The Congress has started the All-India Village Industries Association under the guidance of that dynamic personality, Mahatma Gandhi, in order to preserve and foster the cottage industries. The Government of India have also set apart

one crore of rupees for distribution to the various provinces for the development of their village industries.

The joint stock enterprise has made more headway in the Province than elsewhere in India. In regard to the total number of joint stock companies, Bengal is responsible for nearly half of that existing in India. Although the total amount of paid-up capital invested in these companies in Bengal is slightly larger than that of Bombay, the Companies in the latter province have a far more substantial basis. In 1930-31, out of 7,328 joint stock companies in India, Bengal had 3,652 and Bombay 959. In the same year out of the total paid-up capital of Rs. 283 crores in India, Bengal contributed Rs. 112 crores and Bombay Rs. 98 crores. The average capital of a company in that year was Rs. 10,19,000 for Bombay while for Bengal it was only Rs. 3,06,000. The number of joint stock companies in Bengal in 1933-34 was 4,680 and their paid-up capital amounted to Rs. 133 crores. In her investments and paid-up capital, Bengal comes third only in regard to joint stock banks, after Bombay and Madras. In regard to insurance railways and tramways and mills and presses Bengal's invested capital is second only to that of Bombay in India. In loan offices, tea and coal, her joint stock enterprises are the most important in India from the point of view of capital invested. The loan offices of Bengal are companies doing banking business mainly in the rural parts of Bengal. These companies were originally started sometime in 1850 about the time the Nidhis of Madras were started. The development of the loan offices and the Nidhis are to a certain extent parallel. The main difference between the two in their method of business is that while the former approximates more to commercial land mortgage banks, the latter more to commercial joint-stock banks. The working capital of these loan offices amounting to about Rs. 9 crores are very largely locked up in landed properties.

Bengal's share of the foreign trade of India range between 25 and 30 per cent. The following figures show the contribution of Bengal towards India's foreign trade.

IMPORTS OF MERCHANDISE

(Lakhs of Rupees)

	1933-34	1934-35	1935-36
Bengal	82.83	86.15	88.68
India	115.86	132.20	184.89

EXPORTS OF MERCHANDISE
(Lakhs of Rupees)

	1933-34	1934-35	1935-36
Bengal ...	63,69	62,72	66,86
India ...	150,67	155,22	164,25

In regard to the total exports, Bengal comes second amongst the provinces giving the pride of the first place to Bombay. In regard to total imports, however, the table is reversed.

The chief imports are cotton piecegoods, metals and ores, machinery and millware, sugar, mineral oils, hardware, spices, motor cars, provisions, paper, tobacco, paper-making materials, liquor, chemicals, salt. Similarly, the important exports are jute manufactures, jute raw, tea, shellac, hides and skins raw, metals and ores, oil-seeds and rice. The following figures give the more important imports into and exports from Bengal during the last three years.

IMPORTS INTO BENGAL
(Lakhs of Rupees)

	1933-34	1934-35	1935-36
Cotton piecegoods ...	3,22	4,71	4,49
Metals & Ores ...	8,36	4,18	4,91
Machinery & Millwork ...	5,16	4,65	5,94
Sugar ...	31	25	20
Mineral oils ...	1,82	1,56	1,20

EXPORTS FOR BENGAL

(Lakhs of Rupees)

	1933-34	1934-35	1935-36
Jute Manufactures ...	21,07	21,20	23,22
Jute Raw	10,87	10,86	18,57
Tea ...	15,84	15,86	15,40
Shellac ...	1,94	2,67	1,04
Hides & Skins raw ...	2,11	1,23	1,65
Seeds ...	2,12	1,30	1,22
Rice (not in the husk)	95	92	88

Bengal imports, normally, one fourth of the piecegoods imported by India, one third of metals and ores and 40 per cent. of the Indian imports of machinery and millwork and sugar. Between 25 and 35 per cent. of the Indian imports of mineral oil is also imported by Bengal. So far as exports are concerned, practically the entire Indian exports of jute manufactures, jute raw and shellac are from Bengal. Excluding Burma, Bengal exports the largest amount of rice amongst the provinces of India. 70 to 80 per cent. of tea and about two-thirds of the hides and skins raw, exported from India are also from Bengal.

BOMBAY

Even Bombay, the premier industrial province of India, has agriculture as its principal industry. 65.9 per cent. of the total earners and working dependents follow agriculture as their main avocation. The following figures show the occupational distribution of people in Bombay and in India in 1931.

	Bombay	India
1. Exploitation of animals and Vegetation ...	65.9	67.11
2. Exploitation of Minerals	0.1	0.28
3. Industry ...	11.9	9.97
4. Transport ...	2.3	1.53
5. Trade ...	5.3	1.53
6. Public Finance ...	0.7	5.15
7. Public Administration ...	1.6	0.55
8. Professions and Liberal Arts ...	1.7	1.50
9. Persons living on their income ...	0.3	0.14
10. Domestic Service ...	2.1	7.08
11. Insufficiently described occupation ...	5.9	5.05
12. Unproductive occupation	2.2	1.05

The figures reveal that, when Bombay is spoken of as the industrialised province of India, it has to be taken as being so only

very relatively. Those living by exploitation of animals, vegetation and minerals are a little less than in India as a whole. Industry, transport and trade especially have a better following in the Presidency. Wherever there is a good demand for labour from industries the people seldom show any preference for domestic service. Probably this accounts for only 2.1 per cent. of the people in India as a whole. The prosperity of the province in comparison with the rest of India is also shown by the fact that, while the persons living on their income are only 0.14 per cent. in India, in Bombay Presidency alone they number 0.30 per cent., which is double the all-India figure.

In 1931-32 the total area sown in the Presidency was 34 million acres. Bombay's total sown area comes third in rank amongst the provinces of India after the United Provinces and Madras. Out of the 34 million acres in the Presidency, rice occupies 3 million acres, wheat 2 million acres, jowar (cholam or the great millet) 8 million acres, Bajra (cumbu or the spiked millet) 5 million acres, gram 1 million acres and

other food grains 3 million acres. In the total output of jowar and bajra, Bombay takes the lead in India. Of the other chief crops, cotton and fodder crops are the most prominent ones. The former is grown on 4 million acres and the latter on 2½ million acres. In the cultivation of cotton, Bombay stands second in India after C. P. and Berar and in regard to the fodder crops also she ranks second after the Punjab.

Just as jute is the main commercial crop of Bengal, cotton is the principal commercial agricultural produce of Bombay. If the Indian States in the Presidency are also included, the total yield of cotton in Bombay is the largest in India. Nearly a third of the total Indian cotton production is accounted for by the Bombay Presidency (including the Indian States). The total yield of cotton in Bombay and its Indian States in 1931-32, 1932-33 and 1933-34 was 1,322,000, 1,405,000 and 1,365,000 bales respectively. The total Indian production in the same year amounted to 4,088,000, 4,437,000 and 4,633,000 bales respectively.

Though at first sight it may well appear, that the co-operative movement has not made the same progress in the Bombay Presidency as in the two or three other provinces of India, when the total membership of the co-operative societies and the working capital put up by the Province is considered in relation to the population of the province, it would be readily found that Bombay does not lag behind the apparently more co-operative-minded provinces of India. The number of members in the co-operative societies in 1932-33 in the Bombay Presidency formed 2.65 per cent. of the population as against 1.34 per cent. in India. Punjab alone amongst the major provinces of India has a slightly higher percentage in this regard than Bombay. The total working capital of the co-operative organisations in the Province amounted to Rs. 15,81 lakhs in 1932-33. From the point of view of the total capital, Bombay no doubt stands fourth amongst the major provinces of India after Punjab, Madras and Bengal. When the number of annas contributed per head of population is considered, Bombay comes amongst the major provinces as second with 115 annas giving the pride of place to the Punjab.

As elsewhere in India, the co-operative societies in Bombay are mainly agricultural credit societies. The non-credit co-operative movement though a little more active in this Province, is by no means impressive. The co-operative credit societies, again, as in the rest of India, supply only the short-

term credit needs of the agriculturists. Barring a very few land mortgage banks there are no institutions co-operative or non-co-operative, to meet the long-term credit requirements of the agriculturists. It is really a matter of surprise that Bombay, which is very advanced generally in all matters should have neglected to start well-equipped land mortgage banks which are absolutely essential to the agricultural population situated as it is to-day.

The cotton textile industry is the main and most flourishing industry of the Bombay Presidency. In the national economy of India the cotton textile industry occupies a position, which is second only to that of agriculture; and even to-day Bombay takes the foremost place in the cotton textile production. This industry is an old and well-established industry and is carried on very largely under Indian management and Indian capital. The two chief centres of the industry in the Presidency are the Bombay Island and Ahmedabad.

Amongst the several new industries now gathering momentum in the Bombay Presidency, the most important is the manufacture of matches. There are eight factories established in the neighbourhood of Santa Cruz, Ghodbunder, Rurla and Thana. In 1932-33 there were 14 cigarette factories doing good business. The assemblage of motor cars has now become a regular and well-established industry in the province. In addition to a number of factories for tanning hides and skins, there are also factories for the manufacture of bakelite materials, electric fans, pins and needles, dry cells, razor blades, soaps, glasses, chemicals, pottery, paint, carbon, paper, etc.

Three things necessary for the industrialisation of any locality are the local supply of raw materials, power, whether coal, oil or electricity, and capital. All these three Bombay has or is getting to have in plenty. As regards capital, Bombay is the home of two principal and rich mercantile communities of India, *i.e.*, the Parsis and the Gujaratis. For its principal industry, namely the cotton textile industry, Bombay not only itself grows cotton but also can easily obtain from its neighbouring provinces, Central Provinces and Berar and Madras. Bombay has, however, no oil or coal. She was till recently dependent for her power requirements on the coal from Bengal and C. P. in India or the South Africa. Bombay during the last two decades has done much to remove this disability. The Hydro-electric works, which are now in operation in the Presidency and which gene-

rate electric power some fifty miles away on the Ghats, manage to meet a very considerable part of the power requirements of the Province. As the Hydro-electric schemes of India are dealt elsewhere in great detail it is unnecessary here to dilate on them.

The handloom weaving industry in common with the other major provinces of India, is the most important cottage industry in the Bombay Presidency. Almost every district carries on handloom weaving in spite of all competition from the machine-made fabrics. In Poona, Nasik, Dharwar, Sholapur and Belgaum districts alone, there are reputed to be nearly 2 lakhs of weavers. Saries and Turbans are the more famous products of Bombay handloom weavers. Silk is woven in Ahmedabad, Nasik, Thana and Surat Districts. Dyeing is conducted in the Maratha districts as well as in Gujarat and Kathiawar. Bombay silver-ware and the brass works of Poona and Nasik are well-known throughout India. The other important cottage industries of the Province are lac, ivory and tortoise shell manufactures, carpet weaving, calico-printing, manufacture of gold and silver threads, kinkhabs, lacquer work, pottery, stone works, etc.

Joint stock enterprise is very highly developed in the Presidency. The total number of companies and the paid-up capital in 1931-32 amounted to 1,051 and Rs. 99 crores respectively. The paid-up capital employed in the Bombay companies represent fully one-third of the total paid-up capital in India. Though in the total amount of paid-up capital, Bombay yields the first place to Bengal, from the point of view of financial strength and soundness of its companies, Bombay stands foremost in India. If Burma is excluded, the average capital of Rs. 9,41,000 per Bombay company in 1931-32 represents the highest average amongst the major provinces of India. In the total paid-up capital invested in Banks, insurance companies, transit and transport companies, and mills and presses, Bombay Presidency occupies the first place in India. In regard to the paid-up capital invested in trading and manufacturing companies Bombay occupies the second place after Bengal.

Bombay's share in the foreign trade of India on an average works out to about

40 per cent. The following tables illustrate Bombay's share in the total Indian trade:—

IMPORT OF MERCHANDISE

(Lakhs of Rupees)

	1933-34	1934-35	1935-36
Bombay ...	46,10	53,70	54,51
India ...	115,86	132,27	134,39

EXPORTS OF MERCHANDISE

(Lakhs of Rupees)

	1932-33	1933-34	1934-35	1935-36
Bombay ...	25,14	30,50	32,40	33,11
India ...	135,49	150,67	155,22	164,25

In regard to the total imports Bombay stands first in India and Bengal is second, whereas in the case of the exports the position is exactly reversed.

The chief imports into the Bombay Presidency are cotton goods, metals and ores, machinery, sugar, motor cars, oils, raw cotton, cotton twist and yarn, artificial silk, silk manufactures, instruments, dyeing and tanning substances, woollen goods, paper, hardware, glass and glassware and drugs and medicines. The chief exports are raw cotton, oilseeds, cotton manufactures, raw wool, cotton yarn, oil cakes and grains, pulse and flour. The following table gives the more important imports into and exports from Bombay during the last three years:—

IMPORTS INTO BOMBAY

(Lakhs of Rupees)

	1933-34	1934-35	1935-36
Cotton piecegoods .	4,44	4,94	4,38
Cotton raw ...	3,42	5,01	6,37
Machinery and Mill-work ...	4,22	4,27	3,01
Metals and Ores ...	3,10	3,61	3,59
Oils ...	1,94	2,19	2,18
Silkgoods ...	2,42	2,29	1,76
Cotton twist and yarn ...	87	1,37	1,68
Sugar ...	1,00	81	83
Motor cars ...	88	1,36	1,26
Woollen goods ...	86	1,37	96

EXPORTS FROM BOMBAY

(Lakhs of Rupees)

	1933-34	1934-35	1935-36
Oil seeds ...	4,60	3,23	3,02
Cotton piecegoods ...	81	94	1,18
Cotton twist and Yarn ...	78	59	44
Wool raw ...	88	40	70

One-third to one-fourth of the total Indian imports of piecegoods and sugar are imported by the Bombay Presidency. One-third of Indian imports of metals and ores, machi-

nery and millwork and cotton twist and yarn are also absorbed by the Presidency. One-third to one-half of oils (mineral) and one-half of the Indian imports of motor cars also find their way into Bombay Presidency. 35 to 40 per cent. of the woollen goods and five-sixths of the silk manufactures imported by India are taken by Bombay. Practically

all the Indian imports of raw cotton are destined for the Bombay Presidency.

Of the exports, practically the entire Indian export of cotton twist and yarn, 60 per cent. of raw cotton, one-third of oil seeds, one-half of the piecegoods and about 40 per cent. of the raw wool exported from India are all from the Bombay Presidency.

MADRAS

A scrutiny of occupational statistics of various countries will show that the proportion of people engaged in domestic service to total workers is a rough gauge of the extent of industrialisation. The total workers and working dependents in Madras Presidency according to 1931 census is 28.92 million, out of which 13.35 million or 46.17 per cent. follow exploitation of animals and vegetation. The people engaged in the domestic services amount to 7.79 million or 26.94 per cent., which is the highest percentage amongst the major provinces of India. This high percentage, high even for Madras can be explained largely by the fact that domestic servants also engage in agriculture. The following figures show the distribution of workers and working dependents and the percentage borne by each group of occupation to the total.

	Total Workers & Dependents (millions)	Percentage borne to the total workers and Dependents
Exploitation of Animals and Vegetation	13.35	46.17
Industry	2.55	8.81
Transport	0.88	1.85
Trade	1.22	4.25
Public Finance	0.06	0.21
Public Administration	0.18	0.62
Profession and Liberal	0.88	1.81
Persons Living on their income	0.08	0.10
Domestic Service	7.79	26.94
Insufficiently described	2.78	9.65
Unproductive	0.17	0.59

On account of a change in the method of classification, the Madras figures are not exactly comparable with that of the All-India census figures. It may, however, be stated confidently that the proportion of people following domestic service is probably the highest in this province and that trade, industry and transport have all a lesser following in the Madras Presidency than in Bombay or Bengal Presidencies and in all probability lesser than even the All-India

census figures. The people following the exploitation of minerals are only about 15,000 and for all practical purposes that group need not be taken into consideration. When the mines and quarries are few, no wonder that there are very few who followed the calling of mining or quarrying. The proportion of people living on their income in the Presidency is also lower than that for the whole of India.

Agriculture is the mainstay of the people in Madras in common with the rest of India. The total area sown in 1931-32 in the Province was 38 million acres which is very nearly a seventh of the total sown area in India. Madras comes second in this regard in India after the United Provinces. Rice, the staple food of the people of the Province, naturally occupies the largest acreage. Rice is cultivated on 12 million acres, Jowar (Cholum or the great millet) 5 million acres, Bajra (Cambu or spiked millet) 3 million acres, Ragi (Marua or millet) 2 million acres and other food crops 7 million acres. Madras stands, amongst the Indian provinces, first in the cultivation of ragi, second in the case of Jowar third in Bajra and fourth in regard to rice. When the total acreage of 205 million under food grains in India is considered, it would be found that Madras with 29 million acres under food grains stands second, yielding the first place only to the Punjab. In the cultivation of oilseeds, spices and coffee. Madras occupies the premier position in India. Out of 16 million acres under oilseeds in India, as much as 4½ million acres are accounted for by Madras alone. Nearly half the land under condiments and spices in India are to be found in this Presidency. The cotton cultivation is also an important industry of the province, as Madras stands third amongst the provinces of India growing cotton. The acreage under cotton cultivation in 1931-32 in the Presidency was 2 million acres.

The agriculture of the Province owes not a little to the agricultural and the irrigation departments. The former have always been on the alert to find out improved seeds and

manures, and the latter in improving the irrigation facilities of the Province. The Madras Presidency has at present some of the finest irrigation works in the world. The Mettur irrigation project which was recently completed is one of the largest of its kind in the world. In 1931-32 the area irrigated in the Presidency was 9.2 million acres and then Madras stood third amongst the provinces of India in regard to the area irrigated.

Although the progress of the co-operative movement in the Madras Presidency is nothing impressive it, has been heartening enough. Madras has the largest number of co-operative society members in India. In 1932-33 the total number of members of primary societies was 898,231, which is a fourth of the total members in India. The working capital of the co-operative organisations in 1932-33 amounted to Rs. 17.30 lakhs and in this respect Madras comes second only to Punjab which has a crore and a half more.

Madras is the most progressive province in regard to the land mortgage banking. No other province has come anywhere near it. The establishment of the Madras Co-operative Central Land Mortgage Board in 1929 to finance the local and the primary mortgage bank by centralising debenture issues marks the starting point of a systematic development of the land mortgage banking in the Province. There are at present about 38 primary land mortgage banks in the Presidency attempting to meet the long term agricultural credit needs of their localities. Though only a start has been made so far, the beginning has been so good that it augurs well for the future.

The non-credit side of the co-operative movement, in common with the rest of India, Madras has not developed. There is, however, one exception. The Triplicane Co-operative Society, which is a consumers' society has been a very successful institution. It is the biggest of its type not only in India but in the whole of East, if Japan is excluded.

The large scale industries of the province are cotton textiles, tanning of hides and skins, jute mills, oil milling, coir making, aluminium utensils making, match and pencil making, soap manufacture, saw milling and sugar. Of these, the cotton textiles and tanning are the more important industries. There are about 28 cotton mills, 4 Jute mills and 12 hosiery mills. In the tanning industry Madras leads ahead all the provinces of India.

If the Madras Presidency has not been

industrialised to the extent the other two presidencies have been, it is because the Presidency has been suffering from a woeful lack of power resources. There are no coal mines within the Presidency and to get coal either from Bengal or C. P. is almost prohibitively costly. The only resource, that could be developed within the Presidency, is the Hydro-Electric power. More than a mere start has been already made in this direction; and it could be safely predicted that within 20 years the Hydro-Electric power would have been sufficiently developed all over the Presidency, and the greatest handicap to its industrialisation would be removed. The Hydro-Electric projects and undertakings are dealt elsewhere in detail.

The important cottage industries of the Province are cotton and silk handloom weaving. Tanjore, Madura, Kuttalam, Kurnool, Adoni, Arni, Cocanada, Salem and Coimbatore are some of the very important centres of silk and cotton weaving. Carpets are made at Ellore, Ayyampattai, and Masulipatam. Vellore, Ganjam, Madura, Travancore, Vizagapatam, Tanjore and Kumbakonam are famous for their metallic wares, Trichinopoly and Dindigul are noted all over the world for cigar manufacture.

Madras Presidency was the first in India to have an efficient department of Industries. The Department has to its credit the starting of the first up to date aluminium, soap, pencil and paper factories in India. This department has been in general taking a greater interest and actively helping the cottage industries as well as the major industries by taking part in, as well as organising, exhibitions, conducting researches, training pupils and starting new ventures, and similar departments in the other provinces of India.

As in the case of industries in the Joint Stock enterprise also, Madras Presidency ranks third amongst the provinces of India (excluding Burma). This is easy to understand. Unless industries flourish Joint Stock enterprise cannot thrive, and a parallel can generally be always found in and locally between its industrialisation and growth of joint stock companies. The Presidency stands third in India in respect of the paid-up capital invested in Banks, Mills and Presses, second in regard of tea and other planting companies and fourth in insurance companies, (Burma being excluded). The paid-up capital of all the companies in 1931-32 amounted to Rs. 15 crores out of the total Indian paid-up capital of 286 crores.

The Madras Presidency comes third after Bombay and Bengal in its contribution to the foreign trade of India. The following figures give the imports and exports of merchandise as well the total foreign trade of the Madras Presidency and India.

IMPORTS OF MERCHANDISE

(Lakhs of Rupees)

	1932-33	1933-34	1934-35
Madras Presidency ...	14.81	17.35	15.71
India ...	115.86	132.25	134.39

EXPORTS OF MERCHANDISE

(Lakhs of Rupees)

	1932-33	1933-34	1934-35
Madras Presidency ...	24.71	25.26	26.91
India ...	1,55.67	155.22	864.25

The chief imports into the Madras Presidency are Metal and Ores, Cotton Manufactures, Machinery, Millwork, Oils, sugar, cotton twist and yarn, vehicles, hardware, dyeing and tanning substances, paper and pasteboard, rubber and chemicals. The main exports from the Presidency are oilseeds, tanned hides and skins, tea, cotton manufactures, coffee, spices, coir raw and manufactured. The following are the more important imports into and exports from

the the Presidency during the last three years:—

IMPORTS INTO THE PRESIDENCY

(Lakhs of Rupees)

	1932-33	1933-34	1934-35
Iron and ores ...	1.40	1.57	1.87
Cotton piece-goods ...	1.86	1.57	1.19
Machinery and Millwork ...	1.45	1.56	1.67
Oils ...	1.01	5.09	1.03
Cotton Twist and Yarn ...	54	64	69
Sugar ...	56	48	33
Motor Cars ...	24	33	33

EXPORTS FROM THE PRESIDENCY

(Lakhs of Rupees)

	1932-33	1933-34	1934-35
Oilseeds ...	6.18	5.68	5.80
Tea ...	3.90	4.36	4.42
Tanned Skins ...	2.90	3.02	2.75
Tanned Hides ...	2.29	1.91	2.21
Cotton raw ...	1.11	1.74	.97
Coffee ...	1.02	.73	1.01
Cotton piecegoods ...	.83	.82	.84
Rice (not in the husk)			
Machinery and Millwork ...	.80	.83	.86

Of the total Indian imports, about 15 per cent. of metals and ores, 1/10th of cotton piecegoods, 1/9th to 1/10th of machinery and millwork, 1/6th of oils, 1/5th of sugar, 1/4th to 1/5th of cotton twist and yarn and 1/8th of motor cars are imported by the Presidency.

Of the exports from India, nearly 50 per cent. of the oilseeds and cotton 1/4th to 1/5th of tea, and practically all of coffee, tanned hides and tanned skins are contributed by the Presidency.

THE UNITED PROVINCES

The United Provinces is seventh of the provinces of India in size, having an area of 112,191 sq. miles of which 5,943 constitute the States. In point of population, however, the U. P. ranks third with a total population of 49,619,833 of which 1.2 million is accounted for by the States. In its main features, the economic life of the United Provinces is not different from that of the rest of India. In the matter, however, of distribution of occupations, the United Provinces has certain notable features; firstly, the proportion of "exploitation of animals and vegetation" at 74.5 is higher than that of the other important provinces like Bengal, Bombay, Madras

and the Punjab and is lower than that of only Bihar and Orissa, Central Provinces and Assam. If the extent of dependence on agriculture is a clue to the industrialisation of a province, then, one should say that the United Provinces comes next to all other major provinces in point of industrial development. But the proportion which industry bears to the total number of occupations, is higher at 11.7 per cent. than that of the major provinces inclusive of Bombay. But Punjab stands out with the far higher percentage of 17.0.

In transport, United Provinces has a proportion higher than that of Madras and C. P. and Bihar and Orissa, equal to that

of Bombay and lower than that of the Punjab and Bengal. The distribution of

occupation for all the provinces is given below:—

	Assam	Bengal	Behar and Orissa	Bombay	Burma	Central Provinces	Madras	Punjab	United Provinces	Hyderabad State
Exploitation of animals and vegetation	31.4	68.0	74.7	67.6	67.8	80.0	46.2	68.4	74.5	56.8
Exploitation of Minerals ...	0.4	0.2	0.8	0.1	0.6	0.2	0.1	0.1	...	0.4
Industry ...	8.8	8.8	8.3	11.8	11.8	8.3	8.8	17.0	11.7	10.7
Transport ...	1.7	2.0	0.9	2.0	4.1	1.2	1.8	2.1	.9	4.5
Trade ...	8.8	6.8	4.4	5.1	9.3	4.4	4.2	6.0	5.1	11.9
Public administration, Professions and liberal Arts ...	1.8	2.8	1.7	3.9	4.4	2.0	2.2	4.1	2.0	3.8
Others ..	2.6	1.14	9.2	10.0	2.6	3.9	3.72	7.8	5.8	11.9

The total area under cultivation, according to the last report of the Department of Agriculture to hand is 43.2 million acres, of which 7.84 million are double crop. Not less than 3.8 million acres are devoted to the growing of fruits. The United Provinces may boast of a fair share of the important agricultural staples of India. Of wheat, out of the total of 34.4 million acres, the U. P. has as much as 7.67 million. While the total annual production of Indian wheat is 9.70 million tons, the U. P.'s share comes to 5.5 million. The U. P. has more than half the total acreage under sugar cane. While the area under sugarcane in India is only 4.007 million acres, U. P. alone claims as much as 2.249 million. From the standpoint of yield, the U. P.'s share is even higher, being 3.336 million tons out of a total of 5.905 million tons. In cotton, rice and linseed, the U. P.'s share is far less. While the total Indian acreage under cotton is 23,830 acres, only 715,000 acres are in the United Provinces. The U. P.'s cotton production of 194,000 bales is but a small proportion of the total Indian output of 4,807,000 bales. The area under rice of the U. P. is only 6.69 million acres out of a total acreage for All-India of 44.5 million. The output of rice of the province is 1.99 million tons against 30.26 million tons for the whole country. 8,45,000 acres are devoted to the growing of linseed and the U. P.'s output of linseed is 199,000 tons against 418,000 tons for all India. Agriculture in the U. P. must be said to have a bright future before it. At present, however, conditions are not as one would wish them to be; for the depression has hit the United Provinces hard and the finances of the Province have been altogether upset. The report of Sir

Otto Niemeyer,, while referring to the undoubted need of the provinces for help from the centre, is also confident that in the future, the U. P. could be numbered as one of the major provinces of India and that the financial help which the Central Government now makes is, purely, of a temporary kind. In considering the prospects of agriculture of this province, reference may be made to the fact that the Sarda Irrigation Canal, on which work was started in 1921, was opened in the main branch in 1928. This comprises some 4,000 miles of main channel and distributories and 1,200 miles of drains over an area of 6 million acres, of which on an average of 1,350,000 is expected to be irrigated annually by its means. New masonry wells to the number of 150,315 were constructed during the decade covered by the last census, mostly at the expense of the cultivators themselves. The principal crops are rice, millet, wheat, barley and pulse. In sugarcane the U. P. has the means of improvement both to agriculture and to the industry of the province. The outlook of U. P. may be said to have changed almost beyond recognition with the institution of a policy of protection for the Indian Sugar Industry. The Government have attempted to distribute the benefits of such a favoured industry by passing legislation for the enforcement of minimum prices for sugarcane. What Bombay Presidency is for the cotton mill industry, the United Provinces may be said to be for the sugar industry. The development of this industry has made up for the weakness of the U. P. in its lack of subsidiary occupations. It is noteworthy too that the United Provinces is alone among the provinces of India for its small number of handlooms which accord-

ing to the report of the Cotton Textile Tariff Board of 1932, is only 75,000, while hardly any province excepting Dehi and N. W. F. Province has less than a lakh of looms.

It must also be mentioned that in cattle breeding the U. P. is ahead of most other provinces of India. It is reputed to be the largest importer of cotton; and it can boast of 4 cattle breeding farms, managed by government in Muttra, Jhansi and Khevi districts and in Bhabar and Therai estates.

It is also likely to derive the largest benefit from the impetus given by His Excellency Lord Linlithgow to cattle breeding in India.

By far the most encouraging aspect of the economic life of the United Provinces is the spread of hydro-electric power mainly for purposes of agriculture, and the resulting scientific outlook in regard to problems affecting agriculture. It is also noteworthy that, according to the banking enquiry Committee, 46 per cent. of agricultural tenants and peasant proprietors were free from debts and 22 per cent. owed less than two years' rents, though a larger number of landlords were in debt and their debts were very much greater.

As regards industry, the U. P. may well claim that it has the most well-distributed industrial activity, compared to the other provinces. It has been already pointed out that the occupational statistics suggest a higher degree of industrialisation than in

most other provinces. Another circumstance pointing towards the same conclusion is that the U. P. has a larger number of cities than Madras or the Punjab or the C. P., not to speak of Bengal. But this, it must be added, is due largely to the historic importance of the cities and not to the concentration of population which industrial activity invariably brings about. Nevertheless, large aggregations of population promote brisk activity in trade and commerce, if not industry. And active business helps the development of industrial concerns; and this must explain to some extent the variety of the industrial life of the U. P. But this, again, rests on the variety of its natural resources. It has been mentioned already that in the sugar industry, the U. P. has the pride of place. Sugar factories rose from 14 in 1931-32 to 68 in 1935-36. The output now stands at 374,000 tons against 202,000 tons of Bihar and Orissa. The percentage of total production is 54.7. Of cotton mills, the U. P. has a fair share, though in the production of cotton, as we have seen already, the contribution of the U. P. is far from impressive. The province has utilised its high place in the production of wheat and oilseeds to develop its own flour mills and oil mills. Small industries like soap and toilette requisites and hosiery are slowly making headway. The progress of the province in the future will, however, depend on the efforts of the Government to modernise agriculture and teach the peasant to use electric power.

PROVINCIAL LEGISLATION FOR THE RELIEF OF INDEBTEDNESS

The subject of indebtedness in general, and of agricultural indebtedness in particular, is receiving greater attention to-day as we come to grips with the problems of economic reconstruction. It is no longer merely the subject of political oratory, flaming editorials, but the practical task of Ministers and Councilors. The usefulness of a historical survey of the legislature and the administrative measures introduced from time to time in British India to deal with indebtedness cannot, therefore, be underestimated. This section makes an attempt to present in historical sequence the measures of reform that have been adopted up to date to relieve the agriculturist of his crushing burden of debt, indicating in very broad outlines, where possible, how far the measures are likely to achieve their ends. As most of the legislative enactments are only of recent origin, it is too early to pronounce any decisive verdict on them. But it is both legitimate and desirable to attempt a criticism of the measures adopted and to determine to what extent they approximate to the best that can be done in the prevailing conditions.

It is well known that, among the causes responsible for the low standard of living of the agricultural class in India and its continuous impoverishment even in areas well endowed by Nature, indebtedness should be given the first place. The total amount of rural debt for the whole of British India has been estimated by the Banking Enquiry Committee in the neighbourhood of Rs. 1,000 crores. Part of this debt, Rs. 400 crores or more, is the current debt incurred annually with the intention of repayment after the following harvest, while the rest is standing or prior debt. Owing, however, to the high and frequently usurious rates of interest which are generally charged on the current debt and various other causes peculiar to the agriculturist, the whole of it cannot be repaid after the harvest, with the result, that standing debt is continuously on the increase. The standing debt is a chronic debt readily inherited by children in discharge of the "pious obligation" of son to father.

In the words of the Royal Commission on Agriculture, 'the worst policy towards

debt is to ignore it and do nothing.' The debts were incurred at different times and at different price levels. On the basis of the existing rural debt and the present low level of agricultural prices, the agriculturists, who are affected, are most of them insolvent. It is, therefore, in accordance with established principle that their debts should be scaled down, lest there should be wholesale repudiation, with the least possible interference with existing contracts and without impairing the agriculturist's self-respect. This is not easy, as the problem raises a host of tangled issues and needs variety of measures of reform with continuous application to be fruitful of any tangible results. From the economic point of view, the farmer's problem cannot be approached like any other business, industrial or economic question, as it involves features so unique that it offers a stubborn challenge to the economist's enquiries as well as to the programmes of administrators and legislators. Further, agriculture is not merely a way of making money by raising crops, it is essentially a public function or service performed by private individuals for the care and use of the land in the national interest; and the farmers in the course of their pursuit of a living are the custodians of the basis of national life. Agriculture is, therefore, affected with a clear and unquestionable public interest and its status is a matter of national concern calling for deliberate and far-sighted national policies."

The drastic reduction of the wasteful mass of rural debt is essential for the creation of a prosperous agriculture. But it cannot be achieved by any amount of legislation such as the reduction in the rates for borrowing, special treatment of agriculturist debtors, provision for a simple rural insolvency procedure, the provision of cheap credit or even credit without interest. Real reform has to go far deeper. An energetic pursuit or rural reconstruction, that is, reconstitution of rural life in both the economic and social aspect is an urgent necessity. Amongst measures directed towards such an end, education is out and out the most important. It will teach the farmer to farm better, train him to higher social and intellectual ideals in life, enable him to value

more highly the advantages in respect of a healthier and nobler village life, where he could build up a more vigorous social community life that is the backbone of the country. The system of education should be rural in outlook and based more on observation and less on theory. The farmer will then certainly be able to assess his true worth in relation to the country and realise that in his prosperity lies the betterment of India as a whole. The horse of co-operation makes a good pair with education. The farmer will learn how to produce more and more cheaply. He will learn to put increased production to better use, how to buy and sell and work in common with his fellowmen. In other words, an ideal village reconstruction automatically solves not only rural indebtedness but a multitude of kindred problems. Any single measure of reform will leave us just where we stand.

Reforms for the relief of indebtedness have been attempted since the seventies of the 19th century, but the earliest attempts were directed mainly against moneylending. These measures again fall into general (All India) and Provincial legislations. There have also been official and special legislations undertaken from time to time in certain provinces with a view to protect the agriculturist. Latterly, there has been legislation for Debt conciliation on a compromise basis. The first attempts were made in the Central Provinces and the other provinces have followed suit. There have also been some measures attempting at compulsory reduction in the rates of interest. Last of all, there has arisen of late a demand for the provision of some sort of Rural Insolvency law such as was recommended by the Royal Agricultural Commission in para 367 of their Report. It is well to bear these in mind in our study of the attempts to solve the problem.

The Rule of Damdupat: This is an ancient principle in the Hindu law of contract, according to which interest exceeding the amount of the principal cannot be recovered at any one time although the total amount paid from time to time may far exceed the capital. The rule is recognised by courts in certain parts of Bombay, Sind and Berar and in the town of Calcutta, but is not recognised in the Bengal Presidency outside Calcutta or in the Madras Presidency. The rule exists only so long as the relationship of debtor and creditor exists, but not when the contractual relation has come to an end by reason of a decree.

The principle is not applicable to a decree for puisne mortgage nor to interest accruing

after the institution of the suit. The interest on arrears may be capitalised by subsequent agreement, but prospective interest cannot be so capitalised. The rule is not affected by the Transfer of Property Act and the Indian Contract Act or Acts relating to interest.

There is a radical defect in the rule that, if the interest is paid in smaller sums than the principal, there is no limit to the amount of interest. The Bengal Provincial Banking Enquiry Committee held that, for the rule to be really effective, a creditor should never be able to receive more than double the amount advanced and that this should be made statutory. The Bengal Moneylenders' Act, 1933 (VII of 1933) embodies this principle though not fully. Section 4 of this Act limits the amount of arrears of interest recoverable in the case of loans prior to the commencement of the Act to the amount of the principal unless there be satisfactory reasons for not enforcing the claims earlier. Section 6 stipulates that, in respect of a loan made after the commencement of this Act, no court shall decree on account of arrears of interest a sum greater than the principal. Section 30 of the Punjab Relief of Indebtedness Act (VII of 1934) also follows the same rule. Under section 30(1) no court shall in any suit brought after the commencement of this Act against a debtor as defined in Section 7 of the Act, grant a decree in satisfaction both of principal and interest for a larger sum than thrice the amount which the Court finds to have been due at the commencement of this Act. According to sec. 30(2) no Court shall, in respect of a suit brought after the commencement of this Act, decree for a larger sum than twice the amount of the sum taken as principal.

Rule for Adjustment of Debt in 1772: Even at the beginning of British rule in India, the usury then prevalent in Bengal seems to have caused concern to the administrators. On taking over the administration of the province, Warren Hastings saw its evil effects and in 1772 the Committee of Circuit framed rules for the adjustment of debt and rates of interest. Old debts shall bear no further interest once the claims are adjusted; and the amount shall be payable by kistibundee (instalment) according to the circumstances of the party. The rate of interest on principal sums not exceeding Rs. 100 should be half anna in the rupee per month and on sums exceeding Rs. 100, two rupees per cent. per month. All compound interest should be deemed unlawful and should be prohibited. When a debt is

sued for upon a bond which shall be found to specify a higher rate than the established rates, the interest should be wholly forfeited to the debtor and only the principal should be recoverable. All attempts to evade the law should be punished by a forfeiture of one moiety of the amount of the bond to Government and the other half to the debtor.

Regulating Act of 1774: By a Regulating Act of 1774 (13 Geo. Ch. 63) the maximum rate of interest as applicable to European British subjects in India was fixed at 12 per cent. per annum.

The Bengal Regulation of 1780: This regulation fixed the maximum limits for the rates of interest at 12 per cent per annum.

Act XXVIII of 1855: When the laws against usury were repealed in England in the middle of the 19th century, the usury laws in India were repealed by the above act. The rule of Damdupat remained in force in the localities mentioned before.

Indian Contract (Amendment) Act of 1879: The prevalent unrestricted usury in British India attracted the attention of Government who promulgated the Act, by which the courts could give relief to debtors in cases of unconscionable bargains on proof of undue influence where the bargain was by way of penalty.

Usurious Loans Act of 1918: The Usurious Loans Act of 1918 empowered a court, where there was a reasonable ground to believe that the rate of interest was excessive and the transaction was substantially unfair, to reopen the transaction and relieve the debtor of excessive interest, even though there is an agreement to close previous dealings and open a new account.

Usurious Loans (Amendment) Act of 1926: This enabled suits by debtors for redemption of securities. The period of limitation was extended to 12 years.

These are the All-India legislations directed against usury; and Provincial legislations against usury and regularisation of money-lending are dealt with below:

The Punjab Regulation of Accounts Act, 1933: The Act applies the rule of Damdupat as said before. It lays down that rates of interest above 15 per cent. in the case of secured loans and 25 per cent. in the case of unsecured loans or where there is a stipulation of rest at intervals of less than six months are to be presumed to be excessive under the Usurious Loans Act. It prohibits the recovery of compound interest at the rate of more than 10 per cent. This Act enables the debtor to obtain full particulars of his debt from his creditor.

The rates of interest were later on thought to be excessive and an amendment was proposed to be introduced in 1935 limiting the maximum rate of interest on secured and unsecured loans at 6 and 9 per cent. respectively and the rate for compound interest at 3 per cent. The amending bill was also intended to strictly enforce the Damdupat rule, so that in no case could a creditor recover interest, paid and to be paid, in excess of the principal sum. The matter is still under consideration.

The Usurious Loans (Central Provinces) Amendment Act, 1934 (XI of 1934), the C. P. Moneylenders' Act, 1934 (XIII of 1934), the Central Provinces Moneylenders' (Amendment) Bill of 1935, the Central Provinces Reduction of Interest Bill of 1936 are allied legislations in the Central Provinces, all of which attempt to protect debtors from being unduly mulcted by creditors. The last of the measures proposes to limit the rate of interest for debts above Rs. 5,000 at 9 per cent. on secured and 13 per cent. on unsecured loans and 6 per cent. of compound interest is to be charged with yearly rests. For loans under Rs. 5,000 the maximum for secured and unsecured debts would be 10 and 15 per cent. respectively while compound interest cannot be charged at more than 7½ per cent.

The N. W. F. P. Usurious Loans (Amendment) Act, the Madras Debtors' Protection Act, 1935 (VII of 1935), the Madras Debtors' Protection (Amendment) Act, 1935, also have the same object in view and limit the rates of interest on secured and unsecured loans to 12 per cent. and 18 per cent. respectively.

The Assam Moneylenders' Act, 1934: The Act is on the lines of the Bengal Moneylenders' Act, 1933; but the rates of interest are much lower.

Burma has also been up with legislation for protection of debtors. A bill has been introduced on the lines of the (Punjab Regulation of Accounts Act, 1930 and the Madras Debtors' Protection Act, 1934 with a few modifications. The agriculturists of the rural area and the clerks, artisans, the middle and labouring classes in towns in Burma seem to require protection against the moneylenders. The manner of pledging jewellery and of the consequent sale usually associated with moneylending in Burma has been far from satisfactory. The shrewd moneylenders have been exacting to an unconscionable degree from the ignorant and illiterate Burmese agriculturist debtors. The rates of interest charged were unusually high. The bill seeks to regulate the

keeping of accounts by creditors and to protect debtors by limiting the rates of interest to 12 per cent. and 18 per cent. on secured and unsecured loans respectively. Reasonable penalties have also been prescribed for violators of the law.

Similar legislations are also in contemplation in Bombay and the Punjab. Special legislation has also been undertaken from time to time to protect agriculturists in the provinces.

The Deccan Agriculturists' Relief Act of 1879: The Act provides some protection for agriculturist debtors by way of security from alienation of the debtor's property except under extraordinary circumstances and the exemption from attachment of certain properties and so on. The reduction of rates of interest can also be reviewed by the Court and a summary insolvency procedure sanctioned, if deemed proper by the Court. The Act has almost been a dead letter; and the procedure, which the courts have to follow, are cumbrous and far too expensive for debtors belonging to the cultivating class. As a result, the Act has not brought the relief to the peasant-debtor which was expected of it.

The Punjab Land Alienation Act of 1900: The Act came into force in 1901. Its main object was to prevent the small peasant proprietor being expropriated by the village moneylender. The non-agriculturist classes have been greatly restricted in the acquisition of land, they are not allowed to buy land from a member of the agriculturist tribe nor may they take it on a mortgage from the latter for more than twenty years. At the end of the period the mortgage automatically lapses without payment; and so the nominal value of debt secured by mortgage varies with the age of the mortgage. But it has given rise to the agriculturist moneylender, and borrowing, which the Act sought to discourage, has become again as easy as ever.

The United Provinces Agriculturist Relief Act, 1934: The chief provisions of the Act are

(1) Empowering courts to order for repayment of agricultural debts in easy instalments spread over a period exceeding twenty years.

(2) Limitation of rates of interest admissible after a decree to 2 and 3 per cent. according to circumstances.

(3) Facility to redeem mortgages and limitation by possessory mortgages to a period not exceeding 20 years after which

possession should be relinquished in favour of the debtor.

4. Regulation of the rates of interest recoverable on loans taken since January 1917 and the limitation of rates for borrowing after the Act comes into force as the Local Government may stipulate from time to time.

5. Stipulation of the rate of interest after a sum equal to 100 per cent. of the principal in the case of secured loans and 150 per cent. of the principal in the case of unsecured loans has been realised or accrued as interest.

6. Courts can reopen past decrees and make reasonable and just amended awards.

7. Creditors should maintain a correct account for each agriculturist debtor for each loan separately and should furnish the debtor annually with a statement of account.

The Central Provinces Agriculturists Debt Relief Bill

This bill, which was introduced sometime towards the end of 1935, seeks to relieve agriculturists, who have not profited appreciably in spite of debt conciliation legislation in the province, by facilitating the payment of their debt by reducing the rate of interest to 7 per cent. on unsecured and 6 per cent. on secured loans and by securing repayments spread over a period not less than 30 years.

The Bihar Agriculturists Relief Bill 1935

The bill, intends to protect agriculturist debtors from undue exploitation; and at the same time to control the moneylenders and pawnbrokers by making their registration as professionals compulsory. A regular account is to be maintained by these moneylenders etc. in respect of each debtor and of each loan. The interest to be chargeable should not exceed 12 and 18 per cent. on secured and unsecured loans respectively, if the interest is simple, or 9 and 12 per cent. respectively, if compound interest with yearly rests is reckoned. A court cannot decree the repayment of an agricultural debt in instalments over a period not exceeding six years. The molestation of debtors shall constitute a cognisable offence punishable with a heavy fine or imprisonment or with both.

Debt Conciliation

It has been recognised beyond doubt that the agriculturists are involved in debt beyond their power to repay and unless this is remedied the consequences may be disastrous; it may even end, ere long, in a

complete repudiation of all existing liabilities. Three methods of debt conciliation are possible. One is the voluntary method by which debtors and creditors volunteer to come to an amicable settlement of the debts. A second is the method of compromise which is brought about by an outside agency by persuasion. A third method is to compel debtors and creditors to come to a reasonable agreement. The first solution has rarely found advocates. The Central Provinces Government pioneered legislation of the second kind. And other provinces have since then more or less blindly followed suit, modelling their laws almost on the Central Provinces Act.

The Central Provinces Debt Conciliation Act, 1933, set up machinery for facilitating amicable settlements between agricultural debtors and creditors through the agency of Debt Conciliation.

Boards are established under Government authority whose members are to be deemed public servants. The Board has powers to call for statements of debts from the debtor and creditor and to examine the circumstances thoroughly after the debtor and creditor have explained their case to their satisfaction to the Board. It shall endeavour to induce them to arrive at an amicable settlement. If the creditors, to whom not less than 40 per cent. of the total amount of the debtors' debts are owing, come to an amicable settlement, the settlement shall be drawn up as an agreement recording the amounts payable to creditors, the manner of payment and the time of payment. The Agreement shall be registered; and it shall take effect as if it were a decree of a civil court. The sums due under the agreement shall be recoverable as amounts decreed by a court and defaulters as arrears of land revenue, if creditors so desire. There are also subsidiary provisions for exercising pressure on refractory creditors who perversely refuse to accept fair offers from debtors. These provisions allow the issue of certificates that creditors have refused fair offers from debtors with the effect that the creditors are debarred from recovering in a court costs or interest above 6 per cent. per annum simple interest and also, if the debt in question is not secured, from executing any decree for a certain period. There is no appeal against a Board's award; but a Board has powers under certain conditions, to review previous orders. Legal practitioners are prohibited from representing parties before a Board.

The Punjab Relief of Indebtedness Act, 1934 (VII of 1934)

The provisions of this Act are exactly similar to those of the Central Provinces Act. The Punjab Act makes a further attempt at the same time to amend in conformity, other civil laws, such as the Insolvency Act, Usurious Loans Act, the rule of Damdupat and makes other minor alterations of the civil law relating to attachment of property of the judgment-debtor etc. When a debtor satisfies a court that he is entitled to summary administration under the provincial Insolvency Act, 1920, the court can forthwith order accordingly without asking the usual cumbrous formalities for insolvency to be followed. The maximum rates of interest recoverable have been fixed at 12 and 18½ per cent. on secured and unsecured loans respectively and at 9 and 14 per cent. respectively if compound interest is to be reckoned. The principle of the Damdupat has already been discussed.

The Madras Debt Conciliation Act of 1935 follows generally the lines of the Central Provinces Act. It is intended to apply to agriculturists whose debts exceed Rs. 150 but fall below Rs. 25,000 in the aggregate.

In Burma a bill was sought to be introduced on the lines of the Central Provinces Debt Conciliation Act. But the Relief Committee, which sat over the bill, found it impossible to come to any satisfactory decision regarding a suitable form and suitable provisions for the bill without further enquiry regarding the circumstances which may render such legislation necessary. The committee has requested the Government (February 1936) to appoint an officer to make an enquiry and report the probable total amount of agricultural debt in the province, whether conciliation is already reported in any area, whether conciliation on the lines of the Debt Conciliation Bill was necessary and whether such legislation is likely to have undesirable repercussions on the economy and credit of the province.

Assam has had in view the setting up of Debt Conciliation Boards to relieve agriculturists from indebtedness by amicable settlement between debtors and creditors on the lines of the Central Provinces Act. A bill has been drawn up accordingly and is the subject of deliberation, perhaps, of a select committee.

The Bombay Debt Conciliation Bill, which is now before a select committee, is drafted just on the same lines of the Cen-

tral Provinces Debt Conciliation Act with few variations of detail.

The more recent Bengal Agricultural Debtors' Act, although based on the Central Provinces Act, is a variant of it. It was feared voluntary methods cannot be relied upon to bring about everywhere a sufficiently widespread reduction in agricultural indebtedness. It has, therefore, been thought necessary to endow Boards on occasions with powers for compulsion where voluntary methods fail. The Act contemplates types of boards as circumstances demand. There would be a type trying to induce creditors and debtors to come to a compromise and do no more; another type would act as in the Central Provinces; and a third type derives powers to exercise compulsion in varying degrees on certain intransigent creditors who refuse to settle debts amicably at all. The Act further contains a simple insolvency procedure, the need of which was emphasised in paragraph 367 of the Royal Commission on Agriculture. In the words of the Commission "the main objects of such a measure would be to relieve the debtor of what he cannot pay, whilst insisting on his

paying the utmost he can, within a reasonable time. When a man's debts are such that the usufruct for fifteen years of the land not absolutely essential for maintenance is insufficient to meet them, the balance is obviously irreconcilable, and he is, therefore, a fit subject for insolvency law. Whether the law should provide for conciliation boards or committees or whether such bodies should be regarded as an alternative to an insolvency law is an open question. Just as creditors have the right to insist that all the debtors' assets should be impounded and applied towards the payment of the debts, so also the debtor who has given up all his assets should have the clear right to be allowed to earn his living if he can and to be free to make a new start in life.

Some of the Indian States have also been up and doing in relieving the agriculturist of his debts. Baroda has done a good deal and Travancore has been hotly debating over a Ryot's Relief Bill. Ere long, it is hoped that the contagion would have been caught throughout India including even the many petty Indian States.

Established 1911.

The Bombay Provincial Co-operative Bank Limited.

(Registered under Co-operative Societies Act)

Head Office:—APOLLO STREET, FORT, BOMBAY.

Branches :

Barmati	District Poona.	Shevgaon	District Ahmednagar	Shahada	District West Khandesh
Islampur	" Satara	Ahmednagar	" "	Nandurbar	" "
Karad	" "	Bhiwandi	District Thana	Sakri	" "
Tasgaon	" "	Palghar	" "	Sindkheda	" "
Satara	" "	Kalyan	" "	Malegaon	District Nasik
Kirloskarwadi	" "	Akluj	District Sholapur	Satana	" "
Koregaon	" "	Viramgam	District Ahmedabad	Kalvan	" "
Shirale	" "	Dhulia	" West Khandesh	Dohad	District Panch Mahals
Kopargaoon	District Ahmednagar	Dondaicha	" "	Kalol	" "
		Shirpur	" "		

Apex Bank of the Co-operative Movement in Bombay Presidency.

WORKING CAPITAL EXCEEDS RS. 2,00,00,000.

FIXED, CURRENT AND SAVINGS DEPOSITS ACCEPTED.

Terms on Application

ADVANCES made only to registered Co-operative Societies

COLLECTION WORK undertaken on almost all important towns in the Bombay Presidency

Money deposited with this Bank directly benefits the Agriculturists and persons of small means.

For further particulars write to Managing Director.

Receipts and Disbursements of the Central Government, in India and in England

(In Thousands of Rupees)

	Accounts, 1924-25		Accounts, 1925-26		Accounts, 1926-27		Accounts, 1927-28		Accounts, 1928-29		Accounts, 1929-30	
	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges
Principal Heads of Revenue—												
Customs	44,98,19	...	46,96,18	...	46,56,84	...	47,86,60	...	46,34,42	...	50,80,15	...
Taxes on Income	15,41,10	...	15,27,21	...	15,03,21	...	14,40,88	...	16,01,88	...	15,98,76	...
Salt	6,18,84	...	5,07,91	...	5,49,85	...	5,86,67	...	6,86,67	...	5,49,50	...
Opium	1,44,19	...	2,08,52	...	2,82,69	...	8,07,52	...	2,71,64	...	2,55,28	...
Other Heads	1,68,19	...	1,52,08	...	1,60,98	...	1,75,00	...	1,62,43	...	1,62,25	...
TOTAL	69,65,51	..	70,86,85	...	72,03,57	...	71,96,62	...	75,06,59	...	75,95,94	...
Forest and other Capital outlay Charged to Revenue ... ..	...	17,82	...	7,18	...	7,88	...	12,58	...	8,62	...	5,18
Irrigation ... ..	...	11,44	...	8,12	...	5,25	...	8,88	...	12,85	...	20,02
Railways	6,78,42	...	5,49,04	...	6,01,18	...	6,27,88	...	5,28,19	...	6,11,86	...
Posts and Telegraphs	80,87	...	1,88,25	...	...	5,18	...	47,28	...	74,22	...	81,18
Debt Services ... ..	...	15,27,28	...	14,12,20	...	12,65,90	...	11,99,28	...	12,82,41	...	12,18,07
Civil Administration ... ..	...	9,88,61	...	9,86,51	...	10,27,89	...	10,22,09	...	10,42,58	...	11,49,82
Currency and Mint	8,27,92	...	8,98,78	...	8,89,40	...	1,89,79	...	2,16,71	...	1,99,48	...
Civil Works ... ..	...	1,64,52	...	1,47,57	...	1,78,95	...	1,42,41	...	1,42,24	...	2,85,62
Miscellaneous ... ..	...	8,89,42	...	8,71,42	...	8,86,15	...	8,22,85	...	3,16,45	...	8,50,02
Military Services ... ..	...	55,68,40	...	55,99,86	...	55,96,96	...	54,79,45	...	55,10,00	...	55,10,00
Provincial contributions and Miscellaneous adjustments between Central and Provincial Governments	8,74,47	...	6,08,41	...	5,18,28	...	2,60	...	2,92	...	8	...
Extraordinary Items	2,58,51	...	87,80	...	...	2,89,18	2,17,88	...	1,03,42	...	1,88,88	...
GRAND TOTAL	91,80,20	86,11,94	88,64,18	85,82,95	86,57,07	86,57,07	82,84,22	82,84,22	88,52,88	88,84,87	85,96,19	85,69,86

Statement of the Receipts and Disbursements of the Central Government, in India and in England—(Contd.)
(In Thousands of Rupees)

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	Accounts, 1930-31		Accounts, 1931-32		Accounts, 1932-33		Accounts, 1933-34		Accounts, 1934-35		Revised, 1935-36		Budget, 1936-37	
	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges
Principal Heads of Revenue—														
Customs	45,87,87	...	45,59,17	...	51,02,28	...	46,17,85	...	52,67,42	...	54,71,00	...	54,82,00	...
Taxes on Income	15,25,61	...	16,74,89	...	17,19,81	...	16,80,86	...	17,54,52	...	16,80,00	...	15,67,00	...
Salt	5,56,80	...	7,42,24	...	8,95,84	...	7,70,91	...	8,00,01	...	8,78,00	...	8,75,00	...
Opium	1,78,91	...	1,27,64	...	5,99	...	88,15	...	71,95	...	61,70	...	47,41	...
Other Heads	1,89,03	...	1,61,45	...	1,27,10	...	1,25,40	...	1,91,54	...	1,89,69	...	1,87,67	...
TOTAL	69,87,72	...	72,59,89	...	78,50,97	...	72,82,76	...	80,85,42	...	82,72,98	...	81,59,08	...
Forest and other Capital outlay charged to Revenue ... ..	...	4,02	...	66	...	2,87	...	89	...	1,07	...	84	...	87
Irrigation ... ..	...	80,78	...	8,72	...	8,76	...	8,99	...	5,99	...	5,56	...	560
Railways	5,78,57	...	...	...	...	...	...	...	...	82,86,84	...	81,96,76	...	81,78,66
Posts and Telegraphs ... ..	...	1,55,87	...	41,71	...	46,46	...	56,67	44,96	...	8,98	...	...	...
Debt Services ... ..	...	14,03,71	...	17,81,44	...	16,58,06	...	16,65,74	...	18,25,11	...	18,62,78	...	12,20,17
Civil Administration ... ..	...	12,86,98	...	11,28,11	...	8,82,11	...	8,77,40	...	11,10,44	...	10,46,04	...	11,10,12
Currency and Mint	27,84	...	1,02,52	...	1,64,96	...	74,11	...	74,55	...	78,03	...	92,12	...
Civil Works ... ..	...	2,85,47	...	1,96,26	...	1,58,79	...	1,71,80	...	2,42,23	...	28,54	...	2,56,14
Miscellaneous ... ..	...	8,84,48	...	2,77,24	...	8,20,29	...	8,42,81	...	4,89,77	...	4,48,95	...	4,17,82
Defence Services ... ..	...	55,80,00	...	51,76,00	...	86,74,00	...	44,42,48	5,30,02	49,64,28	5,08,84	50,06,84	4,98,19	50,88,19
Provincial contributions and Miscellaneous adjustments between Central and Provincial Governments ... ..	...	...	...	...	...	96,05	...	1,06,00	...	2,97,78	...	8,18,54	...	4,66,57
Extraordinary Items	88,53	...	18,50	...	...	...	...	2,46,09	...	2,84,90	...	2,88,89	...	40,84
GRAND TOTAL	76,72,21	88,83,66	78,80,41	85,55,14	80,15,08	78,60,74	78,06,87	73,06,87	1,25,10,18	1,25,10,18	1,24,87,18	1,24,17,18	1,22,77,15	1,22,77,15

INDIAN FINANCE YEAR-BOOK, 1936

Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England
(In Thousands of Rupees)

	Accounts, 1924-25		Accounts, 1925-26		Accounts, 1926-27		Accounts, 1927-28		Accounts, 1928-29		Accounts, 1929-80	
	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges
Surplus or Deficit	5,68,25	...	8,81,18	...	...	...	...	...	...	81,54	26,88	...
Capital Accounts—												
Capital outlay on Security Press...	...	...	...	16,40	...	16,50	...	-9,77	...	-4,76	...	28
Railway Capital not Charged to Revenue	...	18,95,24	...	22,72,70	...	29,85,98	...	88,14,99	15	29,85,07	2,44	80,18,84
Payment for discharge of Railway Debentures	...	...	...	...	...	...	...	...	...	...	...	...
Construction of Irrigation Works	...	96	...	-97	...	-70	...	7	...	86	...	2,99
Capital outlay on Posts and Telegraphs	...	1,17,56	...	2,28,54	...	82,59	...	46,88	...	58,88	...	88,07
Capital outlay on Vizagapatam Port	...	...	...	64,77	...	81,86	...	29,05	...	29,28	...	85,75
Capital outlay on Lighthouses and Light Ships	...	...	...	...	...	...	...	...	...	...	...	13
Currency Capital outlay	...	...	...	...	...	8,66	...	12,95	...	...	...	69
Initial Expenditure on New Capital at Delhi	...	1,42,19	...	99,06	...	61,68	...	46,58	...	8,37	...	72,72
Payment of commuted value of Pensions	...	...	...	...	...	28,85	...	44,26	...	86,65	...	88,80
Capital outlay on Bombay Land Scheme	...	...	...	...	...	...	...	20,74	...	86,09	...	88,09
Payments to Retrenched Personnel	...	...	...	...	...	...	...	...	...	...	...	...
Debt Deposits Advances and Remittances—												
Permanent Debt	11,74,77	...	...	4,08,85	8,81,66	...	4,88,88	...	28,01,91	...	20,89,57	...
Floating Debt	...	2,11,80	...	25	...	8,18,00	...	1,94,60	8,62,25	...	80,10,65	...
Unfounded Debt	8,96,12	...	18,45,51	...	12,72,14	...	11,86,68	...	8,40,95	...	18,04,22	...
Deposits and Advances	2,82,84	...	15,54,74	...	28,78,26	...	12,89,97	...	8,17,80	...	...	2,81,68
Loans and Advances by Central Government	...	1,22,69	...	8,92,45	...	5,88,77	...	7,77,48	...	12,72,24	...	7,20,11
Loans between Central and Provincial Governments	...	8,86,61	...	...	...	...	...	...	...	...	...	...
Remittances	1,18,86	...	...	85,91	1,21,88	...	19,22	...	75,66	...	...	51,12
Balances of Provincial Governments	2,64,95	...	8,20,25	...	...	4,85,26	...	4,78	...	56,84	...	8,70,76
Opening Balance	41,52,05	...	45,25,29	...	40,19,51	...	82,18,88	...	16,70,97	...	16,19,88	...
Closing Balance	...	45,25,29	...	40,19,51	...	81,11,10	...	16,70,07	...	16,19,88	...	84,27,91
TOTAL	74,02,84	74,02,84	80,76,97	80,76,97	81,18,45	81,18,45	61,58,58	61,58,58	60,60,79	60,69,79	80,08,54	80,08,54

Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England—(Contd.)
(In Thousands of Rupees)

	Accounts 1930-31		Accounts 1931-32		Accounts 1932-33		Accounts 1933-34		Accounts 1934-35		Revised Estimate 1935-36		Budget Estimate 1936-37	
	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges
Surplus or Deficit ...	...	11,53,45	...	11,74,78	1,55,19	..	...	...	86,00	...	5,82	...	7,08	...
Capital Accounts—														
Capital outlay on Security Press ...	...	4,02	...	—3,82	...	..	...	—9,01	...	1,12	...	—96	...	8
Railway Capital not charged to Revenue ...	...	18,20,87	...	6,75,63	...	—72,57	...	—1,81,49	...	68,70	...	1,75,00	...	8,25,00
Payment for discharge of Railway Debentures ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Construction of Irrigation Works ...	...	27	...	9	...	...	...	...	...	...	...	...	...	...
Capital outlay on Posts and Telegraphs ...	...	—8,68	...	87,92	..	14,82	...	5,88	...	82,87	...	47,44	...	42,04
Capital outlay on Vizagapatam Port ...	...	88,78	...	86,48	...	52,42	...	51,02	...	14,71	...	7,70	...	9,95
Capital outlay on Lighthouses and Light Ships ...	...	—18	...	...	...	...	...	...	...	...	...	...	...	...
Currency Capital outlay ...	...	1,85	...	—6	...	—8,88	...	—4,14	...	51	...	4,99,28	...	99
Initial Expenditure on New Capital at Delhi ...	...	48,27	...	14,61	...	...	...	9,10	...	72,18	...	40,06	...	28,66
Payment of commuted value of pensions ...	...	42,66	...	42,82	...	78,89	...	82,99	...	59,88	...	48,17	...	89,90
Capital outlay on Bombay Land Scheme ...	...	2,10,87	...	...	...	...	...	...	...	...	...	...	...	...
Payment to Retrenched Personal ...	...	...	...	1,45	...	12,68	...	2,94	...	—1,08	...	—2,68	...	4,44
Debt Deposits Advances and Remittances—														
Permanent Debt ...	46,97,54	...	...	47,89	22,71,74	...	...	4,90,80	8,81,09	...	...	22,84,78	...	25,44,28
Floating Debt ...	...	6,59,86	40,08,76	...	...	45,12,65	...	2,88,50	...	4,89,45	...	20,24,50	11,00,00	...
Unfunded Debt ...	5,78,41	...	10,18,08	...	20,09,74	...	22,81,07	...	14,52,71	...	15,85,80	...	14,70,67	...
Deposits and Advances ...	...	9,56,15	...	4,88,61	50,96	...	...	9,64,67	...	6,27,91	28,18,56	...	7,80,83	...
Loans and Advances by Central Government ...	...	10,97,02	...	12,68,48	..	6,91,63	...	2,23,56	...	2,10,09	...	9,24,11	...	4,47,63
Loans between Central and Provincial Governments ...	...	...	...	...	...	66,90	...	...	...	...	...	...	...	...
Remittances ...	6,15	...	...	1,22,07	...	...	62,95	...	...	9,89	2,79	...	8,84	...
Balances of Provincial Governments ...	...	7,07,68	...	1,59,68	2,59,82	...	25,28	...	...	1,54,89	...	2,25,40	...	1,16,55
Opening Balance ...	84,27,91	...	24,68,67	...	88,84,48	...	27,78,88	...	82,76,48	...	87,20,87	...	18,28,97	...
Closing Balance ...	...	24,68,67	...	88,84,48	...	27,78,88	...	82,76,48	...	87,20,87	...	18,28,97	...	18,22,75
TOTAL ...	87,10,01	87,10,01	74,90,51	74,90,51	81,81,88	81,81,88	51,47,58	51,47,58	58,01,83	58,01,83	76,27,03	76,27,03	40,19,41	40,19,41

Revenue—Government of Madras Since 1924-25
(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1936-37
Taxes on Income ...	1,57	4,27	4,64	5,94	5,48	7,27	6,75	...	...	...	...	...	...
Land Revenue ...	6,15,06	6,89,79	6,22,00	6,23,77	5,24,89	5,21,06	4,88,62	5,82,73	5,02,57	6,93,84	7,15,41	7,23,81	7,42,79
Excise ...	4,90,14	4,94,85	5,10,53	5,84,87	5,53,76	5,92,26	5,24,23	4,25,80	4,26,96	4,28,88	4,28,12	4,07,81	8,94,13
Stamps ...	2,41,56	2,45,08	2,52,80	2,50,11	2,51,17	2,50,92	2,84,71	2,84,93	2,41,58	2,28,11	2,17,11	2,04,59	2,01,93
Forest ...	55,74	51,81	56,24	53,44	61,55	63,56	52,69	45,82	49,72	41,58	44,84	44,57	43,27
Registration ...	37,90	38,61	40,53	39,06	34,12	35,53	31,30	30,73	33,49	31,15	31,93	31,01	31,25
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	...	...	75	75
TOTAL ...	14,41,92	14,73,91	14,86,24	15,06,69	14,85,97	14,70,65	13,88,85	12,69,51	12,54,82	14,23,01	14,31,91	14,12,54	14,14,12
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	88,74	96,85	91,27	86,62	1,33,41	1,38,65	1,36,01	1,91,62	2,09,07	7,82	8,17	8,45	8,61
Interest Receipts ...	12,80	16,21	20,86	25,17	34,27	40,88	42,52	30,76	29,66	33,42	25,07	22,20	22,05
Civil Administration ...	61,51	60,81	60,25	63,78	68,62	74,94	72,17	93,02	1,08,36	1,01,29	1,14,14	1,16,61	1,14,56
Civil Works ...	5,92	9,67	8,37	9,25	13,06	11,52	24,39	22,46	20,55	21,84	24,56	34,17	62,88
Miscellaneous ...	15,54	18,09	16,69	18,85	17,69	22,18	19,95	17,48	18,27	15,63	15,96	34,87	17,44
Contribution to the Central Government by Provincial Government	-3,48,00	-2,21,93	-1,65,19	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjustment between Central and Provincial Governments (net)	60	33	...	-5,51	...	...	...	...	...	...	...	...	...
Extraordinary Receipts ...	...	17,90	...	...	...	...	...	...	...	...	...	...	...
Transfers from Revenue Reserve Fund ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India ...	12,79,03	14,71,34	15,18,49	16,99,85	17,53,02	18,08,77	16,83,89	16,29,85	16,40,23	16,03,01	16,19,31	16,23,84	16,31,66
Revenue in England with Exchange ...	...	1	1	1	9	10	4	8	2	4	...	...	...
TOTAL REVENUE ...	12,79,03	14,71,35	15,18,50	16,99,86	17,53,11	18,08,87	16,83,93	16,29,88	16,40,25	16,03,05	16,19,31	16,23,84	16,31,66

Expenditure—Government of Madras Since 1924-25
(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1936-37
Income-Tax	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue	87,22	88,15	88,96	89,16	80,78	28,80	28,45	25,51	19,89	10,88	19,66	19,80	17,78
Excise	26,62	47,12	42,69	42,96	48,67	45,19	46,88	86,57	83,24	82,94	88,81	84,92	88,09
Stamps	5,82	5,62	5,78	6,25	6,71	7,67	5,96	6,06	6,08	5,71	6,18	5,90	5,74
Forests	89,22	42,88	44,52	42,81	41,89	48,81	42,50	88,86	88,59	85,21	84,69	86,62	85,89
Registration	28,84	24,75	25,58	26,84	27,04	29,08	29,51	28,17	26,67	28,65	29,19	29,86	29,40
Scheduled Taxes	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL	1,82,22	1,58,02	1,57,58	1,57,02	1,50,04	1,54,14	1,52,80	1,84,67	1,25,07	1,22,84	1,22,98	1,26,60	1,21,40
Forest and other Capital outlay charged to Revn.	2,91	4,16	5,48	5,88	4,77	4,81	4,27	2,98	6,48	6,51	6,15	6,14	6,89
Railways	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation	80,80	88,84	98,90	97,84	1,05,82	1,28,71	1,27,47	1,82,18	1,26,68	92,89	99,78	92,28	84,90
Debt Services	28,11	40,24	45,18	58,68	58,06	89,83	21,80	17,45	11,56	97,44	95,25	94,50	91,44
Civil Administration	8,44,32	8,61,81	8,85,85	9,24,80	10,08,48	10,45,41	11,06,95	10,16,16	9,88,68	10,04,26	10,26,26	10,51,16	10,48,89
Civil Works	77,19	95,54	1,10,86	1,40,27	1,58,78	1,82,04	2,84,92	1,89,48	1,58,09	1,44,82	1,24,75	1,84,74	1,52,14
Miscellaneous	81,00	81,98	78,89	78,15	83,07	86,98	95,48	88,88	1,13,00	89,40	90,14	1,11,26	95,95
Extraordinary Items	22,92	...	...	...	...	...	...	...	...	...	...	...	...
Total Expenditure in India	12,68,97	13,80,04	13,71,69	14,56,64	15,68,77	16,85,87	17,48,14	15,81,70	15,24,71	15,57,16	15,65,81	16,16,68	15,96,20
Expenditure in England with Exchange	89,58	42,95	45,88	41,49	45,20	48,91	46,55	42,77	88,88	89,65	48,57	48,89	48,46
TOTAL EXPENDITURE	13,08,50	13,72,99	14,17,02	14,98,13	16,13,97	16,84,78	17,89,89	16,24,47	15,68,04	15,96,81	16,08,88	16,60,52	16,89,66

Revenue—Government of Bombay Since 1924-25

(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1936-37
Taxes on Income ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Salt ...	...	...	...	...	...	...	...	17	19	7	...	4	...
Land Revenue ...	5,16,53	5,41,11	4,66,94	5,23,19	4,84,68	4,79,68	4,74,45	5,01,84	4,71,24	8,35,10	8,49,87	8,40,82	8,45,28
Excise ...	4,42,98	4,15,33	4,09,89	3,96,21	3,92,26	4,07,89	3,04,35	3,26,55	3,50,85	3,64,87	3,12,13	3,29,40	3,80,54
Stamps ...	1,78,06	1,76,85	1,67,58	1,75,40	1,68,89	1,77,15	1,58,06	1,50,28	1,58,96	1,56,85	1,39,52	1,38,60	1,37,95
Forest ...	78,08	75,28	76,56	72,94	78,43	79,75	52,24	56,74	59,71	54,80	43,81	43,22	47,16
Registration ...	12,49	12,78	12,04	11,82	11,75	12,38	10,89	11,36	12,54	16,21	14,57	15,23	15,03
Scheduled Taxes ...	9,04	15,30	19,55	21,20	21,52	20,21	16,39	19,19	18,77	19,05	18,27	18,18	18,18
TOTAL ...	12,32,18	12,36,15	11,52,06	12,00,76	11,52,03	11,76,87	10,16,88	10,65,68	10,72,06	9,95,45	8,78,73	8,90,44	8,94,09
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	53,23	42,11	49,24	42,94	65,72	43,80	33,12	58,40	71,78	67,76	22,17	17,95	19,78
Interest Receipts ...	1,82,67	1,65,80	1,68,13	1,58,27	1,51,52	1,45,86	1,47,23	1,44,37	1,47,69	1,38,77	1,38,87	1,36,86	94,83
Civil Administration ...	53,37	57,77	59,10	56,04	76,91	32,51	39,77	95,49	1,00,83	1,04,07	93,42	96,59	1,08,97
Civil Works ...	15,42	13,13	16,39	34,70	33,71	52,93	53,06	72,53	62,04	60,31	42,44	46,42	45,36
Miscellaneous ...	27,74	30,67	34,54	33,82	33,87	32,98	33,92	35,43	44,99	60,46	43,26	42,19	39,87
Contribution to the Central Government by Provincial Governments	-56,00	-34,00	-23,00	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjust- ments between Central and Provincial Govern- ments (net) ...	40,52	9,55	4,03	4	-4,00	-4	...	...	...	...	...	...	...
Extraordinary Receipts	...	...	2,58	7,91	1,96	3,56	7,06	9,60	25,75	33,34	4,40	29,45	67
Transfer from Revenue Reserve Fund ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India...	14,99,18	15,24,13	14,58,07	15,34,48	15,21,72	15,91,42	13,80,54	14,31,95	15,25,09	14,60,63	12,15,29	12,59,96	12,03,57
Revenue in England with Exchange ...	...	...	...	..	2	11	32	9	8	6	...	...	...
TOTAL REVENUE ...	14,99,18	15,24,13	14,58,07	15,34,48	15,21,74	15,91,53	13,80,86	14,32,04	15,25,17	14,60,74	12,15,29	12,59,90	12,03,57

Expenditure—Government of Bombay Since 1924-25
(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1936-37
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	61,99	63,98	65,51	66,48	64,77	66,08	64,98	69,86	66,76	62,84	45,80	47,85	46,95
Excise ...	40,15	54,08	68,92	47,94	46,82	44,25	41,08	89,61	46,78	48,16	42,84	41,85	41,18
Stamps ...	48	1,26	1,75	1,82	2,67	2,65	2,42	2,84	2,42	2,26	1,86	1,91	2,00
Forest ...	42,60	40,54	40,04	40,58	41,25	48,27	40,65	40,06	85,18	82,14	26,86	27,50	27,22
Registration ...	6,75	6,68	6,64	6,58	6,55	6,64	6,88	6,20	6,02	6,06	5,27	5,56	5,62
Scheduled Taxes ...	18	81	19	20	20	21	21	81	24	29	21	28	28
TOTAL ...	1,52,19	1,66,62	1,78,95	1,68,05	1,61,76	1,68,10	1,56,27	1,58,47	1,56,85	1,51,75	1,21,84	1,28,90	1,28,15
Forest and other Capital outlay Charged to Revenue ...	...	2,08	2,22	2,48	2,88	2,22	1,76	58	1,10	64	8	58	52
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	91,85	94,05	95,50	1,05,20	99,05	1,12,24	99,78	86,04	1,07,66	1,40,08	5,24	4,76	47,80
Debt Services ...	2,01,91	2,76,99	2,49,81	2,25,88	2,18,81	2,18,78	1,89,28	2,30,51	2,29,28	2,29,67	..	...	1,62,82
Civil Administration ...	7,62,81	7,87,55	7,85,75	7,85,77	8,05,22	8,26,10	8,38,65	8,05,81	7,50,89	6,59,84	5,52,87	5,65,69	5,90,97
Civil Works ...	90,77	90,28	1,20,84	1,47,85	1,45,96	1,40,26	1,54,41	1,18,32	98,40	92,62	80,09	98,08	1,18,88
Miscellaneous ...	1,40,88	1,56,21	1,46,89	96,58	80,60	82,68	87,42	98,76	1,18,05	1,24,91	1,12,95	1,18,08	1,24,28
Extraordinary Items ...	...	...	...	...	...	...	...	2	8.24	2,75	1,05	25	2
Total Expenditure in India ...	14,89,41	15,78,78	15,79,96	15,25,76	15,18,28	15,40,28	15,22,52	14,88,81	14,59,42	14,01,71	8,74,02	9,58,24	11,67,89
Expenditure in England with Exchange ...	88,16	41,79	48,71	87,50	42,87	40,52	89,89	41,08	89,58	42,02	86,11	85,56	85,28
TOTAL EXPENDITURE ...	14,72,57	16,15,82	16,23,67	15,68,26	15,55,60	15,80,80	15,61,91	15,29,89	14,98,95	14,43,78	9,10,18	14,62,63	9,85,80

Revenue—Government of Bengal Since 1924-25
(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1936-37
Taxes on Income ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Salt ...	...	...	...	...	...	...	...	5,87	6,04	2,12	1,19	1,10	...
Land Revenue ...	8,10,74	8,00,57	8,11,18	8,15,12	8,26,76	8,24,74	8,08,98	8,06,22	8,00,06	8,21,14	8,48,85	8,87,19	8,28,45
Excise ...	2,15,07	2,28,08	2,25,17	2,24,81	2,24,91	2,26,25	1,80,16	1,56,00	1,40,82	1,84,06	1,86,65	1,84,50	1,84,66
Stamps ...	8,86,68	8,57,98	8,81,60	8,46,81	8,54,88	8,91,97	8,12,96	2,71,09	8,18,01	2,87,14	2,86,08	2,92,42	2,94,90
Forest ...	24,75	28,57	81,24	88,49	81,18	80,52	28,12	16,94	15,12	15,08	17,82	20,02	20,02
Registration ...	25,85	33,92	88,50	40,17	89,94	81,69	23,72	19,88	18,47	19,67	22,48	24,00	25,90
Scheduled Taxes ...	21,52	19,81	16,91	19,47	16,99	16,29	18,00	18,04	11,80	11,22	18,77	15,40	15,90
Total ...	9,84,61	9,78,88	9,54,60	9,79,87	9,94,66	10,21,46	8,61,88	7,87,99	8,04,82	7,90,88	8,21,74	8,24,58	8,18,98
Railways ...	98	81	1,24	2,45	1,02	1,19	92	76	81	28	...	90	49
Irrigation ...	8,40	41	45	-4,62	-1,19	-2,65	-2,09	-53	-2,80	-1,88	-8,18	2	-1,28
Interest Receipts ...	8,48	8,19	4,11	6,29	6,24	6,18	4,07	4,80	6,18	5,42	6,88	6,28	5,85
Civil Administration ...	61,94	62,45	64,08	68,86	77,85	82,41	71,58	75,24	87,66	84,07	90,27	91,98	98,59
Civil Works ...	6,57	5,82	6,03	6,61	5,54	5,25	10,86	17,85	15,76	12,40	18,77	17,68	26,88
Miscellaneous ...	21,41	23,62	20,20	18,84	12,90	17,04	16,48	15,31	21,44	18,61	11,65	25,40	84,18
Contribution to the Central Government by Provincial Govts.	...	...	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjust- ments between Central and Provincial Govts.	2,08	...	...	1,59	...	...	...	...	2,14	...	1,59,68	1,74,75	1,79,29
Extraordinary Receipts	...	...	...	2,41	49	5,06	2,17	58	2,10	85	1,92	1,08	1,00
Transfer from Revenue Reserve Fund	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India	10,84,87	10,70,18	10,50,66	10,81,30	10,97,01	11,35,89	9,65,92	9,01,00	9,88,11	9,05,77	11,08,99	11,42,62	11,51,89
Revenue in England with Exchange	-18	-1	-80	-1	1,66	-2	85	6	-7	-4	...	1	...
TOTAL REVENUE ...	10,84,24	10,70,17	10,50,86	10,81,29	10,98,67	11,35,87	9,66,27	9,01,06	9,88,04	9,05,78	11,08,99	11,42,62	11,51,89

Expenditure—Government of Bombay Since 1924-25
(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1936-37
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	61,99	63,98	65,51	66,48	64,77	66,08	64,98	69,86	66,76	62,84	45,80	47,85	46,95
Excise ...	40,15	54,08	68,92	47,94	46,82	44,25	41,68	89,61	46,78	48,16	42,84	41,85	41,18
Stamps ...	48	1,26	1,75	1,82	2,67	2,65	2,42	2,84	2,42	2,26	1,86	1,91	2,00
Forest ...	42,69	40,54	40,94	40,58	41,25	48,27	40,65	40,06	85,18	82,14	26,86	27,50	17,22
Registration ...	6,75	6,68	6,64	6,58	6,55	6,64	6,88	6,20	6,02	6,06	5,27	5,56	5,62
Scheduled Taxes ...	18	81	19	20	20	21	21	81	24	29	21	28	28
TOTAL ...	1,52,19	1,66,62	1,78,95	1,68,05	1,61,76	1,68,10	1,56,27	1,58,47	1,56,85	1,51,75	1,21,84	1,28,90	1,28,15
Forest and other Capital outlay Charged to Revenue ...	...	2,08	2,22	2,48	2,88	2,22	1,76	58	1,10	64	48	58	52
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	91,85	94,05	95,50	1,05,20	99,05	1,12,24	99,78	86,04	1,07,66	1,40,08	5,24	4,76	47,80
Debt Services ...	2,01,91	2,76,99	2,49,81	2,25,88	2,18,81	2,18,78	1,89,28	2,30,51	2,29,28	2,29,67	..	...	1,62,82
Civil Administration ...	7,62,81	7,87,55	7,85,75	7,85,77	8,05,22	8,26,10	8,38,65	8,05,81	7,50,80	6,59,84	5,52,87	5,65,69	5,90,97
Civil Works ...	90,77	90,28	1,20,84	1,47,85	1,45,96	1,40,26	1,54,41	1,18,32	98,40	92,62	80,09	98,08	1,18,88
Miscellaneous ...	1,40,88	1,56,21	1,46,89	96,58	80,60	82,68	87,42	98,76	1,18,05	1,24,91	1,12,95	1,18,08	1,24,28
Extraordinary Items ...	...	...	...	...	...	...	...	2	3.24	2,75	1,05	25	2
Total Expenditure in India ...	14,89,41	15,78,78	15,79,96	15,25,76	15,18,28	15,40,28	15,22,52	14,88,81	14,59,42	14,01,71	8,74,02	9,58,24	11,67,89
Expenditure in England with Exchange ...	88,16	41,79	48,71	87,50	42,87	40,52	89,89	41,08	89,58	42,02	86,11	35,56	85,28
TOTAL EXPENDITURE ...	14,72,57	16,15,82	16,28,67	15,68,26	15,55,60	15,80,80	15,61,91	15,29,89	14,98,95	14,43,78	9,10,18	14,62,63	9,85,80

Revenue—Government of Bengal Since 1924-25

(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1936-37
Taxes on Income ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Salt ...	...	...	...	...	...	...	...	5,87	6,04	2,12	1,19	1,10	...
Land Revenue ...	8,10,74	8,00,57	8,11,18	8,15,12	8,26,76	8,24,74	8,08,98	8,06,22	8,00,06	8,21,14	8,48,85	8,87,19	8,28,45
Excise ...	2,15,07	2,28,08	2,25,17	2,24,81	2,24,91	2,26,25	1,80,16	1,56,00	1,40,82	1,84,06	1,86,65	1,84,50	1,84,66
Stamps ...	8,86,68	8,57,98	8,81,60	8,46,81	8,54,88	8,91,97	8,12,96	2,71,09	8,18,01	2,87,14	2,86,08	2,92,42	2,04,90
Forest ...	24,75	28,57	81,24	88,49	81,18	80,52	28,12	16,94	15,12	15,08	17,82	20,02	20,02
Registration ...	25,85	88,92	88,50	40,17	89,94	81,69	28,72	10,88	18,47	19,67	22,48	24,00	25,90
Scheduled Taxes ...	21,52	19,81	16,91	19,47	16,99	16,29	18,00	18,04	11,80	11,22	18,77	15,40	15,90
Total ...	9,84,61	9,78,88	9,54,60	9,79,87	9,94,66	10,21,46	8,61,88	7,87,99	8,04,82	7,90,88	8,21,74	8,24,58	8,18,98
Railways ...	98	81	1,24	2,45	1,02	1,19	92	76	81	28	...	90	49
Irrigation ...	8,40	41	45	-4,62	-1,19	-2,65	-2,09	-58	-2,80	-1,88	-8,18	2	-1,28
Interest Receipts ...	8,48	8,19	4,11	6,29	6,24	6,18	4,07	4,80	6,18	5,42	6,88	6,28	5,85
Civil Administration ...	61,94	62,45	64,08	68,86	77,85	82,41	71,58	75,24	87,66	84,07	90,27	91,98	98,59
Civil Works ...	6,57	5,82	6,03	6,61	5,54	5,25	10,86	17,85	15,76	12,40	18,77	17,68	26,88
Miscellaneous ...	21,41	28,62	20,20	18,84	12,90	17,04	16,48	15,31	21,44	18,61	11,65	25,40	84,18
Contribution to the Central Government by Provincial Govts.	...	...	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjust- ments between Central and Provincial Govts.	2,08	...	...	1,59	...	...	...	...	2,14	...	1,59,68	1,74,75	1,79,29
Extraordinary Receipts ...	...	...	...	2,41	49	5,06	2,17	58	2,10	85	1,92	1,08	1,00
Transfer from Revenue Reserve Fund ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India	10,84,87	10,70,18	10,50,66	10,81,80	10,97,01	11,85,89	9,65,92	9,01,00	9,88,11	9,05,77	11,08,99	11,42,62	11,51,89
Revenue in England with Exchange ...	-18	-1	-80	-1	1,66	-2	85	6	-7	-4	...	1	...
TOTAL REVENUE ...	10,84,24	10,70,17	10,50,86	10,81,29	10,98,67	11,85,87	9,66,27	9,01,06	9,88,04	9,05,78	11,08,99	11,42,62	11,51,89

Expenditure—Government of Bengal Since 1924-25

(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1936-37
Income-Tax ... ..	...	...	...	..	...	...	...	...	...	...	...	...	...
Land Revenue	80,82	85,59	88,48	88,45	46,78	45,09	45,86	41,24	37,76	37,83	39,03	36,81	36,98
Excise	12,83	26,04	24,98	23,87	22,98	22,26	21,80	19,55	17,00	17,54	16,60	18,24	18,58
Stamps	9,47	8,68	8,43	8,93	9,00	6,23	5,23	4,10	4,61	4,30	4,88	5,17	5,24
Forest	14,02	12,84	18,90	14,40	15,78	15,47	15,17	14,96	14,48	14,19	14,70	15,22	15,12
Registration	18,08	18,73	18,76	20,71	20,25	22,18	19,95	18,94	17,47	17,51	17,70	18,54	18,82
Schedule Taxes	15	15	15	15	15	15	16	15	15	5	5	11	8
TOTAL	85,42	1,01,53	1,04,65	1,06,51	1,14,84	1,11,33	1,07,67	98,04	91,47	90,92	92,96	93,59	94,77
Forest and other Capital outlay charged to Revenue ... ..	...	43	3,23	2,62	1,04	1,17	78	1,64	61	25	20	29	23
Railways ... ..	...	...	...	...	...	...	...	..	...	...	...	...	...
Irrigation	35,80	30,89	35,12	35,17	36,92	34,13	30,73	20,02	23,75	31,05	33,12	24,01	32,30
Debt Services	-8,33	-8,48	-7,44	-7,17	-7,92	-1,63	23	1,10	13,49	10,22	16,04	26,80	27,66
Civil Administration	6,69,13	6,80,43	7,07,21	7,09,72	7,29,86	7,54,92	7,73,99	7,50,18	7,24,12	7,39,23	7,39,63	7,61,63	7,75,58
Civil Works	95,30	1,10,12	1,11,37	1,01,06	97,32	94,54	1,01,40	83,43	76,25	76,20	80,24	90,44	1,05,92
Miscellaneous	63,00	79,10	75,49	97,74	80,57	97,53	84,29	89,26	91,39	93,37	1,01,42	1,09,62	1,10,42
Extraordinary Items ... ..	...	...	...	...	...	...	...	...	...	...	2,50	...	...
Total Expenditure in India	9,45,27	9,94,02	10,29,63	10,43,65	10,52,63	10,91,94	10,99,13	10,53,57	10,27,53	10,41,79	10,66,11	11,16,43	11,47,83
Expenditure in England with Exchange	30,75	36,61	41,32	39,92	37,34	41,70	41,61	41,95	40,25	39,37	41,90	41,94	43,39
TOTAL EXPENDITURE	9,76,02	10,30,63	10,70,95	10,83,57	10,90,47	11,33,64	11,40,79	11,00,52	10,67,33	10,81,66	11,03,01	11,58,37	11,90,77

Revenue—Government of the United Provinces Since 1924-25

(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1936-37
Taxes on Income	...	8	...	...	...	71	1,40	...	...	...	...	...	...
Salt	...	...	...	...	...	...	...	9	10	8	2	2	...
Land Revenue	6,71,08	6,90,25	6,87,97	6,92,56	6,04,38	6,85,33	6,47,99	6,12,41	5,70,76	5,58,23	5,85,96	5,85,51	5,79,72
Excise	1,80,50	1,82,72	1,81,00	1,40,97	1,80,86	1,80,85	1,12,22	1,08,23	1,22,29	1,80,92	1,33,76	1,85,00	1,44,00
Stamps	1,74,40	1,76,46	1,69,29	1,71,87	1,72,70	1,80,65	1,69,67	1,65,06	1,35,44	1,74,97	1,60,47	1,52,00	1,53,00
Forest	69,22	64,26	58,29	66,08	61,80	61,80	49,76	45,82	45,98	45,19	49,02	47,72	45,73
Registration	12,49	18,70	18,81	12,92	18,54	18,77	11,98	11,89	18,26	11,86	11,08	10,50	11,00
Scheduled Taxes	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL	10,57,69	10,77,42	10,59,86	10,83,90	9,88,28	10,72,61	9,98,02	9,48,40	9,37,83	9,21,20	9,40,81	9,80,75	9,83,45
Railways	2,14	2,07	84	2,23	1,87	1,85	1,45	86	1,00	1,29	1,18	55	60
Irrigation	66,27	85,82	99,85	97,88	84,99	1,27,86	1,09,71	97,61	1,20,18	1,20,75	1,10,02	1,52,40	1,37,92
Interest Receipts	18,19	12,90	9,28	11,76	10,29	16,92	15,26	18,33	12,64	12,21	12,68	11,72	11,25
Civil Administration	41,16	41,96	44,85	47,70	46,65	48,47	49,77	46,46	44,12	44,04	44,86	47,18	49,72
Civil Works	6,43	4,03	3,92	3,84	3,45	3,28	6,78	5,69	3,99	5,29	6,97	19,46	20,52
Miscellaneous	46,41	46,33	41,11	33,06	14,25	27,85	20,28	13,96	16,85	18,85	14,60	17,06	17,51
Contribution to the Central Government by Provincial Governments	-2,40,00	-1,83,88	-1,50,85	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Governments	1,25	45	-15	67	...	...	...	...	...	...	...	...	...
Extraordinary Receipts... Transfers from Revenue Reserve Fund	...	18	30,55	86	...	...	...	...	...	...	...	...	...
Total Revenue in India	9,99,59	10,86,68	11,83,71	12,86,40	11,44,78	12,98,84	11,96,27	11,21,31	11,45,06	11,23,63	11,30,07	11,79,13	11,70,97
Revenue in England with Exchange	-6	...	...	-2	37	27	46	85	15	...	14	17	...
TOTAL REVENUE	9,99,53	10,86,63	11,83,71	12,86,38	11,45,15	12,98,61	11,96,73	11,21,66	11,45,21	11,23,63	11,30,21	11,79,30	11,70,97

Expenditure—Government of the United Provinces Since 1924-25

(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1935-36
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Salt ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	79,46	81,78	85,94	86,62	90,61	92,62	95,52	88,16	78,89	74,28	73,85	74,85	84,08
Excise ...	6,14	15,09	12,79	13,18	18,41	18,26	12,81	11,80	10,76	11,58	11,45	11,86	11,89
Stamps ...	4,09	3,42	3,48	3,81	3,75	3,41	3,24	3,13	3,03	2,99	2,89	2,72	2,78
Forests ...	86,53	86,64	81,68	82,26	81,42	82,53	82,02	27,11	25,93	26,42	27,18	27,88	28,24
Registration ...	4,57	4,75	4,64	4,74	4,90	4,97	4,96	4,68	4,81	4,52	4,54	4,68	4,67
Scheduled Taxes ...	...	...	...	...	...	...	..	...	..	...	...	...	...
TOTAL ...	1,80,79	1,41,68	1,38,48	1,40,06	1,44,09	1,46,79	1,48,55	1,34,88	1,17,97	1,19,69	1,19,41	1,21,40	1,31,61
Forest and other Capital outlay charged to Revenue ...	...	85	1,83	1,73	1,01	1,84	74	17	7	7	22	26	81
Railways ...	17	16	17	18	18	18	18	8	8	8	7	7	7
Irrigation ...	64,07	74,08	78,63	86,08	1,05,07	94,12	1,02,80	1,05,47	1,07,52	1,07,11	1,06,92	1,08,76	1,09,41
Debt Services...	29,79	33,09	41,06	59,59	62,28	66,75	89,86	77,81	82,21	50,54	46,14	48,94	68,58
Civil Administration ...	6,85,83	6,93,68	6,95,09	7,14,99	7,28,30	7,44,56	7,41,69	6,92,80	6,52,99	6,70,17	6,84,80	7,10,04	7,30,91
Civil Works ...	80,26	69,62	67,90	65,74	70,82	50,02	63,04	37,94	44,89	47,28	52,45	65,85	67,55
Miscellaneous...	71,60	69,12	70,83	67,17	82,95	88,41	92,87	91,56	84,49	88,60	89,47	91,21	94,44
Extraordinary Items ...	...	...	...	...	...	...	...	...	...	58	1,16	77	24
Total Expenditure in India ...	10,12,51	10,81,68	10,93,04	11,85,49	11,89,15	11,92,12	12,41,78	11,89,71	10,89,72	10,84,12	11,00,64	11,41,93	12,08,07
Expenditure in England with Exchange ...	29,98	35,80	40,76	39,33	39,34	41,03	45,99	43,93	40,21	42,63	42,16	42,14	41,53
TOTAL EXPENDITURE ...	10,42,49	11,17,48	11,33,80	11,74,82	12,28,49	12,33,20	12,87,77	11,83,69	11,29,93	11,26,75	11,42,80	11,84,07	12,44,65

Revenue—Government of Burma Since 1924-25
(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1936-37
Taxes on Income ...	5,90	8,92	14,81	14,93	12,90	11,40	10,86	8,58	...	...	...	...	...
Salt ...	...	...	...	...	...	...	...	4,89	4,66	2,05	1,68	1,85	1,80
Land Revenue ...	5,71,88	5,34,48	5,22,93	5,85,62	5,40,88	5,27,78	2,82,77	5,75,85	8,87,58	4,77,14	4,95,17	4,82,51	4,91,90
Excise ...	1,16,09	1,23,68	1,82,89	1,23,68	1,88,87	1,26,94	1,07,48	80,29	84,57	80,20	85,08	83,47	89,08
Stamps ...	62,45	66,59	65,84	70,05	70,65	69,84	59,48	59,11	58,86	46,12	42,18	42,02	40,89
Forest ...	1,81,85	2,09,62	2,17,86	2,07,88	1,60,75	1,87,82	1,44,07	1,06,41	87,46	80,00	1,14,45	88,80	1,07,24
Registration ...	5,80	6,87	6,89	7,02	6,48	6,40	6,42	7,01	5,02	3,94	3,88	3,43	809
Scheduled Taxes ...	...	...	...	...	4,57	4,15	8,06	10,95	10,77	10,08	10,79	10,88	10,44
TOTAL ...	9,48,47	9,49,66	9,59,72	9,59,18	9,28,40	9,33,78	6,18,64	8,48,09	6,38,42	6,99,48	7,52,78	6,57,46	7,44,44
Railways ...	-21	10	-2	-1	...	...	...	...	...	...	...	...	...
Irrigation ...	39,09	43,58	23,87	31,63	33,41	14,83	19,85	27,80	49,82	31,58	31,08	33,66	26,86
Interest Receipts ...	12,61	18,23	11,68	11,24	11,82	10,90	9,46	9,54	9,87	7,84	4,07	8,18	2,37
Civil Administration ...	34,23	34,53	36,67	44,43	49,43	54,59	52,44	49,65	47,49	50,77	48,85	46,81	50,00
Civil Works ...	13,10	9,26	13,12	21,52	24,41	8,85	16,02	15,01	10,88	12,98	59,75	15,55	19,85
Miscellaneous ...	7,81	5,49	10,02	5,23	7,06	5,20	9,31	9,49	29,06	21,75	6,08	4,05	4,61
Contribution to the Central Government by Provincial Governments	-64,00	-44,35	-50,23	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Government	16	-1,39	...	-58	...	...	...	...	...	...	18,98	18,00	18,00
Extraordinary Receipts...	...	8,78	3,20	-61	44	2,62	1,17	24	21	1,21	81	6	...
Transfers from Revenue Reserve Fund ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India ...	9,85,76	10,18,94	10,06,03	10,72,03	10,54,52	10,80,77	7,21,89	9,59,82	7,80,75	8,25,61	9,21,80	7,78,77	8,65,18
Revenue in England with Exchange ...	...	-12	1	1	3	6	45	25	12	...	...	...	...
TOTAL REVENUE ...	9,85,76	10,18,82	10,06,04	10,72,09	10,54,55	10,80,83	7,22,34	9,60,07	7,80,87	8,25,61	9,21,80	7,78,77	8,65,18

Expenditure—Government of Burma
(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1936-37
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	56,99	67,91	67,61	65,88	64,12	61,78	58,88	60,40	52,40	58,59	58,96	52,22	55,26
Excise ...	17,82	30,69	22,18	22,18	22,98	22,59	24,20	21,14	18,96	19,48	17,56	17,69	18,58
Stamps ...	1,43	1,89	1,50	1,78	1,76	1,59	1,89	1,29	1,25	1,06	98	1,00	92
Forest ...	92,96	77,05	79,08	75,01	60,18	65,04	64,08	-18,89	59,72	1,12,58	89,48	58,99	55,46
Registration ...	1,58	1,58	1,68	1,81	1,87	1,88	1,87	1,80	1,61	1,62	1,87	1,46	188
Scheduled Taxes ...	...	...	...	...	...	4	8	2	2	5	1	1	1
TOTAL ...	1,70,78	1,78,62	1,72,05	1,66,11	1,50,86	1,52,92	1,44,85	65,76	1,88,96	1,88,83	1,18,26	1,26,87	1,81,56
Forest and other capital outlay charged to revenue ...	...	8,08	8,41	9,06	14,85	7,69	6,40	-17,15	19	-12,87	18,58	17	60
Railways ...	-46	15	-4,70	...	...	...	...	...	...	...	...	...	...
Irrigation ...	52,29	67,72	57,80	60,22	48,14	36,04	36,77	...	28,59	28,18	26,82	38,05	31,61
Debt Services ...	-18,54	-14,08	-25,11	-25,48	-20,78	-21,64	-16,09	5,58	18,23	51,99	21,08	28,87	18,08
Civil Administration ...	4,84,64	4,97,95	5,52,44	5,77,10	5,87,40	5,71,52	5,51,88	5,78,74	5,19,88	4,99,90	4,78,94	4,72,80	4,75,59
Civil Works ...	1,82,46	2,88,01	2,17,60	2,51,21	2,50,21	2,11,64	2,10,78	1,11,40	91,89	85,95	74,50	86,18	98,12
Miscellaneous ...	67,74	59,01	75,27	39,55	62,81	78,75	82,42	85,04	70,85	70,29	71,71	78,11	81,51
Extraordinary Items ...	...	...	81,61	11,68	1,52	28	...	2	4	...	18	1	1
Total Expenditure in India ...	9,43,86	10,80,41	10,85,57	11,89,89	10,89,06	10,87,20	10,17,01	8,29,89	8,57,18	9,11,72	7,04,47	8,20,06	8,82,98
Expenditure in England with Exchange ...	42,88	49,12	56,88	57,81	68,91	61,77	60,87	55,07	51,44	50,80	52,40	51,66	58,86
TOTAL EXPENDITURE ...	9,86,74	10,79,53	11,41,75	11,96,70	10,52,97	10,98,97	10,77,88	8,84,46	9,08,57	9,62,52	8,47,17	8,71,72	8,86,84

Revenue—Government of the Central Provinces and Berar Since 1924-25

(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1936-37
Taxes on Income ...	2,30	1,86	2,18	1,72	2,28	2,74	2,65	8	...	...	...	...	...
Salt ...	...	...	...	...	...	...	...	1	1	...	...	...	...
Land Revenue ...	2,25,72	2,21,88	2,32,88	2,45,26	2,19,81	2,04,99	2,18,59	2,10,63	2,44,66	2,24,16	2,34,78	2,40,20	2,55,57
Excise ...	1,50,44	1,56,57	1,35,45	1,20,67	1,22,76	1,24,45	86,27	65,56	57,61	57,04	58,80	59,96	61,54
Stamps ...	68,34	71,05	61,45	65,20	69,72	67,18	59,19	55,55	57,22	58,08	58,68	58,00	56,00
Forest ...	52,33	49,88	53,21	50,78	54,46	59,97	51,12	44,47	42,90	44,06	47,91	50,00	50,50
Registration ...	6,79	6,66	6,48	6,57	7,90	7,00	5,85	4,79	5,10	5,04	4,91	4,90	5,06
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL ...	5,05,92	5,06,90	4,91,65	4,90,20	4,75,78	4,67,83	4,28,17	3,81,09	4,07,50	3,88,88	4,00,08	4,07,00	4,28,67
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	91	92	1,92	1,23	-18	-26	3,20	-1,86	-1,47	1,86	1,95	3,82	4,06
Interest Receipts ...	3,30	2,72	2,49	3,77	3,82	2,86	4,18	3,22	4,72	4,00	4,26	3,87	28,45
Civil Administration ...	21,02	20,85	20,15	21,58	22,81	22,65	22,18	24,04	22,16	22,33	22,66	22,20	16,80
Civil Works ...	4,47	4,76	5,10	5,26	4,90	5,04	5,10	5,99	9,88	7,78	13,87	13,89	5,35
Miscellaneous ...	11,97	55	7,67	17,20	28,53	30,22	12,03	6,44	6,75	6,84	5,80	5,16	...
Contribution to the Central Government by Provincial Government	-22,00	-13,00	-22,00	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Governments	-25	1,99	-41	27	...	...	...	...	...	...	...	...	...
Extraordinary Receipts ...	...	45	45	26	18	34	18	25	2	11	9	12	10
Transfers from Revenue Reserve Fund ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India ...	5,25,34	5,35,14	5,07,02	5,39,77	5,35,48	5,28,18	4,69,99	4,19,67	4,49,51	4,30,28	4,42,57	4,55,56	4,81,24
Revenue in England with Exchange ...	...	...	...	...	4	6	7	28	28	...	...	...	...
TOTAL REVENUE	5,25,34	5,35,14	5,07,02	5,39,77	5,35,52	5,28,24	4,70,06	4,19,95	4,49,79	4,30,28	4,42,57	4,55,56	4,81,24

Expenditure—Government of the Central Provinces and Berar Since 1924-25
(*In Thousands of Rupees*)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1936-37
Income-Tax ...	...	...	...	...	...	...	...	..	...	...	...	...	...
Land Revenue	28,80	25,00	26,64	28,74	29,22	28,91	28,67	22,87	18,89	17,98	18,18	18,53	18,28
Excise ...	7,44	21,02	17,85	14,75	12,98	11,43	11,70	9,80	8,12	10,00	9,25	9,57	9,49
Stamps ...	2,53	2,18	1,89	1,86	1,79	1,69	2,49	1,16	1,25	1,15	1,17	1,21	1,26
Forest ...	81,42	88,25	86,14	86,56	88,22	88,64	88,81	84,19	82,49	83,78	84,82	85,63	86,22
Registration	2,85	2,16	2,17	2,21	2,20	2,22	2,16	1,95	1,74	1,88	1,89	1,97	1,99
Scheduled Taxes	...	...	..	...	...	...	...	..	...	...	...	...	...
TOTAL	67,54	83,56	84,69	84,12	84,86	82,89	83,88	68,97	62,49	64,74	64,76	66,91	67,24
Forest and other Capital outlay charged to Revenue	...	2,42	2,52	2,00	2,21	1,12	1,29	84	24	26	..	...	...
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	25,60	26,60	28,00	27,48	29,82	29,59	30,61	31,30	32,10	32,40	30,81	29,28	29,20
Debt Services	2,41	1,55	28	4,43	3,66	-1,26	80	2,91	16,86	21,55	7,58	7,96	9,23
Civil Administration	2,42,42	2,51,18	2,66,11	2,62,18	2,79,92	2,70,51	2,71,01	2,48,85	2,30,16	2,36,46	2,33,10	2,47,73	2,52,65
Civil Works ...	68,85	75,80	1,02,12	1,09,93	96,57	81,68	69,92	51,37	51,18	52,86	56,70	64,83	64,83
Miscellaneous	72,14	73,54	71,33	29,06	39,80	56,40	37,88	34,69	33,29	41,19	43,20	44,57	46,11
Extraordinary Items	...	28	9	...	...	...	...	...	...	...	...	...	...
Total Expenditure in India	4,78,96	5,14,88	5,55,09	5,19,20	5,36,04	5,20,98	4,94,34	4,37,93	4,30,32	4,49,46	4,40,60	4,61,23	4,68,76
Expenditure in England with Exchange	14,80	17,74	19,29	18,47	18,97	21,54	19,89	19,72	18,61	19,45	19,71	19,72	20,91
TOTAL EXPENDITURE	4,88,26	5,32,62	5,74,38	5,37,67	5,55,01	5,42,47	5,14,23	4,57,65	4,49,43	4,69,91	4,60,31	4,81,00	4,89,76

Revenue—Government of Assam Since 1924-25
(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised Budget 1935-36	1936-37.
Taxes on Income ...	...	...	...	...	...	...	...	2,42	1,69	1,72	3,23	3,25	3,25
Salt ...	5,54	5,29	4,92	5,62	6,63	5,53	4,84	64	78	25	14	14	15
Land Revenue ...	1,03,14	1,07,11	1,06,72	1,12,79	1,17,18	1,20,74	1,15,26	1,20,88	1,17,92	1,10,70	1,15,11	1,22,18	1,28,12
Excise ...	65,96	78,82	71,98	70,94	66,89	66,28	58,87	52,84	40,42	34,61	32,05	35,21	33,71
Stamps ...	20,65	22,22	23,56	23,50	22,01	19,98	19,49	19,16	18,01	17,26	17,21	17,20	17,20
Forest ...	24,79	30,89	31,67	36,14	37,68	35,20	12,68	19,27	16,16	14,57	14,80	13,55	13,55
Registrations ...	1,87	2,18	2,28	2,30	2,32	2,09	11,97	1,92	1,68	1,55	1,59	1,66	1,66
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL ...	2,28,95	2,40,96	2,41,08	2,51,29	2,52,16	2,49,77	2,22,06	2,16,58	1,96,56	1,80,66	1,86,68	1,93,19	1,92,65
Railways ...	17	29	17	12	...	...	...	...	...	...	...	...	...
Irrigation ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Interest Receipt ...	61	80	1,02	1,59	1,57	2,74	95	1,10	1,18	67	...	...	...
Civil Administration ...	9,66	9,18	8,53	9,06	12,09	12,70	13,10	12,30	11,88	11,40	11,89	12,54	12,58
Civil works ...	5,59	4,51	4,30	4,21	4,68	4,48	5,90	7,92	9,55	6,63	8,60	19,21	20,44
Miscellaneous ...	4,99	3,85	3,84	2,95	3,12	2,25	2,41	1,62	1,04	1,47	1,54	1,56	1,54
Contribution to the Central Government by Provincial Governments ...	-15,00	-9,00	-15,00	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Government ...	52	1	5	14	...	...	...	...	...	...	8,54	9,12	8,88
Extraordinary Receipts ...	...	...	...	...	...	...	...	...	...	...	1	...	...
Transfers from Revenue Reserve Fund ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India ...	2,30,49	2,50,05	2,48,49	2,69,36	2,78,62	2,71,94	2,44,42	2,40,02	2,19,66	2,00,83	2,16,99	2,35,22	2,36,67
Revenue in England with Exchange ...	...	...	...	...	8	1	1	8	1	...	...	...	...
TOTAL REVENUE ...	2,30,49	2,50,05	2,48,49	2,69,36	2,78,70	2,71,95	2,44,43	2,40,05	2,19,67	2,00,83	2,17,00	2,35,22	2,36,67

Expenditure—Government of Assam Since 1924-25
(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1936-37
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	16,29	17,29	18,09	19,10	19,07	20,55	21,88	20,81	18,82	17,81	17,82	17,81	16,88
Excise ...	1,75	18,88	10,99	7,90	9,60	9,15	8,48	6,00	6,09	5,18	4,99	5,85	5,40
Stamps ...	92	90	92	97	94	64	59	48	40	40	40	41	41
Forests ...	13,19	14,64	18,27	12,92	19,53	20,43	19,50	15,48	18,66	11,97	12,11	11,63	12,18
Registration ...	1,82	1,88	1,41	1,52	1,57	1,74	1,70	1,01	1,47	1,46	1,43	1,57	1,57
Scheduled Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL ...	83,47	48,04	44,68	42,49	50,71	52,51	52,15	44,14	40,44	36,77	36,80	36,82	36,44
Forest and other capital outlay charged to Revenue ...	...	89	1,03	1,15	1,70	1,77	1,66	66	45	...	...	...	...
Railways ...	1,15	1,09	35	53	58	59	60	50	48	47	44	44	44
Irrigation ...	74	78	64	93	1,13	90	71	63	46	55	...	...	...
Debt Services ...	-65	-68	-67	-75	-86	-1,02	-65	2,42	4,78	6,21	...	...	...
Civil Administration ...	1,02,12	1,11,58	1,18,19	1,24,61	1,29,88	1,36,53	1,39,59	1,31,07	1,21,81	1,29,79	1,56,40	1,02,40	1,71,70
Civil Works ...	37,40	39,53	40,43	53,05	67,64	77,17	57,97	41,18	39,67	35,05	46,16	56,61	64,70
Miscellaneous ...	19,08	17,19	18,59	14,73	14,53	18,52	16,54	16,62	17,74	16,00	6,50	3,51	9,19
Extraordinary Items ...	...	34	...	...	...	...	...	...	5	55	22	6	...
Total Expenditure in India ...	1,93,26	2,18,76	2,32,24	2,41,84	2,64,68	2,87,02	2,63,17	2,37,32	2,30,03	2,25,39	2,46,03	2,66,40	2,82,47
Expenditure in England with Exchange ...	7,03	9,45	10,97	9,68	9,54	10,70	10,76	10,51	10,89	10,43	...	...	...
TOTAL EXPENDITURE ...	2,00,29	2,28,21	2,43,21	2,51,52	2,72,17	2,97,72	2,73,93	2,47,83	2,36,47	2,35,87	2,46,02	2,66,40	2,82,47

Revenue—Government of the Punjab Since 1924-25
(In Thousands of Rupees.)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1936-37
Taxes on Income ...	1,90	3,82	4,02	4,83	4,02	6,60	2,00	...	...	...	...	27	...
Land Revenue ...	8,58,68	8,07,18	8,21,26	8,00,15	2,77,93	2,57,76	2,69,48	2,22,46	2,67,65	2,50,40	2,98,14	2,90,59	2,71,76
Excise ...	1,18,96	1,23,12	1,24,81	1,17,78	1,21,86	1,15,07	1,11,52	94,50	92,10	94,86	1,00,20	99,57	99,68
Stamp ...	1,16,61	1,14,85	1,18,27	1,17,94	1,21,08	1,15,08	1,10,02	1,10,50	1,14,51	1,08,15	1,02,92	94,06	98,98
Forest ...	87,27	41,12	69,08	81,94	85,28	81,58	28,85	22,44	19,52	19,48	18,85	19,82	19,24
Registration ...	8,88	9,44	9,11	9,08	9,21	9,83	8,88	8,15	9,43	8,89	9,26	9,24	9,15
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL ...	6,87,25	5,98,98	6,11,05	5,81,67	5,68,68	5,82,42	5,25,20	4,58,05	5,08,21	4,81,28	5,29,86	5,18,57	4,98,76
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	4,80,18	4,57,08	3,80,08	0,48,88	3,74,89	3,94,45	3,61,59	3,80,88	3,67,88	4,42,21	4,01,76	3,98,96	4,24,98
Interest Receipts ...	5,91	11,76	8,79	10,89	8,59	9,70	10,02	9,58	9,88	9,49	10,62	9,92	8,88
Civil Administration ...	40,74	40,99	45,50	52,75	574,9	60,28	54,98	65,59	64,71	65,80	68,19	69,87	69,69
Civil Works ...	5,82	5,80	4,89	8,60	6,85	7,01	9,74	17,92	19,78	19,45	20,25	11,78	27,86
Miscellaneous ...	83,80	2,22,96	26,72	28,86	27,54	85,70	88,08	26,78	21,18	19,79	19,68	20,89	20,48
Contribution to the Central Government by Provincial Governments ...	1,75,00	1,18,84	-85,78	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Governments ...	18	44	...	13,28	...	...	...	...	...	...	...	...	...
Extraordinary Receipts ...	...	1,27,84	84,69	1,16,05	72,24	78,27	46,46	86,09	87,28	84,61	16,40	22,20	86,17
Transfers from Revenue Reserve Fund ...	...	...	10,00	...	...	15,00	9,86	...	...	...	...	...	...
Total Revenue in India...	9,77,83	11,52,90	10,85,99	12,06,48	11,15,48	11,27,78	10,55,88	9,94,79	10,28,87	10,72,68	10,66,26	10,46,14	10,80,86
Revenue in England with Exchange ...	-11	...	-28	...	...	...	28	1,71	5	...	...	...	...
TOTAL REVENUE ...	9,77,72	11,52,00	10,85,71	12,06,37	11,15,69	11,27,19	10,56,51	9,96,50	10,28,92	10,72,63	10,66,26	10,46,14	10,80,86

Expenditure—Government of the Punjab Since 1924-25
(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1936-1937
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	41,75	43,60	42,99	41,59	40,95	40,87	39,63	37,23	35,47	36,32	36,91	33,83	33,93
Excise ...	4,56	17,82	15,22	15,40	11,71	13,73	12,74	11,57	9,88	9,85	10,42	10,07	10,83
Stamps ...	2,50	2,75	2,40	2,82	2,43	3,46	1,87	1,86	2,02	1,69	1,78	1,61	1,72
Forest ...	25,93	24,95	26,80	25,52	24,93	24,73	23,88	20,99	18,12	19,00	21,25	21,50	22,63
Registration ...	95	1,00	99	1,03	1,04	99	96	87	76	78	74	74	75
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL ...	75,69	90,12	88,40	85,95	81,06	83,78	78,59	72,52	65,74	67,59	71,10	72,75	74,91
Forest and other Capital outlay charged to Revenue ...	1	1,93	4,22	4,02	4,71	4,95	...	...	3,93	5,62	2,83	3,29	3,12
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	1,04,99	1,91,79	2,56,63	2,37,34	1,50,62	1,31,46	1,37,53	1,47,09	1,42,17	1,45,32	1,42,22	1,42,39	1,43,01
Debt Services ...	95	-4,13	-10,70	-22,39	-22,05	-16,27	-11,86	-8,84	8,63	-5,13	-10,52	-13,52	-14,67
Civil Administration ...	4,71,23	5,13,87	5,44,69	5,69,67	6,17,05	6,50,91	6,39,57	5,85,08	5,49,11	5,33,45	5,73,90	6,06,04	6,13,14
Civil Works ...	63,73	1,07,53	1,40,25	2,05,99	2,45,00	1,33,11	1,44,73	1,24,85	1,20,00	1,21,43	1,23,79	1,39,43	1,35,39
Miscellaneous ...	43,24	54,76	56,79	57,16	46,62	54,95	70,70	77,25	81,17	93,53	1,01,82	1,07,12	1,03,30
Extraordinary Items ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Transfer to Revenue Reserve Fund ...	...	...	20,00	15,00	...	...	...	...	...	...	...	...	...
Total Expenditure in India ...	7,64,39	9,60,42	11,09,23	11,52,24	11,23,01	10,92,39	10,59,25	9,93,45	9,70,85	9,71,81	10,81,23	10,84,49	10,93,04
Expenditure in England with Exchange ...	29,84	33,96	37,42	34,29	33,19	39,36	39,49	39,59	35,56	37,63	33,50	39,42	33,10
TOTAL EXPENDITURE ...	7,94,23	9,94,38	11,46,65	11,86,53	11,56,20	11,31,75	10,98,74	10,33,04	10,06,41	10,09,44	10,69,73	11,23,91	11,26,14

Revenue—Bihar and Orissa Since 1924-25

(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1936-37
Taxes on Income ...	2,54	2,41	3,24	3,20	4,74	4,49	3,14	2,13	1,22	1,32	20	80	78
Salt ...	...	...	...	...	...	...	...	2,84	2,19	1,12	62	68	68
Land Revenue ...	1,67,58	1,67,08	1,69,21	1,68,66	1,78,98	1,77,88	1,80,04	1,76,09	1,80,85	1,77,08	1,82,67	1,79,11	1,88,48
Excise ...	1,75,99	1,96,68	1,97,85	1,96,40	1,89,27	1,90,82	1,42,09	1,22,07	1,20,01	1,28,79	1,89,88	1,48,68	1,21,74
Stamps ...	1,00,48	1,07,52	1,07,12	1,09,75	1,10,86	1,11,84	1,07,80	1,05,78	1,06,57	1,06,48	1,18,24	1,16,87	1,08,50
Forest ...	10,71	10,29	8,45	9,89	10,97	9,89	8,11	6,28	6,19	6,85	8,11	8,86	6,08
Registration ...	18,74	15,01	15,42	16,74	17,03	17,03	14,54	18,80	12,66	12,58	14,29	14,29	12,58
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL ...	4,70,99	4,96,89	5,00,79	5,04,14	5,06,85	5,10,95	4,55,72	4,28,44	4,80,69	4,29,17	4,58,60	4,68,69	3,83,74
Railway ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	18,25	22,54	24,27	22,44	20,92	17,91	17,68	21,42	22,98	20,70	24,82	22,36	20,43
Interest Receipts ...	5,04	7,52	9,88	7,29	7,72	7,56	5,92	5,82	5,16	4,65	4,61	6,95	7,76
Civil Administration ...	26,98	29,20	25,51	24,20	210	81,42	28,76	28,26	29,19	25,78	27,10	80,56	28,86
Civil Works ...	8,86	6,66	6,50	8,21	6,46	6,46	6,86	8,78	10,65	9,16	9,72	12,25	10,42
Miscellaneous ...	6,28	13,88	7,22	5,65	7,88	20,25	10,85	27,08	7,20	7,16	7,86	6,51	9,08
Contribution to the Central Government by Provincial Govern- ments ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjust- ment between Central and Provincial Govern- ments ...	64	80	87	51	...	...	...	...	...	...	10,58	11,64	10,00
Extraordinary Receipts ...	...	...	...	...	...	...	1,58	...	...	...	3,12	...	...
Transfer from Revenue Reserve Fund ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India	5,86,54	5,78,94	5,78,99	5,72,44	5,77,88	5,94,55	5,27,87	5,19,25	5,05,82	4,96,57	5,45,91	5,58,96	4,70,24
Revenue in England with Exchange ...	-1	...	-2	-2	84	-1	22	22	1	...	...	...	...
TOTAL REVENUE	5,86,58	5,78,94	5,78,97	5,72,42	5,78,22	5,94,54	5,27,59	5,19,47	5,05,88	4,96,57	5,45,91	5,58,96	4,70,24

Expenditure—Bihar and Orissa Since 1924-25
(In Thousands of Rupees)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Revised 1935-36	Budget 1935-36
Income Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Salt ...	...	...	...	...	...	...	...	...	...	...	1	1	...
Land Revenue ...	21,14	21,21	21,89	23,84	27,50	25,72	24,68	21,80	18,99	17,14	16,20	14,77	11,61
Excise ...	9,90	22,75	19,89	19,16	18,08	18,88	18,14	15,41	14,45	14,62	16,51	17,15	18,06
Stamps ...	2,86	2,97	3,06	3,18	3,89	2,53	2,80	2,17	2,02	1,92	2,07	2,18	1,86
Forests ...	7,79	6,58	8,41	6,68	7,19	7,62	7,84	7,01	6,17	6,88	6,54	7,91	5,25
Registration ...	5,45	5,88	6,08	6,24	6,28	6,40	6,41	6,18	5,71	6,00	6,12	6,60	5,50
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL ...	47,14	59,84	58,89	58,55	62,84	60,69	58,91	52,57	47,84	46,56	47,45	48,57	47,28
Forest and other Capital outlay charged to Revenue ...	...	99	1,81	1,29	1,82	1,40	1,51	62	15	17	—	54	24
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	25,18	25,48	27,64	27,41	25,76	28,40	25,47	25,94	24,41	24,07	25,57	24,05	12,71
Debt Services ...	3,55	3,42	2,48	1,98	1,28	1,82	1,99	1,95	2,20	2,00	2,76	10,51	16,86
Civil Administration ...	3,15,80	3,31,72	3,62,40	3,58,85	3,62,66	3,78,84	3,80,88	3,45,50	3,27,54	3,48,09	3,58,06	3,70,26	3,17,80
Civil Works ...	66,85	72,98	68,18	64,32	76,42	85,63	80,25	56,07	42,20	38,47	44,96	54,55	48,34
Miscellaneous ...	37,61	39,91	40,48	37,79	32,47	34,12	32,79	36,43	34,24	25,23	32,07	32,10	48,34
Extraordinary Items ...	...	...	...	...	...	...	...	1	18	23	20	7	48,45
Total Expenditure in India ...	4,95,63	5,33,79	5,81,22	5,64,54	5,62,25	5,85,99	5,81,80	5,19,08	4,78,26	5,04,82	5,26,07	5,60,95	4,81,78
Expenditure in England with Exchange ...	17,49	21,14	23,78	21,57	23,02	22,43	34,33	23,46	22,22	21,64	22,16	22,66	21,72
TOTAL EXPENDITURE ...	5,13,12	5,54,93	6,05,00	5,87,11	5,85,27	6,08,42	6,06,13	5,42,54	5,00,48	5,26,46	5,48,23	5,83,61	5,03,50

Revenue—Government of North-West Frontier Province. (In Thousands of Rupees.)				Expenditure—Government of North-West Frontier Province. (In Thousands of Rupees.)			
Revised Budget				Revised Budget			
	1984-85	1985-86	1986-87		1984-85	1985-86	1986-87
Taxes on Income	...	...	...	Income-Tax	...	...	...
Land Revenue	19,81	21,71	20,56	Land Revenue	8,42	8,49	8,52
Excise	9,04	8,82	8,26	Excise	75	80	85
Stamps	9,04	9,16	9,25	Stamps	21	22	21
Forest	2,74	8,80	8,57	Forests	8,00	8,04	8,42
Registration	66	66	66	Registration	10	12	12
Scheduled Taxes	...	...	...	Scheduled Taxes	...	...	...
Total	41,29	48,65	42,80	Total	7,48	7,67	8,12
Railways	...	...	...	Forest and other capital outlay charged to Revenue	...	...	...
Irrigation	11,29	12,77	11,61	Railways	...	...	...
Interest Receipts	78	88	92	Irrigation	18,65	15,07	15,17
Civil Administration	6,80	7,82	8,84	Debt Services	1,39	1,29	1,12
Civil Works	5,13	8,26	4,41	Civil Administration	99,22	1,08,79	1,05,66
Miscellaneous	2,22	1,97	1,98	Civil Works	31,44	31,19	32,91
Contribution to the Central Government by Provincial Governments	...	...	...	Miscellaneous	10,70	11,47	11,72
Miscellaneous Adjustments between Central and Provincial Governments	1,00,00	1,00,00	1,00,00	Extraordinary Items	3	2	...
Extraordinary Receipts	...	...	...	Total Expenditure in India	1,68,91	1,70,50	1,74,70
Transfers from Reserve Fund	...	...	...	Expenditure in England with Exchange	4,89	5,88	5,36
Revenue in England with Exchange	...	...	...	TOTAL EXPENDITURE	1,68,80	1,73,88	1,80,06
TOTAL REVENUE	1,67,51	1,70,85	1,70,06				

Revenue and Expenditure of the Central Government

The following statement gives the revenue and expenditure of the Central Government since 1921-22. The sterling amounts are converted into rupees at the average of the daily rates for telegraphic transfers in Calcutta on London in each year. The rate of conversion has been assumed to be 1s. 6½d. in 1933-34 and as usual 1s. 6d. in 1934-35. The figures given below are in Lakhs of Rupees.

YEAR	(1) Revenue excluding transfer from Revenue Reserve Fund	(2) Expenditure excluding transfer to Revenue Reserve Fund and provision for Reduction or Avoidance of Debt and items shown in (3)	(3) Transfer to Earthquake Fund and Special Subventions to Provinces	(4) Balance of (1) and (2) Plus (3)	(5) Provision for Reduction or Avoidance of debt and Transfers to or from Revenue Reserve Fund	(6) Final Surplus (+) Deficit (-)
1921-22	1,15,21	1,88,40	...	-28,19	4,46	-27,65
1922-23	1,21,41	1,81,88	...	-10,47	4,55	-15,02
1923-24	1,83,17	1,27,16	...	+6,01	8,62	+2,39
1924-25	1,88,04	1,28,58	...	+9,46	8,78	+5,68
1925-26	1,88,88	1,25,05	...	+8,28	4,97	+8,81
1926-27	1,81,70	1,28,77	...	+7,98	(a) 7,98	...
1927-28	1,25,04	1,22,22	...	+2,82	(b) 2,82	...
1928-29	1,28,24	1,28,88	...	+4,86	(c) 4,68	-32
1929-30	1,82,69	1,26,68	...	+6,01	5,74	+27
1930-31	1,24,80	1,80,04	...	-5,44	6,14	-11,58
1931-32	1,21,64	1,26,50	...	-4,86	6,89	-11,75
1932-33	1,86,40	1,18,01	2,72	+8,89	6,84	+1,55
1933-34	1,26,87	1,20,87	2,28	+8,00	8,00	...
1934-35	1,25,11	1,24,71	2,95	+2,68	8,00	-82
1935-36	1,24,87	1,19,40	...	+7,92	4,97	+2,85
(Revised)						
1936-37 Budget)	1,22,77	1,22,67	3,85	+8,45	8,00	+45

- (a) After adding 2,96 transferred to Revenue Reserve Fund.
- (b) After deducting 2,22 transferred from Revenue Reserve Fund.
- (c) After deducting 74 transferred from Revenue Reserve Fund.

Railway Budget.

Review of results from 1925-26 to 1934-35 Commercial and Strategic lines together.
(Figures in Lakhs of Rupees)

	Mileage open	Gross Traffic receipts	Ordinary operating expenses	Appropriation to Depreciation Fund	Net Traffic Receipts	Net Miscellaneous charges (including surplus profits payable to Companies) after deducting miscellaneous receipts	Net Revenue	Interest charges	Surplus	Paid as contribution to general revenues	Transferred to Railway Reserve
1925-26	27,090	98,94	52,99	10,67	85,28	-1,19	84,09	24,81	9,28	5,49	3,79
1926-27	27,664	95,42	52,89	10,89	84,64	-1,27	83,37	25,87	7,50	6,01	1,49
1927-28	28,086	1,08,48	53,06	11,88	88,99	-87	88,12	27,27	10,85	6,28	4,57
1928-29	29,111	1,03,78	54,22	12,00	87,51	-87	87,14	29,38	7,81	5,28	2,58
1929-30	30,873	1,02,70	55,59	12,59	84,52	-2	84,50	30,46	4,04	6,12	-2,08
1930-31	31,197	95,10	54,89	13,07	27,64	-11	27,58	32,72	-5,19	5,74	-10,98
1931-32	31,640	86,63	49,31	18,46	28,36	-1	28,37	38,07	-9,20	...	-4,95
1932-33	31,642	84,48	49,08	18,77	21,58	1,10	22,68	32,91	-10,28	...	...
1933-34	31,644	86,63	49,50	18,56	28,57	105	24,02	32,58	-7,96	...	...
1934-35	31,619	90,20	50,27	18,72	26,21	58	26,74	31,80	-5,06	...	...
Revised estimate 1935-36	31,689	91,00	50,75	18,23	25,99	84	26,88	31,87	-4,54	...	...
Budget estimate 1936-37	31,689	91,25	51,25	18,28	26,72	95	27,67	31,11	-3,44	...	...

NOTE 1—The balance of the loss in 1931-32 and the total loss in the following years has been, or will be, met by temporary borrowings from the Depreciation Fund.

NOTE 2—Credits for Material released from works not charged to revenue which were taken in reduction of operating expenses up to 1931-32.

FROM 1932-33 onwards they have been added to receipts and are included in net miscellaneous receipts. The amount involved are as follows: in 1932-33, and 1933-34, Rs. 119 lakhs each, in 1934-35, Rs. 90 lakhs, and the estimates for 1935-36, and 1936-37, are 110 and 100 lakhs respectively.

NOTE 3—Working expenses was reduced in 1930-31, by Rs. 106 lakhs by a credit from the Depreciation Fund for correction of past accounting adjustments, and in 1931-32, by Rs. 180 lakhs by certain abnormal refunds of expenditure in previous years.

CURRENCY & MONETARY SECTION:

INDIAN FINANCE IN 1935-36

1935-36 is remarkable for the smooth run of the Indian exchange and money markets in a period in which the world's exchanges and currencies were subject to frequent crises. The year is notable also for the inauguration of the Reserve Bank of India and its taking charge of the functions of a central banking institution. Considering the conditions, which obtained in the world of international finance during the year, it is a matter for gratification that the Reserve Bank could look back on its first year of operations as one of complete success. For, though the year was free from disastrous failures of big banking institutions, such as occurred in 1931 or the wide-spread American banking crisis of 1933, there was a multiplicity of violent currents and cross currents in the international exchange and capital markets and there were very few occasions in which the outlook was not obscured by thick fogs of uncertainty. This may, perhaps, be attributed to the fact that the year did not fulfill the distinct promise with which it began, that the hopeless struggle of the gold currencies against devaluation would not be unduly prolonged and that, before the year had progressed far, conditions would have ripened for some form of international stabilisation. On the last day of 1934-35 occurred the devaluation of the belga in circumstances which are now well-known. It is natural that, once Belgium was forced to devalue her currency, it should generally be expected that the pressure on the French, the Swiss and the Dutch currencies should increase, almost to breaking point. In fact, the end of the Belgian crisis was the signal for similar crises in other gold currencies. The Luxembourg franc and the Danzig guilder were also devaluated, though the former to a less extent than the belga, while the latter was brought to a par with the Polish zloty. But the important gold currencies like the Swiss and the French francs and the Dutch guilder held out to the end; and even at the time of writing (middle of June 1936) a change in the gold parity of the francs,

and, consequentially, of other gold currencies is at best a confident expectation.

The devaluation of the belga was followed by an outburst of bear speculation in the guilder; but the authorities showed such determination to protect the guilder by means of a rise in the bank rate and other measures that the speculators were obliged to turn their attention away to the Swiss franc, where the imminence of the people's verdict on a straightforward proposal for devaluation had created the necessary conditions. But ultimately, the Swiss referendum was turned down, mainly because the proposal for devaluation was coupled with proposals for alteration of the essentially democratic nature of the Swiss constitution. When the popular verdict was known, the continuance of Switzerland on the gold currency, till at least the issue is finally decided in France, was taken for granted. The same could also be said of Holland; and except for a second crisis in the third quarter of the year, when it was occasioned by the unduly severe measures of retrenchment proposed by Dr. Colijn, the Premier, Holland was equally free from currency crises.

The brunt of the struggle was, therefore, borne by France, where the crisis, though it originated in the scare following the Belgian devaluation, struck root in the congenial soil provided by the extreme financial embarrassments of the Treasury. It is needless to recount in detail the repeated crises which France suffered in the exchanges. Suffice it that, owing to the practical impossibility of balancing the budget, the difficulties of the Treasury were on the increase and that the Bank of France was never quite ready to relieve it completely on account of the desire to keep its hold on the government and thus ensure an official policy favourable to the maintenance of the gold parity. On more than one occasion, the relations between the political groups tended to add a political crisis to the exchange crisis; and on such occasions, the franc naturally did not

recover till the public had a full reassurance as to the stability of the Government and its determination to stand by the present parity.

The unenviable position of the franc had its natural consequences on the general features of international finance during the year under review. In the first quarter of 1935, sterling exhibited weakness in relation to the franc, primarily because it was believed at that time that the Exchange Equalisation Account had no reserves sufficient for the protection of sterling and also because the general elections were expected to be held sooner and to result in the return of a Socialist majority. But after the devaluation of the belga, the weakness of the gold currencies naturally meant an appreciation of sterling which it was the principal aim of the authorities to check as far as possible. Nevertheless, the sterling-franc rate which was below 71 on March 1935 came, within a year, to very near 76. The rise in the sterling-franc rate was duly reflected in the appreciation of sterling in terms of the dollar, though, towards the year-end, the dollar was subject to the upward pressure caused by a consistent and almost unbroken inflow of foreign funds into the country, firstly, on account of the expectation of a decision on the Gold Clause case adverse to the Administration, and, secondly, owing to the feeling of insecurity about the European currencies. The general unsettlement of international finance will be best understood from the following table showing the changes in bank rates during the period under review; and it need hardly be added that nearly all the changes were due to the conditions in the exchange markets concerned.

Changes in Bank rates in 1935-36

	Per cent	Per cent
Rome :		
Nov. 26, 1934 ...	3	to 4
Mar. 25, 1935 ...	4	to 8½
Aug. 12, " ...	8½	to 4½
Sept. 9, " ...	4½	to 5
Tokio :		
July 2, 1935 ...	4.88	to 8.65
Calcutta :		
Feb. 16, 1935 ...	4	to 8½
Nov. 28, 1935 ...	8½	to 8
London :		
Since June 30, 1932 ...		2%

Paris :

May 31, 1934 ...	3	to 2½
May 28, 1935 ...	2½	to 8
May 25, " ...	3	to 4
May 23, " ...	4	to 6
June 20, " ...	6	to 5
July 4, " ...	5	to 4
July 18, " ...	4	to 8½
Aug. 8, " ...	8½	to 8
Nov. 14, " ...	3	to 4
Nov. 21, " ...	4	to 5
Nov. 25, " ...	5	to 6
Jan. 1, 1936 ...	6	to 5
Jan. 9, " ...	5	to 4
Feb. 6, " ...	4	to 8½
Mar. 28, " ...	8½	to 5

Berlin

From Sept. 22, 1932 ... 5% to 4%

New Year Federal Reserve Bank

From Feb. 1, 1934 ... 2% to 1½%

Amsterdam :

From Sept. 18, 1933 ...	8%	to 2½
April 5, 1935 ...	2½	to 3½
April 9, " ...	3½	to 4½
May 13, " ...	4½	to 4
June 26, " ...	5	to 4
July 5, " ...	4	to 8½
July 17, " ...	8½	to 8
July 24, " ...	8	to 5
July 25, " ...	5	to 6
Aug. 2, " ...	6	to 5
Sept. 17, " ...	5	to 6
Oct. 21, " ...	5	to 4½
Nov. 4, " ...	4½	to 4
Nov. 14, " ...	4	to 8½
Jan. 15, 1936 ...	8½	to 8
Feb. 4, " ...	8	to 2½

Brussels :

From Aug. 23, 1934 ... 3 to 2½
May 14, 1935 ... 2½ to 2

From these turmoils, India has been singularly free during the year 1935-36. It has been pointed out in a leading article of the *Year-Book* that the general background of economic conditions in the country was distinctly brighter than in the previous year. There has been, in the case of all the important agricultural staples, as for instance, jute, an increase alike in acreage and output. In the case of jute, the decrease was deliberately brought about by Government propaganda for restriction and it served to maintain the price of jute. The output of cotton during the year improved to 5.679 million bales against 4.836 bales in the previous year. The yield of wheat increased fractionally to 9.724 million bushels. The acreage under sugar cane and, what is more important, the acreage under the improved varieties, have shown an expansion. Rice showed a decrease in yield owing to bad weather and floods in Bengal.

The conditions, therefore, were favourable for the maintenance of the upward trend in the country's foreign trade. The exports during the year increased to Rs. 160.49 crores from Rs. 151.67 crores in the previous year. Re-exports improved by 22 lakhs to Rs. 377 lakhs. Total exports at Rs. 169.26 crores were, therefore, up by Rs. 9.04 crores and showed a percentage increase of 5.8. Imports increased by Rs. 2.10 crores to Rs. 134.39 crores or an increase of 1.6 per cent. Taking the imports at Rs. 133.71 crores, that is, after allowing for the value of railway materials which are not paid for in the ordinary way, the balance of trade in merchandise for the year came to Rs. 30.55 crores, which compares with Rs. 23.42 crores in 1934-35 and Rs. 35.67 crores in 1933-34. The increase in the balance of trade in merchandise has not, unfortunately, prevented a fall in the total visible balance of trade as the balance of transactions in treasure has fallen from Rs. 52.53 crores to Rs. 36.37 crores. And the fall is even greater when one remembers that in 1933-34 we had a favourable balance on this account of as much as Rs. 57.23 crores. The fall is attributable mainly to the decrease in the private exports of gold which amounted during the year under review to Rs. 37.35 crores against Rs. 52.53 crores in 1934-35 and Rs. 57.05 crores in 1933-34. Silver imports, too, which amounted to Rs. 1 lakh in 1933-34 and Rs. 37 lakhs in 1934-35, increased to Rs. 127 lakhs in 1935-36. The exports of currency notes at the same time fell from Rs. 37 lakhs to Rs. 29 lakhs. The result is that the balance of transactions in treasure amounted to only Rs. 36.37 crores. The total visible balance of trade thus comes to Rs. 66.92 crores against as much as Rs. 92.90 crores in 1933-34.

Though one might wish that the visible balance of trade had been much bigger, it has been sufficient, during the year, to maintain the rupee-rate at the strength to which we have now-a-days become familiar. The rupee-rate has throughout the year remained at a premium over sterling. It should be a matter of gratification to the authorities of the Reserve Bank that in the first year of its inauguration their task in regard to the maintenance of the exchange has been altogether light and pleasant. Indeed, the exchange has had such smooth sailing during the year that the Bank has been able to carry out satisfactorily its avowed policy of strengthening

the sterling reserves. The Bank has been able throughout the year to find its requirements of sterling with exceptional ease and to add, from time to time, to its sterling reserves at the expense of the rupee securities. The sterling purchases effected by the Reserve Bank month by month is given in a later page.

It will be seen therefrom that the Bank has been able to remit during the year nearly £34½ million by purchases through the open market. Taken together with the £14 million of the opening balances, and the £10 million raised by the year's sterling Loan, the Bank had command during the year of £58½ million. Of this, £14 million were transferred from the Banking to the Issue Department with a view to strengthening the external reserves. The following table gives the amounts and the dates on which these transfers were effected:—

	Sterling securities +or- over the previous week's figure Rs.	Rupee securities +or- over the previous week's figure Rs.
May 31 ...	+1,99,07,000	-1,99,04,000
June 7 ...	+1,57,75,000	-1,57,71,000
June 14 ...	+99,50,000	-99,48,000
July 5 ...	+12,00,00,000	-11,99,99,000
Sept. 20 ...	+99,56,000	-99,56,000
Feb. 21 ...	+1,18,04,000	-1,12,97,000

From the above table, it will be seen that the increase in sterling securities has been accompanied by a corresponding decrease in rupee securities brought about by a reduction of the portfolio of *ad hoc* securities. A comparison of the figures of rupee and sterling securities in the reserves at the beginning and at the end of the year will show to what extent the Bank has accomplished its policy of strengthening the sterling reserves. It is interesting to note that, while the rupee securities stood at Rs. 43.05 crores at the beginning of the year, they dwindled at the end of the year to Rs. 24.42 crores. At the same time, the sterling securities have increased from Rs. 48.62 crores to Rs. 67.31 crores. It will be seen from this that the *ad hoc* securities have been reduced by Rs. 18½ crores and sterling securities strengthened at the same time by a like amount. It is possible by a scrutiny of the changes in the sterling reserves to estimate the amount made available to the India Office by the Reserve Bank on behalf of the Government of India. The total sterling resources during the year amounted to £58½

million. Of this £14 million was transferred to the Issue Department and as the closing balance amounted to £16½ million it may be assumed that as much as £28½ million was paid to the India Office during this period.

It is remarkable that the strength of the exchanges has been maintained in the face of a cheap money policy at home. The year has been singularly free from any phase of tight money; and before it had proceeded far, it was clear that, even during the months of the customary busy season, the actual conditions of the money market would be quite out of tune with the 3½ per cent. bank rate and that the authorities would have to effect a reduction in the official minimum. This was achieved on November 28; and during the months following the reduction of the Bank rate, the easy money conditions were even more accentuated by the steady decrease in the total volume of Treasury Bills outstandings.

Two Loans were raised by the Government of India during 1935. One was a 3 per cent. Sterling Loan and the other a 3 per cent. Rupee Loan.

The Sterling Loan was issued in July at 98 per cent. repayable 1949-52 for £10,000,000. This issue was in part replace-

ment of £12,000,000, 6 per cent. 1935-37, for the redemption of which on 15th October, 1935, notice had already been given. The subscription list opened on the 11th July, 1935, and was closed within 10 minutes, the issue being heavily over-subscribed.

The 3 per cent. Rupee Loan 1951-54, was issued in August at Rs. 96-8 per cent. for Rs. 15,00,00,000. This issue was for the repayment of Rs. 11,43,00,000, 5 per cent. 1935 Bonds and Rs. 16,10,00,000, 6½ per cent. 1935 Treasury Bonds. The subscription lists were opened on the 15th of August and were closed within 20 minutes.

Total subscriptions amounted to Rs. 29,53,00,000 and were distributed as follows:—

	Rs.
In Cash	16,53,00,000
By tender of 5 per cent. Bonds 1935	8,37,00,000
By tender of 6½ per cent. Treasury Bonds 1935...	4,63,00,000

The 5 per cent. 1935 Bonds and 6½ per cent. 1935 Treasury Bonds were accepted as the equivalent of cash at Rs. 100-7 and Rs. 100-11 respectively for conversion purposes. Cash applications for Rs. 5,000 and under were allotted in full, other cash applications receiving an allotment of 11 per cent., with a minimum of Rs. 5,000.

Balance of Trade in India from 1925-26 to 1935-36.

(In Lakhs of Rs.)

	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Exports of Indian Merchandise (private)	+ 8,74,84	+ 8,01,44	+ 8,19,15	+ 8,30,18	+ 8,10,80	+ 2,20,49	+ 1,55,89	+ 1,82,48	+ 1,47,25	+ 1,51,67	+ 1,60,49
Re-exports of foreign	+ 10,49	+ 8,01	+ 9,54	+ 7,83	+ 7,18	+ 5,15	+ 4,66	+ 8,22	+ 8,42	+ 8,55	+ 8,77
Imports of foreign	- 2,24,20	- 2,29,98	- 2,46,71	- 2,51,49	+ 2,88,95	- 1,68,61	- 1,25,69	- 1,82,27	- 1,15,00	- 1,81,80	- 1,83,71
Balance of trade in Merchandise	+ 1,61,13	+ 79,47	+ 81,98	+ 86,47	+ 78,98	+ 62,03	+ 84,86	+ 8,88	+ 35,67	+ 28,42	+ 80,55
Gold (private)	- 34,85	- 19,40	- 18,10	- 21,20	- 14,22	- 12,75	+ 57,97	+ 65,52	+ 57,05	+ 52,58	+ 87,85
Silver (,,)	- 17,15	- 19,79	- 18,85	- 18,04	- 11,89	- 11,65	- 2,59	- 78	- 1	- 87	- 1,27
Currency Notes (private)	+ 12	- 14	- 24	- 12	- 9	- 3	+ 26	+ 18	+ 19	+ 87	+ 29
Balance of transaction in Treasure (private)	- 51,88	- 39,38	- 32,19	- 34,36	- 26,20	- 24,43	+ 55,64	+ 64,92	+ 57,23	+ 52,58	+ 86,97
Total Visible Balance of Trade	+ 1,09,25	+ 40,14	+ 40,79	+ 52,11	+ 52,78	+ 87,60	+ 90,50	+ 68,80	+ 92,90	+ 75,95	+ 66,92
Council Bills, purchases of Sterling and other Government remittances to the United Kingdom	- 61,24	- 2,82	- 87,77	- 41,02	- 20,89	- 7,26	- 58,04	- 48,18	- 59,97	- 49,82	- 45,58
Sterling transfers on London sold in India ... ..	...	+ 1,93	...	...	...	+ 7,75	+ 18,98	+ 18,98	...	...	...
Transfers of Government Securities	- 1,27	+ 3	+ 28	- 1	- 29	- 8	+ 6	- 18	- 11	+ 32	- 56
Interest drafts on India in respect of Government of India Securities	- 86	- 84	- 85	- 86	- 88	- 88	- 82	- 32	- 36	- 28	- 81
Balance of remittance of funds	- 62,87	- 1,20	- 87,84	- 41,89	- 21,01	+ 8	- 84,32	- 48,68	- 60,44	- 49,78	- 46,45
Total Visible Balance of Accounts	+ 46,88	+ 88,94	+ 11,95	+ 10,72	+ 81,77	+ 87,68	+ 56,18	+ 19,67	+ 81,50	+ 26,17	+ 20,47

NOTE—(1) Imports of merchandise are exclusive of railway materials imported direct by State Railways working under Company management, as the charges of these are not paid for in the ordinary way.

(2) In the balances, + means net Export and - net Import.

(3) All transactions which do not enter into the balance of trade are excluded.

Monthly Exports and Imports into India of Gold from 1929-30 to 1935-36

(In Thousands of Rupees)

	1929-30		1930-31		1931-32		1932-33		1933-34		1934-35		1935-36	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
April	1,83,25	48	1,68,40	29	16,45	...	11,50	4,23,78	6,18	4,55,50	6,58	5,84,61	4,18	1,04,28
May	1,68,77	...	1,76,78	..	10,06	...	7,18	3,80,42	10,24	5,21,92	0,21	5,29,07	17,60	1,94,68
June	99,26	4	2,52,16	1	16,04	64,08	8,68	4,87,02	18,84	5,62,50	7,78	5,05,82	8,58	1,10,61
July	1,15,66	...	93,25	...	20,67	42,67	10,69	6,17,04	8,46	2,59,75	5,65	5,82,84	11,17	6,04,26
August	77,81	85	3,68,82	3	21,57	23,95	12,95	4,51,58	8,99	4,46,80	6,80	99,74	5,57	6,76,96
September	94,17	...	97,74	...	31,00	29,29	9,86	6,56,50	8,23	5,70,11	5,42	72,23	14,65	3,17,91
October	87,89	1	26,43	...	49,27	9,05,44	10,93	5,67,89	8,64	8,48,55	5,59	3,89,44	6,94	3,04,68
November	1,22,44	...	86,24	...	27,02	8,57,45	14,27	6,71,75	7,13	2,53,23	4,76	5,51,53	8,79	3,96,16
December	1,27,91	..	23,22	4,54	27,94	17,76,53	16,09	10,18,26	10,56	2,42,07	5,93	6,24,69	3,62	2,77,62
January	1,47,21	10	24,53	32,87	20,11	9,27,83	12,74	4,71,22	7,13	5,92,68	5,68	4,41,60	5,77	3,71,17
February	1,05,81	...	24,11	...	18,92	7,57,12	7,25	4,95,89	11,21	10,21,62	3,79	4,78,22	3,04	2,63,89
March	94,43	...	37,93	12,10	14,90	6,88,37	10,22	4,08,29	9,63	5,45,98	8,29	5,15,89	504	3,03,42
TOTAL	14,23,11	1,03	18,24,66	49,84	79,95	60,77,23	1,31,81	66,84,09	1,09,94	58,15,30	71,93	53,25,63	94,93	33,30,53

NOTE—Value is at the market rate at the time of Import or Export and the metal is of unknown fineness.

Monthly Exports from and Imports into India of Silver from 1929-30 to 1935-36
(In Thousands of Rupees)

	1928-29		1929-30		1930-31		1931-32		1932-33		1933-34		1934-35		1935-36	
	Imports Exports		Imports Exports		Imports Exports		Imports Exports		Imports Exports		Imports Exports		Imports Exports		Imports Exports	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
April	1,40,76	3,20	1,15,17	79,77	1,44,67	21,77	46,20	28	9,68	5,46	7,47	851	1,61,61	21,00	1,375	88,91
May	1,17,30	56,88	1,15,17	26,51	1,54,34	7,40	50,80	27	19,05	3,26	11,00	48,51	16,23	85,88	5,94	46,82
June	1,53,91	1,98,93	1,26,51	49,84	1,23,18	1,02	54,06	23,40	26,53	25,99	77	1,90,53	1,00,20	50,15	20,09	7,17
July	8,89,29	75,32	94,18	25,80	94,44	1,12	36,85	73,68	42,26	9,14	80	1,99,32	99	68,85	16,86	6,69
August	1,41,60	27,34	1,03,77	24,70	1,44,73	80,84	23,68	84,47	14,35	71,96	2,59	22,55	5,25	1,02,47	6,76	1,02,68
September	90,92	66,27	76,01	35,14	65,23	49,03	54,00	84,41	10,06	23,75	5,99	29,35	8,99	86,14	3,14	9,53
October	1,03,50	27,42	88,74	22,32	11,75	55,99	47,05	12,95	3,07	30,79	13,53	72,42	1,42	1,10,02	2,36	11,92
November	96,54	32,88	1,03,80	41,26	43,81	19,01	30,49	9,04	3,54	68,40	11,93	5,51	26,39	78,84	3,16	9,81
December	57,75	32,32	63,35	73,81	35,57	51,42	67,96	43,47	4,77	19,02	10,96	27,20	48,31	55,81	6,27	4,02,29
January	1,14,54	12,15	1,07,88	33,32	1,03,53	19,73	16,50	77,39	9,59	67,37	4,92	41,65	9,95	39,19	37,27	9,29
February	1,24,75	1,12	2,45,10	25,47	3,51,31	16,24	6,41	64,77	7,03	26,34	3,40	16,04	2,92	1,52,24	3,76,93	2,04
March	53,29	31,23	1,30,15	41,35	74,00	15,57	4,19	10,63	3,02	6,73	3,37	60,36	62,30	1,37,16	93,61	145
TOTAL	15,92,13	6,15,11	13,41,91	4,79,79	13,46,61	3,38,60	4,42,64	4,34,31	1,62,95	3,64,26	31,73	7,17,45	4,45,11	9,36,75	6,45,69	7,03,10

Note—Value is at the market rate at the time of Export or Import and the metal is of unknown fineness.

**Total Imports and Exports of Silver and Gold for each of the
years 1900-01 to 1935-36.**

(Value in Thousands of Rupees)

	GOLD		SILVER	
	Imports	Exports	Imports	Exports
	Rs.	Rs.	Rs.	Rs.
1900-01	11,89,80	11,05,59	12,67,87	8,17,15
1901-02	8,80,75	6,86,99	12,29,88	5,10,10
1902-03	18,19,24	4,48,78	12,18,65	5,22,98
1903-04	20,14,79	10,21,62	18,87,82	4,82,77
1904-05	21,81,20	12,10,61	17,69,62	4,82,27
1905-06	14,75,90	14,29,10	16,90,20	1,17,90
1906-07	18,58,84	8,67,78	26,04,64	2,04,09
1907-08	20,75,26	8,88,49	21,58,19	2,06,86
1908-09	8,40,42	4,04,88	14,34,00	2,27,15
1909-10	25,08,10	8,85,17	12,49,25	8,04,75
1910-11	27,89,25	8,91,89	11,84,84	8,21,81
1911-12	41,49,36	8,78,88	11,97,72	6,64,01
1912-13	41,29,08	7,28,96	20,54,10	8,84,22
1913-14	28,22,64	4,90,26	15,21,82	2,18,08
1914-15	10,70,88	8,05,64	11,10,45	2,28,80
1915-16	5,28,17	5,89,08	6,66,46	1,88,50
1916-17	18,88,79	10,25	25,11,48	6,81,47
1917-18	29,09,49	8,91,68	22,66,94	8,62,76
1918-19	2,27,68	7,84,00	69,08,92	1,17,02
1919-20	48,25,16	12,92,18	29,98,78	75,84
1920-21	23,57,88	21,46,56	11,11,82	4,70,57
1921-22	18,82,04	16,48,49	17,47,86	2,88,24
1922-23	41,82,89	18,81	20,94,88	2,58,86
1923-24	20,25,81	6,68	22,10,27	8,40,47
1924-25	74,28,98	86,82	24,28,07	4,20,67
1925-26	85,22,99	87,54	19,80,70	2,77,29
1926-27	10,50,12	10,07	21,76,84	1,89,54
1927-28	18,18,84	8,44	16,47,87	2,68,69
1928-29	21,21,90	2,08	15,92,18	6,15,11
1929-30	14,28,11	1,08	18,41,91	4,79,79
1930-31	18,24,66	49,84	18,46,68	8,88,70
1931-32	2,79,95	60,77,28	4,42,64	4,84,81
1932-33	1,81,81	66,84,09	1,62,05	8,64,26
1933-34	1,09,94	58,15,80	81,78	7,17,45
1934-35	71,98	58,25,68	4,45,11	9,86,75
1935-36	94,95	88,84,54	6,45,69	7,08,10

London-New York Cross Rate (£ per 100 dollars), Sterling-Franc rate
Price of Gold in London and in Bombay.

	LONDON-NEW YORK CROSS RATE DOLLARS TO POUND STERLING		STERLING-FRANC RATE FRANCS TO POUND		PRICE OF GOLD IN LONDON		PRICE OF COUNTRY BAR GOLD AT BOMBAY	
	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
					£ s. d.	£ s. d.	Rs. A. P.	Rs. A. P.
April ...	517 ¹ / ₁₆	518 ¹ / ₂	79 ² / ₂₅	77 ² / ₁₅₀	6 18 9	6 14 4	88 10 6	88 8 8
May „ ...	512 ¹ / ₂	506 ¹ / ₁₆	77 ³ / ₈	77 ³ / ₁₅₀	6 17 0 ¹ / ₂	6 15 8	84 2 8	88 9 9
June „ ...	507 ³ / ₈	508 ³ / ₁₆	77 ³ / ₁₀₀	76 ⁷ / ₂₅	6 18 2 ¹ / ₂	6 16 11 ¹ / ₂	84 6 0	84 1 8
July „ ...	505 ³ / ₄	508 ³ / ₁₆	76 ⁷ / ₁₀₀	77 ¹ / ₆₂	6 18 0 ¹ / ₂	6 17 5	84 5 8	84 1 9
August „ ...	510 ³ / ₈	498 ³ / ₈	76 ¹ / ₂₅	74 ⁵ / ₁₀₀	7 0 8	6 17 10	85 4 6	84 4 8
September „ ...	510 ⁵ / ₈	496 ³ / ₈	75 ³ / ₆₀	74 ¹ / ₁₀₀	7 1 7	7 0 5	85 4 0	84 18 8
October „ ...	498 ¹ / ₂	491 ³ / ₁₀	75 ¹ / ₂₀	72 ⁷ / ₂₅	7 8 1	6 19 6	85 12 8	84 9 6
November „ ...	500 ¹ / ₂	497 ³ / ₄	75 ³ / ₁₀₀	75 ⁵ / ₁₀₀	6 19 10	6 19 2	84 12 8	84 9 0
December „ ...	497 ¹ / ₁₆	498 ³ / ₁₆	75 ¹ / ₂₅	74 ⁷ / ₁₀₀	7 0 8	6 19 8 ¹ / ₂	84 14 8	84 18 6
January 1935 ...	494 ⁵ / ₈	482	75 ¹ / ₈	72 ⁶⁵ / ₃₀	7 2 4	7 0 10 ¹ / ₂	85 0 0	84 11 4
February „ ...	489 ¹ / ₄	484 ¹ / ₂	74 ⁵ / ₈	72 ⁴ / ₃₂	7 8 1	7 1 10 ¹ / ₂	85 10 6	88 15 8
March „ ...	485 ³ / ₄	471 ¹ / ₂	78 ¹ / ₁₀	70 ⁹ / ₂₀	7 9 4	7 8 8	86 18 6	85 10 0
April „ ...	480 ³ / ₈	476 ³ / ₄	75 ¹ / ₁₆	72 ⁵ / ₁₆	6 5 5 ¹ / ₂	5 8 8	86 12 0	85 10 0
May „ ...	496 ¹ / ₂	481 ³ / ₄	75 ¹ / ₂	72 ³ / ₄	7 5 0	7 0 0	85 0 6	84 18 0
June „ ...	496 ¹ / ₂	491	75 ³ / ₈	74 ¹ / ₈	7 2 0	7 0 7	86 6 6	84 14 0
July „ ...	497	498 ⁵ / ₈	75 ³ / ₁₆	64 ³ / ₄	7 1 7	7 0 5	85 0 0	84 10 0
August „ ...	498 ⁵ / ₈	495 ³ / ₈	75 ³ / ₃₂	74 ¹ / ₁₆	7 0 11	6 49 9 ¹ / ₂	84 12 0	84 7 0
September „ ...	496 ¹ / ₄	490 ⁷ / ₈	75 ³ / ₃₂	74 ¹ / ₃₃	7 1 6 ¹ / ₂	7 0 8	85 1 8	84 11 8
October „ ...	492 ³ / ₈	488 ⁵ / ₈	74 ³ / ₄	74 ¹ / ₄	7 4 2	7 1 8 ¹ / ₂	85 7 0	82 8 6
November „ ...	494 ¹ / ₄	491 ¹ / ₄	75 ³ / ₃₂	74 ⁹ / ₁₆	7 1 7	7 0 11	85 0 6	84 18 0
December „ ...	498 ³ / ₈	492 ¹ / ₄	75	74 ⁵ / ₁₆	7 1 8	7 0 11	84 15 8	84 18 0
January 1936 ...	498 ⁵ / ₈	471 ¹ / ₂	75 ¹ / ₂	70 ⁹ / ₁₆	7 1 4	7 0 7 ¹ / ₂	84 14 6	84 9 0
February „ ...	502 ³ / ₄	498 ⁵ / ₁₆	75 ³ / ₁₀₀	74 ³ / ₆₀	7 1 2	7 0 6	84 18 8	84 8 9
March „ ...	498 ³ / ₈	494 ³ / ₈	75 ¹ / ₁₀₀	74 ⁶ / ₁₀₀	7 1 11 ¹ / ₂	7 0 8	84 18 8	84 10 9

Price of Silver—Bombay (per 100 tolas country bar), London (per Standard ounce), and New York (per fine ounce) for 1930-31 to 1935-36

Month	1930-31						1931-32						1932-33					
	BOMBAY		LONDON		NEW YORK		BOMBAY		LONDON		NEW YORK		BOMBAY		LONDON		NEW YORK	
	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
	Rs. A.	Rs. A.	d.	d.	Cents	Cents	Rs. A.	Rs. A.	d.	d.	Cents	Cents	Rs. A.	Rs. A.	d.	d.	Cents	Cents
April ...	56 14	52 15	19 ¹³ / ₁₀	19 ³ / ₁₀	42 ⁷ / ₈	41 ⁵ / ₈	48 14	41 11	18 ¹ / ₂	12 ⁵ / ₈	29 ¹ / ₄	27 ¹ / ₄	55 12	52 8	17 ¹ / ₂	15 ⁵ / ₈	29 ¹ / ₄	27 ³ / ₈
May ...	55 18	49 7	19 ⁹ / ₁₀	17 ⁷ / ₁₀	42 ¹ / ₂	37 ¹ / ₄	48 10	41 15	18 ¹ / ₄	12 ¹ / ₈	28 ³ / ₈	26	56 6	54 6	17 ³ / ₈	16 ⁹ / ₁₀	28 ³ / ₈	27
June ...	49 9	44 4	16 ⁷ / ₈	15 ⁷ / ₁₀	27 ¹ / ₄	33 ¹ / ₄	44 12	41 6	18 ¹³ / ₁₀	12 ¹ / ₄	29 ¹ / ₂	26 ¹ / ₄	56 11	54 8	17	16 ³ / ₈	21 ¹ / ₈	26 ³ / ₄
July ...	46 14	45 5	16 ⁷ / ₁₀	15 ³ / ₁₀	35 ³ / ₈	33 ¹ / ₂	44 10	42 14	18 ³ / ₄	12 ⁵ / ₁₀	29 ³ / ₄	27 ³ / ₈	55 2	54 8	17 ¹ / ₄	16 ⁹ / ₁₀	27	26 ¹ / ₈
August ...	46 9	45 14	16 ⁷ / ₈	15 ⁷ / ₈	36 ¹ / ₄	34 ¹ / ₄	44 9	42 11	18 ¹ / ₈	12 ⁹ / ₁₀	28 ¹ / ₄	27 ³ / ₈	57 7	54 18	18 ¹⁵ / ₁₀	17 ³ / ₁₀	30	26 ³ / ₄
September	47 14	46 4	17	16 ⁷ / ₁₀	37	35 ¹ / ₂	57 8	42 18	16 ³ / ₈	12 ³ / ₄	31	27 ¹ / ₂	57 4	55 1	18 ¹³ / ₁₀	17 ⁹ / ₁₀	28 ³ / ₈	27 ³ / ₈
October...	47 5	46 10	16 ¹³ / ₁₀	16 ³ / ₈	36 ⁷ / ₈	35 ¹ / ₂	57 8	52 12	18 ³ / ₁₀	15 ¹⁵ / ₁₀	35 ⁵ / ₈	27 ¹ / ₂	56 10	55 12	18 ¹ / ₈	17 ¹¹ / ₁₀	27 ¹ / ₂	26 ⁵ / ₈
November	47 5	46 6	16 ¹³ / ₁₀	16 ⁵ / ₁₀	36 ¹ / ₂	35 ³ / ₈	65 14	57 8	21 ⁹ / ₁₀	18	37 ¹ / ₄	29 ³ / ₈	56 10	58 15	18 ³ / ₈	17 ¹³ / ₁₀	27 ³ / ₈	25 ³ / ₈
December	46 5	48 0	16 ³ / ₁₀	14 ¹ / ₂	35 ¹ / ₈	11 ¹ / ₄	68 8	60 6	20 ¹ / ₁₀	19 ⁷ / ₈	31 ⁵ / ₈	23 ³ / ₈	52 9	49 5	17 ³ / ₄	16 ³ / ₈	25 ¹ / ₂	24 ¹ / ₄
January...	48 7	40 12	14 ⁷ / ₁₀	18 ³ / ₁₀	31 ¹ / ₄	28 ¹ / ₂	62 4	60 4	20 ⁷ / ₁₀	18 ¹⁵ / ₁₀	30 ³ / ₈	29 ¹ / ₄	51 6	49 4	17 ¹ / ₈	15 ¹⁰ / ₁₀	26 ¹ / ₄	24 ³ / ₈
February	48 4	38 12	18 ¹ / ₄	12 ¹ / ₈	28 ⁵ / ₈	25 ³ / ₄	60 4	60 4	20	14 ¹ / ₄	31	29 ¹ / ₂	53 40	7 4	17 ⁹ / ₁₀	16 ⁹ / ₁₀	27 ¹ / ₄	25 ¹ / ₂
March ...	45 5	41 5	14 ¹ / ₂	12 ³ / ₈	31 ³ / ₈	27	56 4	54 4	19 ¹ / ₄	17 ¹ / ₂	31	29	58 4	53 7	18 ⁷ / ₁₀	17	30	29

Price of Silver—Bombay (per 100 tolas country bar), London (per Standard ounce) and New York (per fine ounce) for 1930-31 to 1935-36—Contd.

Month	1933-34						1934-35						1935-36											
	BOMBAY		LONDON		NEW YORK		BOMBAY		LONDON		NEW YORK		BOMBAY		LONDON		NEW YORK							
	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest						
Rs.	A.	Rs.	A.	d.	d.	Cents	Cents	Rs.	A.	Rs.	A.	d.	d.	Cents	Cents	Rs.	A.	Rs.	A.	d.	d.	Cents	Cents	
April ...	59	0	54	14	20 $\frac{7}{16}$	17 $\frac{1}{4}$	87 $\frac{3}{4}$	27	55	8	51	14	20 $\frac{1}{4}$	18 $\frac{3}{4}$	46 $\frac{1}{2}$	41 $\frac{3}{4}$	87	0	67	10	36 $\frac{1}{4}$	28 $\frac{1}{4}$	81	61 $\frac{1}{8}$
May ...	59	0	55	15	20 $\frac{1}{2}$	18 $\frac{3}{16}$	86 $\frac{1}{4}$	82 $\frac{1}{2}$	54	7	50	12	19 $\frac{13}{16}$	18 $\frac{3}{16}$	45 $\frac{5}{8}$	41 $\frac{1}{4}$	88	12	76	18	35 $\frac{3}{8}$	32 $\frac{3}{8}$	77	71 $\frac{1}{4}$
June ...	58	2	56	11	19 $\frac{1}{16}$	18 $\frac{3}{8}$	86 $\frac{1}{4}$	84 $\frac{3}{4}$	58	9	54	6	21 $\frac{1}{8}$	19 $\frac{7}{16}$	46 $\frac{1}{4}$	44 $\frac{5}{8}$	80	2	71	14	38 $\frac{1}{2}$	31	78 $\frac{3}{8}$	69 $\frac{1}{2}$
July ...	57	7	55	18	18 $\frac{3}{8}$	17 $\frac{7}{8}$	40 $\frac{3}{8}$	85 $\frac{1}{2}$	58	4	56	11	21	20 $\frac{1}{16}$	46 $\frac{3}{4}$	45 $\frac{3}{4}$	74	9	69	8	31 $\frac{5}{16}$	30 $\frac{3}{16}$	69 $\frac{1}{2}$	67 $\frac{3}{4}$
August ...	56	5	54	10	18 $\frac{1}{8}$	17 $\frac{3}{4}$	87	85	60	11	57	8	21 $\frac{7}{8}$	20 $\frac{7}{16}$	49 $\frac{3}{4}$	46 $\frac{3}{8}$	71	4	64	5	30 $\frac{3}{16}$	29	67 $\frac{1}{2}$	65 $\frac{1}{2}$
September	56	12	55	7	18 $\frac{1}{2}$	18 $\frac{1}{16}$	40 $\frac{1}{2}$	86 $\frac{3}{8}$	61	10	60	2	22 $\frac{7}{16}$	21 $\frac{1}{8}$	50	49 $\frac{1}{4}$	67	11	65	10	29 $\frac{3}{16}$	29	65 $\frac{1}{2}$	65 $\frac{3}{8}$
October ...	56	9	56	0	18 $\frac{1}{2}$	18	40	86 $\frac{1}{4}$	67	11	61	7	24 $\frac{7}{16}$	20 $\frac{1}{4}$	59 $\frac{3}{8}$	49 $\frac{7}{8}$	69	8	66	0	29 $\frac{5}{8}$	29 $\frac{3}{16}$	65 $\frac{1}{2}$	65 $\frac{1}{2}$
November	57	0	56	4	18 $\frac{3}{8}$	18 $\frac{1}{16}$	45	89 $\frac{3}{8}$	67	12	64	4	25 $\frac{1}{4}$	28 $\frac{7}{16}$	55 $\frac{1}{4}$	52 $\frac{3}{4}$	67	8	64	8	29 $\frac{1}{2}$	29 $\frac{3}{16}$	65 $\frac{3}{8}$	65 $\frac{3}{8}$
December	56	7	58	6	19 $\frac{1}{16}$	18 $\frac{7}{16}$	44 $\frac{3}{8}$	42 $\frac{1}{4}$	67	8	66	7	24 $\frac{7}{8}$	28 $\frac{13}{16}$	55 $\frac{1}{4}$	58 $\frac{1}{2}$	65	8	48	0	29 $\frac{1}{4}$	20 $\frac{7}{8}$	65 $\frac{1}{2}$	49 $\frac{1}{2}$
January ...	55	9	58	15	19 $\frac{1}{16}$	19 $\frac{1}{16}$	45	48 $\frac{1}{4}$	65	18	61	10	24 $\frac{1}{4}$	24 $\frac{15}{16}$	55	54 $\frac{1}{8}$	55	8	46	12	22 $\frac{3}{8}$	19	49 $\frac{1}{2}$	44 $\frac{1}{2}$
February	56	14	54	7	20 $\frac{3}{8}$	19 $\frac{1}{4}$	46 $\frac{1}{4}$	48 $\frac{3}{8}$	68	6	61	0	25 $\frac{1}{16}$	24 $\frac{5}{16}$	55 $\frac{1}{4}$	58 $\frac{1}{2}$	58	8	49	8	20 $\frac{1}{16}$	19 $\frac{1}{16}$	44 $\frac{3}{4}$	44 $\frac{3}{8}$
March ...	57	8	54	13	20 $\frac{1}{4}$	19 $\frac{1}{8}$	46 $\frac{3}{4}$	45 $\frac{1}{4}$	65	9	64	7	28 $\frac{3}{8}$	26 $\frac{1}{16}$	61 $\frac{1}{4}$	56 $\frac{1}{2}$	52	7	49	7	20 $\frac{3}{8}$	19 $\frac{7}{8}$	45 $\frac{3}{4}$	44 $\frac{3}{4}$

Monthly rates for Telegraphic Transfers (Calcutta—London) from 1930-31 to 1935-36.
(Pence per Rupee)

	1930-31		1931-32		1932-33		1933-34		1934-35		1935-36	
	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
April ...	17 ¹ / ₁₆	17 ¹ / ₁₆	17 ¹ / ₁₆	17 ²⁵ / ₃₂	18 ¹ / ₃₂	17 ²⁰ / ₃₂	18 ¹ / ₃₂	17 ³¹ / ₃₂	18 ¹ / ₁₆	18 ¹ / ₁₆	18 ³ / ₃₂	18 ³ / ₃₂
May ...	17 ¹ / ₁₆	17 ²⁰ / ₃₂	17 ²⁷ / ₃₂	17 ²⁵ / ₃₂	17 ¹⁰ / ₁₆	17 ⁷ / ₈	18 ¹ / ₁₆	18 ¹ / ₃₂	18 ¹ / ₁₆	17 ³¹ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂
June ...	17 ¹ / ₁₆	17 ²⁰ / ₃₂	17 ²⁵ / ₃₂	17 ³ / ₄	17 ¹⁵ / ₁₆	17 ⁷ / ₈	18 ¹ / ₃₂	18 ¹ / ₃₂	18	18	18 ³ / ₃₂	18 ³ / ₃₂
July ...	17 ¹ / ₁₆	17 ³ / ₄	17 ¹³ / ₁₆	17 ³ / ₄	18 ¹ / ₁₆	18	18 ¹ / ₃₂	18 ¹ / ₃₂	18 ¹ / ₃₂	18 ¹ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂
August ...	17 ²⁰ / ₃₂	17 ³ / ₄	17 ³ / ₄	17 ³ / ₄	18 ³ / ₃₂	18 ³ / ₃₂	18 ¹ / ₁₆	18 ¹ / ₃₂	18 ¹ / ₃₂	18 ¹ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂
September ...	17 ²⁰ / ₃₂	17 ³ / ₄	17 ³ / ₄	17 ³ / ₄	18 ⁵ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂	17 ¹⁰ / ₁₆	18 ¹ / ₁₆	18 ¹ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂
October ...	17 ¹ / ₁₆	17 ²⁵ / ₃₂	18 ¹ / ₃₂	17 ³ / ₄	18 ⁵ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂	17 ³¹ / ₃₂	18 ¹ / ₃₂	18 ¹ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂
November ...	17 ²⁵ / ₃₂	17 ³ / ₄	18 ³ / ₃₂	18 ³ / ₃₂	18 ⁵ / ₃₂	18 ⁵ / ₃₂	18 ¹ / ₁₆	17 ¹⁰ / ₁₆	18 ¹ / ₁₆	18 ³ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂
December ...	17 ³ / ₄	17 ³ / ₄	18 ¹ / ₈	18 ¹ / ₁₆	18 ³ / ₃₂	18 ³ / ₃₂	18 ¹ / ₁₆	18 ¹ / ₃₂	18 ¹ / ₈	18 ¹ / ₁₆	18 ³ / ₃₂	18 ³ / ₃₂
January ...	17 ³ / ₄	17 ³ / ₄	18 ¹ / ₈	18 ¹ / ₁₆	18 ³ / ₃₂	18 ³ / ₃₂	18 ¹ / ₁₆	18 ¹ / ₃₂	18 ¹ / ₈	18 ¹ / ₁₆	18 ³ / ₃₂	18 ³ / ₃₂
February ...	17 ³ / ₄	17 ³ / ₄	18 ¹ / ₈	18 ³ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂	18 ¹ / ₁₆	18 ¹ / ₃₂	18 ¹ / ₈	18 ¹ / ₁₆	18 ³ / ₃₂	18 ³ / ₃₂
March ...	17 ⁷ / ₈	17 ³ / ₄	18 ¹ / ₈	18 ³ / ₃₂	18 ³ / ₃₂	17 ⁷ / ₈	18 ¹ / ₁₆	18 ¹ / ₁₆	18 ¹ / ₈	18 ¹ / ₁₆	18 ³ / ₃₂	18 ³ / ₃₂

Monthly Purchase of Sterling from 1930-31 to 1935-36.

	1930-31		1931-32		1932-33		1933-34		1934-35		1935-36	
	Amount Thousand £	Average rate per rupee d.	Amount Thousand £	Average rate per rupee d.	Amount Thousand £	Average rate per rupee d.	Amount Thousand £	Average rate per rupee d.	Amount Thousand £	Average rate per rupee d.	Amount Thousand £	Average rate per rupee d.
April ...	2,680	17'84	...	...	228	18'12	2,668	18'06	5,082	18'07	8,668	18'18
May ...	2,040	17'84	...	...	...	...	5,075	18'07	2,850	18'06	5,865	"
June ...	...	...	...	...	...	...	8,685	18'06	480	18'06	2,763	"
July ...	...	...	...	...	...	...	8,250	18'06	1,050	18'06	1,100	"
August ...	...	...	...	...	3,165	18'10	8,118	18'06	8,850	18'06	2,645	"
September ...	...	...	...	...	5,879	18'15	770	18'06	8,826	18'06	8,590	"
October ...	25	17'81	219	18'10	4,846	18'16	1,800	18'06	8,129	18'06	1,700	"
November ...	650	17'81	5,508	18'18	8,275	18'17	...	...	1,225	18'06	8,180	"
December ...	...	...	18,834	18'12	7,686	18'17	1,880	18'06	8,640	18'07	8,025	"
January ...	...	...	7,188	18'11	8,754	18'16	7,688	18'08	7,650	18'11	5,400	"
February ...	...	...	7,126	18'18	1,855	18'16	8,695	18'08	8,105	18'12	2,595	"
March ...	...	...	6,209	18'18	1,050	18'10	7,089	18'07	2,775	18'18	8,145	"
TOTAL ...	5,895	...	40,049	...	85,788	...	45,158	...	87,542	...	84,826	...

Monthly Sales and Discharges of Treasury Bills, 1931-32 to 1935-36
(In Lakhs of Rs.)

Month	1931-32		1932-33		1933-34		1934-35		1935-36	
	Sales	Discharges	Sales	Discharges	Sales	Discharges	Sales	Discharges	Sales	Discharges
April ...	26,54	22,86	21,78	15,95	8,48	10,04	9,55	7,56	2,00	8,29
May ...	24,26	9,55	18,97	15,84	8,79	8,56	5,00	7,02	4,98	7,48
June ...	18,75	17,07	6,00	12,74	9,46	7,45	1,00	18,57	4,00	2,50
July ...	19,69	11,89	16,71	22,19	9,88	8,48	8,87	9,61	2,00	2,00
August ...	16,79	15,79	5,77	15,97	9,51	8,77	17,24	5,86	..	4,98
September	9,76	19,24	10,82	6,86	18,85	10,46	8,96	20	8,00	4,00
October ...	19,14	81,27	8,82	8,82	6,57	8,88	7,71	8,86	7,79	8,00
November	17,51	17,67	2,27	1	10,55	9,50	12,28	17,22	10,00	...
December	8,25	10,17	4,60	1	12,89	18,85	5,51	8,99	6,09	16,65
January ...	18,25	20,91	10,12	29,54	7,50	6,49	8,51	7,61	8,00	11,87
February	16,88	20,98	8,42	10,21	7,06	12,91	7,25	12,80	1,00	10,00
March ...	10,95	11,65	7,45	10,87	18,68	10,07	2,50	5,55	3,00	6,00

Cash Balances of the Government of India 1935-36.
(In Lakhs of Rs.)

	End of	At the Reserve Bank of India	At Treading	In England	Total
April	1935 ...	19,08	2,08	15,19	86,80
May	„ ...	20,81	1,78	12,96	35,00
June	„ ...	20,94	1,88	7,12	29,94
July	„ ...	18,46	1,79	2,08	17,28
August	„ ...	12,18	1,77	1,11	15,06
September	„ ...	11,87	1,69	98	14,04
October	„ ...	11,55	1,80	1,05	14,40
November	„ ...	12,17	1,79	1,08	14,99
December	„ ...	6,82	1,79	74	8,85
January	1936 ...	6,85	1,72	80	8,87
February	„ ...	6,26	1,78	77	8,76
March	„ ...	11,42	2,91	76	15,09

Composition of the Gold Standard Reserve on the 31st March of each of the years 1931-32 to 1934-35.

(Figures £)

		31st March	1931-32	1932-33	1933-34	1934-35
Cash at the Bank of England	...	...	29	897	568	2,187
British Treasury Bills and other Dominion Government Securities	British and	and	10,694,687	26,220,796	37,847,098	87,845,529
Gold	In England	...	2,152,834	2,152,834	2,152,834	2,152,834
	In India	...	27,158,000	11,626,000	...	...
TOTAL		...	40,000,000	40,000,000	40,000,000	40,000,000

Balance of the Government of India with the Treasuries and the Imperial Bank of India

(In Lakhs of Rupees)

At the end of		1931-32		1932-33		1933-34		1934-35	
		Treasuries	Imperial Bank	Treasuries	Imperial Bank	Treasuries	Imperial Bank	Treasuries	Imperial Bank
April	...	2,64	12,15	2,12	7,15	2,41	14,66	2,18	7,66
May	...	2,23	17,81	2,08	7,44	2,23	7,18	2,06	10,22
June	...	2,22	15,73	2,07	18,94	2,12	5,67	2,09	7,70
July	...	2,26	21,18	2,08	19,46	1,98	9,26	2,05	7,78
August	...	2,41	19,45	1,94	18,94	1,95	8,78	1,88	7,01
September	...	2,27	8,86	2,06	18,88	2,05	7,11	2,16	8,23
October	...	2,17	8,44	1,81	8,26	2,15	6,11	2,03	9,80
November	...	2,25	7,29	2,05	5,95	1,99	7,09	1,89	7,10
December	...	2,04	8,06	1,94	6,84	2,08	6,24	1,89	6,57
January	...	2,07	6,85	2,19	8,88	2,14	7,25	2,18	6,58
February	...	2,26	7,78	2,40	7,08	2,48	7,28	1,78	7,82
March	...	4,55	8,13	8,71	11,02	8,99	7,90	8,80	12,85

Amounts and Distribution of Treasury Balances and Reserves of the Government of India, 1931-32 to 1934-35.

(In Lakhs of Rupees)

		1931-32		1932-33		1933-34		1934-35	
		Opening Balance	Closing Balance	Opening Balance	Closing Balance	Opening Balance	Closing Balance	Opening Balance	Closing Balance
Treasury Balance	...	24,69	88,84	88,84	27,78	27,78	82,77	82,77	27,12
Paper Currency Reserve:—									
Silver	...	1,24,80	1,11,19	1,11,19	1,11,86	1,11,86	97,99	97,99	90,88
Gold	...	25,85	5,28	5,29	25,99	25,99	41,58	41,58	41,55
Securities	...	10,19	57,94	57,94	89,05	89,05	87,70	87,70	54,17
Gold Standard Reserve:—									
Gold	...	11,20	89,07	89,07	18,87	18,87	2,87	2,87	2,87
Securities	...	42,18	14,26	14,26	84,96	84,96	50,46	50,46	50,46

Composition of Paper Currency Reserve
(In Lakhs of Rs.)

Last day of Month	Gross Note Circulation	GOLD		Total	SILVER		Total	SECURITIES		Internal Bills of Exchange	Percentage of Gold to Note Circulation
		In India	Out of India		Coin	Bullion		Rupee Securities	Sterling Securities		
1914											
March ...	66,12	22,44	9,15	81,59	20,59	...	20,59	10,00	4,00	...	47.8
April ...	65,46	20,84	9,15	29,49	21,97	...	21,97	10,00	4,00	...	45.1
May ...	66,77	18,91	9,15	28,06	24,71	...	24,71	10,00	4,00	...	42.0
June ...	70,26	18,00	9,15	27,15	29,11	...	29,11	10,00	4,00	...	38.6
July ...	75,45	18,86	9,15	27,51	83,94	...	83,94	10,00	4,00	...	86.5
August ...	65,79	6,16	7,65	18,81	87,98	...	87,98	10,00	4,00	...	21.0
September ...	60,52	8,92	7,65	11,57	84,95	...	84,95	10,00	4,00	...	19.1
October ...	60,78	6,84	7,65	18,99	82,79	...	82,79	10,00	4,00	...	28.0
November ...	61,19	8,86	7,65	16,51	80,68	...	80,68	10,00	4,00	...	27.0
December ...	60,83	9,81	7,65	16,96	29,87	...	29,87	10,00	4,00	...	27.9
1915											
January ...	60,26	8,81	7,65	15,96	80,80	...	80,80	10,00	4,00	...	26.5
February ...	59,55	6,71	7,65	14,86	81,19	...	81,19	10,00	4,00	...	24.1
March ...	61,68	7,64	7,65	15,29	82,84	...	82,84	10,00	4,00	...	24.8
April ...	60,24	7,69	7,65	15,84	80,90	...	80,90	10,00	4,00	...	25.5
May ...	61,99	7,75	7,66	15,40	82,59	...	82,59	10,00	4,00	...	24.8
June ...	66,48	7,77	7,65	15,42	87,06	...	87,06	10,00	4,00	...	28.2
July ...	68,06	7,82	6,15	18,97	40,09	...	40,09	10,00	4,00	...	20.5
August ...	66,41	6,84	6,15	12,49	89,92	...	89,92	10,00	4,00	...	18.8
September ...	68,81	5,91	6,15	12,06	87,75	...	87,75	10,00	4,00	...	18.9
October ...	68,59	7,05	6,15	18,20	86,89	...	86,89	10,00	4,00	...	20.8
November ...	62,06	8,81	6,15	14,46	88,60	...	88,60	10,00	4,00	...	28.8
December ...	62,84	12,75	6,15	18,90	29,44	...	29,44	10,00	4,00	...	80.8

Composition of Paper Currency Reserve—(Contd.)

(In Lakhs of Rs.)

Last day of Month	Gross Note Circulation	GOLD			SILVER			SECURITIES		Internal Bills of Exchange	Percentage of Gold to Note Circulation
		In India	Out of India	Total	Coin	Bullion	Total	Rupee Securities	Sterling Securities		
1916											
January ...	62,42	12,74	8,18	20,92	26,02	...	26,02	10,00	5,48	...	88'5
February ...	64,01	12,58	8,98	21,51	24,00	...	24,00	10,00	8,50	...	88'6
March ...	67,78	12,24	11,92	24,16	28,06	51	28,57	10,00	10,00	...	85'8
April ...	65,47	12,25	11,92	24,17	18,55	1,47	20,02	10,00	11,28	...	86'9
May ...	66,81	12,12	11,92	24,04	17,68	1,58	19,21	10,00	18,06	...	86'8
June ...	71,89	12,51	11,92	24,48	22,48	1,47	23,90	10,00	18,06	...	84'2
July ...	75,48	12,29	11,92	24,21	26,88	1,89	28,21	10,00	18,06	...	82'1
August ...	74,01	11,66	11,92	28,58	26,81	56	27,87	10,00	18,06	...	81'9
September ...	71,55	10,99	11,92	22,91	24,24	1,84	25,58	10,00	18,06	...	82'0
October ...	78,82	12,56	11,92	24,48	28,97	1,67	25,64	10,00	18,06	...	88'4
November ...	76,50	12,88	11,92	24,80	18,07	1,89	19,96	10,00	22,24	...	81'8
December ...	82,17	11,92	11,92	28,84	14,89	2,98	17,87	10,00	80,96	...	29'0
1917											
January ...	84,86	12,57	10,42	22,99	15,04	2,44	17,48	10,00	88,88	...	27'8
February ...	86,76	12,17	8,92	21,09	15,82	2,52	18,84	10,00	87,82	...	24'8
March ...	86,87	12,00	6,67	18,67	17,08	2,18	19,21	10,00	88,49	...	21'6
April ...	82,72	11,89	5,17	16,56	18,67	1,70	15,87	10,00	40,78	...	20'0
May ...	88,81	9,94	5,17	15,11	14,68	85	15,58	10,00	47,67	...	17'1
June ...	98,29	7,07	4,80	11,87	19,61	68	20,24	10,00	51,17	...	12'7
July ...	99,81	7,08	4,42	11,45	25,90	48	26,88	10,00	51,48	...	11'5
August ...	1,05,15	12,12	2,55	14,67	28,55	45	29,00	10,00	51,48	...	14'0
September ...	1,08,48	15,86	1,52	17,98	28,88	69	29,57	10,00	51,48	...	16'0
October ...	1,14,77	21,91	1,92	28,88	28,88	58	29,46	10,00	51,48	...	20'8
November ...	1,12,98	24,65	2,80	26,95	24,01	49	24,50	10,00	51,48	...	28'9
December ...	1,08,81	26,78	1,04	27,77	18,27	79	19,00	10,00	51,48	...	24'7

Composition of Paper Currency Reserve—(Contd.)

(In Lakhs of Rs.)

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Last day of Month	Gross Note Circulation	GOLD			SILVER			SECURITIES		Internal Bills of Exchange	Percentage of Gold to Note Circulation
		In India	Out of India	Total	Coin	Bullion	Total	Rupee Securities	Sterling Securities		
1918											
January ...	1,04,82	27,19	1,04	28,23	14,92	19	15,11	10,00	51,48	...	26.9
February ...	1,08,46	28,80	67	28,97	12,56	45	18,01	10,00	51,48	...	28.0
March ...	99,79	26,85	67	27,52	10,40	89	10,79	10,00	51,48	...	27.6
April ..	1,05,96	22,54	45	28,09	7,26	6,46	18,72	10,00	59,19	...	21.8
May ...	1,11,58	19,12	45	19,57	5,14	10,42	15,56	10,00	64,16	...	17.5
June ..	1,14,79	21,04	45	21,49	5,68	9,29	14,95	10,00	68,40	...	18.7
July ...	1,21,41	20,21	12	20,88	8,02	10,40	18,42	10,00	72,65	...	16.7
August ...	1,81,41	20,88	12	20,45	11,18	18,78	24,96	10,00	76,00	...	15.5
September ..	1,84,88	20,88	12	20,50	12,88	15,50	27,88	10,00	76,00	...	15.8
October ...	1,86,48	20,41	12	20,58	10,49	19,42	29,91	10,00	75,99	...	15.0
November ...	1,40,76	20,45	12	20,57	8,48	25,71	84,19	10,00	76,00	...	14.6
December ...	1,47,09	19,68	12	19,80	10,56	21,57	82,18	12,66	82,50	...	18.5
1919											
January ...	1,49,74	18,91	12	19,08	11,58	20,54	82,12	16,08	82,50	...	18.4
February ...	1,51,48	18,14	12	18,26	18,50	21,15	84,65	16,08	82,50	...	12.1
March ...	1,58,46	17,87	12	17,49	16,66	20,78	87,89	16,08	82,50	...	11.4
April ...	1,58,72	14,55	8,00	17,55	18,01	19,58	87,59	16,08	82,50	...	11.4
May ...	1,55,18	16,11	1,50	17,61	19,61	19,88	88,99	16,08	82,50	...	11.4
June ...	1,62,76	17,69	...	17,69	28,55	22,94	46,49	16,08	82,50	...	10.9
July ...	1,67,11	19,18	...	19,18	28,49	20,91	49,40	16,08	82,50	...	11.4
August...	1,68,92	19,26	9	19,85	81,48	19,51	50,99	16,08	82,05	...	11.4
September ...	1,71,86	18,45	2,92	21,87	84,85	16,62	50,97	17,03	82,50	...	12.4
October...	1,75,29	19,25	5,59	24,84	85,59	15,88	50,92	17,08	82,50	...	14.2
November ...	1,79,67	28,54	9,16	82,70	82,84	14,60	87,44	17,08	82,50	...	18.2
December ...	1,82,91	29,61	10,10	89,71	29,64	14,08	44,67	17,08	82,50	..	21.7

Composition of Paper Currency Reserve—(Contd.)

(In Lakhs of Rs.)

Last day of Month	Gross Note Circulation	GOLD			SILVER			SECURITIES			Percentage of Gold to Note Circulation
		In India	Out of India	Total	Coin	Bullion	Total	Rupee Securities	Sterling Securities	Internal Bills of Exchange	
1920											
January ...	1,85,15	85,10	11,62	46,72	28,88	11,95	40,88	15,60	82,50	...	25.2
February ...	1,83,08	41,80	4,65	45,95	29,85	9,14	38,99	15,60	82,50	...	25.1
March ...	1,74,52	44,86	8,45	47,81	38,22	6,68	39,85	19,59	67,27	...	27.4
April ...	1,70,74	45,88	95	46,88	33,81	5,56	39,87	23,77	61,27	...	27.1
May ...	1,66,92	42,86	74	43,60	37,10	4,27	41,87	31,18	50,77	...	26.1
June ...	1,64,84	43,48	2,49	45,97	41,94	8,61	45,55	35,55	37,27	...	28.0
July ...	1,63,87	44,62	...	44,62	46,75	8,61	50,86	40,62	28,27	...	27.2
August ...	1,63,27	39,12	...	39,12	51,62	8,67	55,29	47,83	21,58	...	24.0
September ...	1,57,68	36,15	...	36,15	54,84	8,72	58,06	47,14	16,28	...	22.9
October ...	1,59,58	28,75	...	28,75	55,60	8,81	59,41	68,07	8,85	...	14.9
November ...	1,60,21	23,86	...	23,86	56,05	8,88	59,98	68,07	8,85	...	14.9
December ...	1,61,40	23,89	...	23,89	57,18	8,96	61,09	68,07	8,85	...	14.8
1921											
January ...	1,63,41	24,00	...	24,00	58,95	4,04	62,99	68,07	8,85	...	14.7
February ...	1,64,60	24,06	...	24,06	60,08	4,09	64,12	68,07	8,85	...	14.6
March ...	1,66,16	24,17	...	24,17	61,42	4,14	65,56	68,07	8,85	...	14.5
April ...	1,67,82	24,26	...	24,26	62,45	4,20	66,65	68,06	8,85	...	14.5
May ...	1,67,81	24,30	...	24,30	62,97	4,20	67,17	67,99	8,85	...	14.5
June ...	1,71,76	24,35	...	24,35	66,87	4,20	71,07	67,99	8,85	...	14.2
July ...	1,75,56	24,35	...	24,35	70,60	4,21	74,81	68,05	8,85	...	18.9
August ...	1,76,02	24,35	...	24,35	72,19	4,21	76,40	66,92	8,85	...	18.8
September ...	1,78,37	24,34	...	24,34	74,55	4,21	78,76	66,92	8,85	...	18.6
October ...	1,79,72	24,34	...	24,34	75,76	4,21	79,07	67,06	8,85	...	18.5
November ...	1,73,48	24,33	...	24,33	74,20	4,21	78,41	64,40	6,84	...	14.0
December ...	1,72,53	24,32	...	24,32	69,76	4,21	78,07	63,40	5,85	...	14.1

Composition of Paper Currency Reserve.—(Contd.)
(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	GOLD			SILVER			SECURITIES		Internal Bills of Exchange	Percentage of Gold to Note Circulation
		In India	Out of India	Total	Coin	Bullion	Total	Rupee Securities	Sterling Securities		
1922											
January ...	1,74,40	24,82	...	24,82	70,28	4,55	74,83	69,89	5,85	...	18'9
February ...	1,78,87	24,82	...	24,82	71,72	4,55	76,27	67,48	5,85	...	14'0
March ...	1,74,76	24,82	...	24,82	72,96	4,56	77,52	65,08	5,85	2,00	18'9
April ...	1,71,76	24,82	...	24,82	71,95	4,56	76,51	65,09	5,85	...	...
May ...	1,72,89	24,82	...	24,82	72,50	4,56	77,06	65,17	5,85	...	14'2
June ...	1,76,01	24,82	...	24,82	76,17	4,56	80,73	65,12	5,85	...	14'1
July ...	1,80,41	24,82	...	24,82	80,58	4,56	85,09	65,15	5,85	...	18'5
August ...	1,82,26	24,82	...	24,82	83,76	4,56	88,32	68,78	5,85	...	18'8
September ...	1,80,76	24,82	...	24,82	85,11	4,56	89,67	60,92	5,85	...	18'5
October ...	1,79,68	24,82	...	24,82	86,54	4,56	91,10	58,87	5,85	...	18'5
November ...	1,77,80	24,82	...	24,82	85,16	4,56	89,72	57,42	5,85	...	18'7
December ...	1,74,18	24,82	...	24,82	82,08	5,56	86,59	57,42	5,85	...	14'0
1923											
January ...	1,72,65	24,82	...	24,82	80,49	4,56	85,05	57,48	5,85	...	14'1
February ...	1,78,89	24,82	...	24,82	81,78	4,56	86,29	57,48	5,85	...	14'0
March ...	1,74,70	24,82	...	24,82	82,50	4,56	87,06	57,48	5,85	...	18'9
April ...	1,78,87	24,82	...	24,82	79,09	4,56	88,65	57,55	5,85	2,00	14'0
May ...	1,71,28	24,82	...	24,82	79,01	4,56	88,57	57,50	5,85	...	14'2
June ...	1,78,61	24,82	...	24,82	81,89	4,56	85,95	57,50	5,85	...	14'0
July ...	1,75,72	24,82	...	24,82	85,48	4,56	90,04	57,51	5,85	...	18'8
August ...	1,76,80	24,82	...	24,82	89,91	4,56	94,47	57,51	...	...	18'8
September ...	1,79,29	24,82	...	24,82	92,66	4,88	97,49	57,48	...	...	18'6
October ...	1,80,82	24,82	...	24,82	98,48	5,54	99,02	57,48	...	...	18'4
November ...	1,78,80	22,82	...	22,82	89,88	5,62	95,50	57,48	8,00	...	12'5
December ...	1,88,41	22,82	...	22,82	80,97	5,64	86,61	57,48	9,00	8,00	12'2

Composition of Paper Currency Reserve.—(Contd.)

(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	GOLD			SILVER			SECURITIES		Internal Bills of Exchange	Percentage of Gold to Note Circulation
		In India	Out of India	Total	Coin	Bullion	Total	Rupee Securities	Sterling Securities		
1924											
January ..	1,84,02	22,82	...	22,82	76,49	5,69	82,18	57,52	14,00	8,00	12'1
February ...	1,86,19	22,82	...	22,82	74,64	5,70	80,34	57,58	14,00	12,00	12'0
March ...	1,85,85	22,82	...	22,82	74,18	5,82	80,00	57,58	14,00	12,00	12'0
April ...	1,81,88	22,82	...	22,82	71,50	5,99	77,49	57,58	14,00	10,00	12'8
May ...	1,74,51	22,82	...	22,82	70,56	6,10	76,66	57,58	14,00	4,00	12'8
June ...	1,72,49	22,82	...	22,82	72,47	6,18	78,65	57,58	14,00	...	12'9
July ...	1,76,24	22,82	...	22,82	76,28	6,84	82,57	57,85	14,00	...	12'7
August ...	1,78,18	22,82	...	22,82	78,06	6,42	84,48	57,84	14,00	...	12'5
September ...	1,79,26	22,82	...	22,82	79,15	6,48	85,68	57,81	14,00	...	12'4
October ...	1,80,98	22,82	...	22,82	80,07	6,47	86,54	57,18	15,00	...	12'8
November ...	1,80,06	22,82	...	22,82	78,18	6,49	84,62	57,18	16,00	...	12'4
December ...	1,79,21	22,82	...	22,82	74,21	6,56	80,77	57,18	17,00	2,00	12'4
1925											
January... ..	1,81,12	22,82	...	22,82	71,11	6,56	77,67	57,18	20,00	4,00	12'8
February ..	1,88,72	22,82	...	22,82	69,51	6,77	76,28	57,18	20,00	8,00	12'2
March ...	1,84,19	22,82	...	22,82	70,02	6,78	76,75	57,18	20,00	8,00	12'1
April ...	1,79,61	22,82	...	22,82	67,40	6,77	74,17	57,18	20,00	6,00	12'4
May ...	1,78,28	22,82	...	22,82	66,95	6,80	78,75	57,16	20,00	...	12'9
June ...	1,78,25	22,82	...	22,82	71,86	6,89	78,75	57,18	20,00	...	12'5
July ...	1,84,80	22,82	...	22,82	77,85	6,95	84,80	57,18	20,00	...	12'1
August ...	1,88,21	22,82	...	22,82	81,79	6,99	88,78	57,12	20,00	...	11'9
September ...	1,89,51	22,82	...	22,82	88,04	7,05	90,09	57,11	20,00	...	11'8
October ...	1,91,77	22,82	...	22,82	88,21	7,18	90,84	57,11	22,00	...	11'6
November ...	1,89,68	22,82	...	22,82	80,02	7,28	87,25	57,11	28,00	...	11'8
December ...	1,91,76	22,82	...	22,82	76,06	7,27	88,88	57,11	20,00	...	11'6

Composition of Paper Currency Reserve.—(Contd.)
(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	GOLD			SILVER			SECURITIES		Internal Bills of Exchange	Percentage of Gold to Note Circulation	
		In India	Out of India	Total	Coin	Bullion	Total	Rupee Securities	Sterling Securities			
1926												
January	...	1,91,18	22,82	...	22,82	75,88	7,87	82,75	57,11	29,00	...	11'67
February	..	1,91,76	22,82	...	22,82	75,91	7,42	83,33	57,11	29,00	...	11'68
March	...	1,98,84	22,82	...	22,82	77,25	7,66	84,91	57,11	29,00	...	11'54
April	...	1,85,18	22,82	...	22,82	77,04	7,66	84,70	57,11	21,00	...	12'05
May	...	1,87,08	22,82	...	22,82	78,85	7,75	86,60	57,16	21,00	...	12'00
June	...	1,91,41	22,82	...	22,82	88,05	7,87	90,92	57,20	21,00	...	11'65
July	...	1,97,48	22,82	...	22,82	88,91	7,94	96,85	57,81	21,00	...	11'80
August	...	2,00,58	22,82	...	22,82	91,96	7,87	99,83	57,88	21,00	...	11'18
September	...	1,96,45	22,82	...	22,82	94,86	7,87	1,02,73	57,40	14,00	...	71'86
October	...	1,98,70	22,82	...	22,82	96,88	8,04	1,04,87	52,60	14,00	...	11'50
November	...	1,89,15	22,82	...	22,82	97,52	8,04	1,05,56	51,27	10,00	...	11'80
December	...	1,81,18	22,82	...	22,82	95,82	8,20	1,08,52	49,77	5,57	...	14'80
1927												
January	...	1,80,47	22,82	...	22,82	94,47	8,84	1,02,81	49,77	5,57	...	12'87
February	...	1,82,74	22,82	...	22,82	94,64	8,44	1,03,08	49,77	5,57	2,00	12'85
March	...	1,84,18	22,82	..	22,82	95,94	8,58	1,04,47	49,77	5,57	2,00	12'25
April	...	1,78,71	29,76	...	29,76	95,58	8,86	1,08,89	87,46	2,10	...	17'18
May	...	1,71,44	29,76	...	29,76	95,20	8,92	1,04,12	85,46	2,10	...	17'86
June	...	1,72,57	29,76	..	29,76	98,86	8,99	1,07,85	85,46	...	...	17'24
July	...	1,77,68	29,76	...	29,76	1,08,86	9,06	1,12,42	85,45	...	...	16'75
August	...	1,80,48	29,76	...	29,76	1,06,00	8,90	1,14,90	85,68	19	...	10'49
September	..	1,81,82	29,76	...	29,76	1,07,84	7,85	1,14,69	86,85	1,02	...	16'87
October	...	1,88,88	29,76	..	29,76	1,08,27	7,81	1,15,58	86,75	1,29	...	16'25
November	...	1,81,55	29,76	...	29,76	1,06,88	7,17	1,18,50	86,89	1,40	...	16'40
December	..	1,82,64	29,76	...	29,76	1,01,11	7,42	1,08,53	86,92	8,48	4,00	16'66

Composition of Paper Currency Reserve.—(Contd.)

(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	GOLD			SILVER			SECURITIES		Internal Bills of Exchange	Percentage of Gold to Note Circulation
		In India	Out of India	Total	Coin	Bullion	Total	Rupee Securities	Sterling Securities		
1928											
January ...	1,86,02	29,76	.....	29,76	98,46	7,47	1,05,93	87,89	4,44	8,00	16'70
February ...	1,85,78	29,76	.....	29,76	98,79	7,57	1,06,36	87,89	8,77	8,00	16'72
March ...	1,84,87	29,76	.....	29,76	98,72	7,66	1,06,38	87,96	8,77	7,00	16'78
April ...	1,82,78	29,76	.....	29,76	96,11	6,66	1,02,77	88,98	8,77	7,50	17'00
May ...	1,83,01	29,76	.....	29,76	94,58	6,80	1,00,38	89,60	8,77	9,00	17'10
June ...	1,77,16	29,76	.....	29,76	97,45	8,59	1,01,04	41,84	4,52	.....	16'80
July ...	1,80,79	29,76	.....	29,76	1,00,79	2,84	1,08,18	42,78	5,17	.....	16'46
August ...	1,82,90	29,76	.....	29,76	1,02,51	2,71	1,05,22	42,60	5,82	.....	16'27
September ...	1,84,60	29,76	.....	29,76	1,04,02	2,87	1,06,89	42,84	5,61	.....	16'72
October ...	1,84,66	29,76	.....	29,76	1,03,81	8,02	1,06,88	42,83	5,74	.....	16'11
November ...	1,83,15	80,09	.....	80,09	1,01,18	8,76	1,04,89	42,83	5,84	.....	16'48
December ...	1,89,00	81,10	.....	81,10	96,16	4,62	1,00,78	43,27	6,85	7,00	17'08
1929											
January ...	1,89,74	82,21	.....	82,21	94,67	4,88	99,55	43,27	7,71	7,00	17'62
February ...	1,92,47	82,21	.....	82,21	94,85	5,11	99,96	43,27	10,58	6,50	17'82
March ...	1,88,08	82,22	.....	82,22	94,04	4,95	99,99	43,28	10,69	2,00	17'82
April ...	1,88,66	82,22	.....	82,22	94,90	4,48	99,88	43,28	8,88	.....	17'82
May ...	1,84,16	82,22	.....	82,22	95,40	4,17	99,57	43,28	9,14	.....	17'50
June ...	1,87,71	82,22	.....	82,22	97,77	4,88	1,02,65	43,22	9,62	.....	17'11
July ...	1,85,72	82,22	.....	82,22	1,03,82	4,62	1,08,44	43,10	1,87	.....	17'85
August ...	1,85,20	82,22	.....	82,22	1,07,23	4,58	1,11,81	39,18	2,04	.....	17'40
September ...	1,86,80	82,22	.....	82,22	1,08,05	4,95	1,18,00	39,17	2,41	.....	17'25
October ...	1,84,83	82,22	.....	82,22	1,08,98	4,65	1,18,58	36,82	2,71	.....	16'99
November ...	1,80,77	82,22	.....	82,22	1,07,19	8,97	1,11,16	36,82	1,07	.....	17'82
December ...	1,79,41	82,22	.....	82,22	1,03,77	4,28	1,08,05	37,38	1,81	.....	17'98

Composition of Paper Currency Reserve.—(Contd.)
(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	GOLD		Total	SILVER		Total	SECURITIES		Internal Bills of Exchange	Percentage of Gold to Note Circulation
		In India	Out of India		Coin	Bullion		Rupee Securities	Sterling Securities		
1930											
January ...	1,80,21	82,27	.....	82,27	1,04,29	2,88	1,06,62	88,85	2,47	.....	17'91
February ...	1,81,60	82,27	.....	82,27	1,05,69	1,82	1,07,51	88,88	2,94	.....	17'77
March ...	1,77,28	82,27	.....	82,27	1,08,11	2,85	1,10,96	88,85	15	.....	18'20
April ...	1,78,90	82,27	.....	82,27	1,07,22	8,88	1,10,60	80,78	80	.....	18'55
May ...	1,67,78	82,28	.....	82,28	1,07,04	8,48	1,10,52	24,86	62	.....	19'24
June ...	1,68,78	82,28	.....	82,28	1,08,91	8,48	1,12,89	18,88	78	.....	19'10
July ...	1,68,26	82,28	.....	82,28	1,18,87	8,49	1,16,86	18,89	78	.....	19'18
August ...	1,68,87	82,28	.....	82,28	1,15,48	5,25	1,20,68	14,68	1,28	.....	19'11
September...	1,71,47	82,28	.....	82,28	1,15,92	5,88	1,21,75	15,59	1,85	.....	18'82
October ...	1,70,14	82,28	.....	82,28	1,17,47	5,68	1,28,10	12,78	2,08	.....	18'97
November ...	1,64,84	82,28	.....	82,28	1,16,90	5,76	1,22,66	8,67	1,28	.....	19'58
December ...	1,61,84	81,74	.....	81,74	1,14,60	5,89	1,19,99	9,61	.....	.....	19'67
1931											
January ...	1,58,20	26,21	.....	26,21	1,15,82	5,80	1,21,12	9,87	.....	1,00	16'67
February ...	1,56,58	28,77	.....	28,77	1,16,09	6,58	1,22,67	10,09	.....	.....	15'18
March ...	1,60,84	25,85	.....	25,85	1,17,86	6,94	1,24,80	10,19	.....	.....	16'00
April ...	1,60,14	27,54	.....	27,54	1,18,20	7,20	1,25,40	7,20	.....	.....	17'20
May ...	1,54,79	20,21	.....	20,21	1,19,61	7,88	1,27,44	7,14	.....	.....	18'05
June ...	1,52,54	17,14	.....	17,14	1,22,44	7,59	1,80,08	5,87	.....	.....	11'28
July ...	1,55,65	16,56	.....	16,56	1,25,66	6,90	1,82,56	6,58	.....	.....	10'64
August ...	1,53,58	12,87	.....	12,87	1,26,94	5,11	1,82,05	9,16	.....	.....	14'68
September	1,48,74	4,21	.....	4,21	1,26,81	5,78	1,82,54	9,49	.....	2,50	2'88
October ...	1,59,75	4,80	.....	4,80	1,24,65	6,92	1,81,57	28,88	.....	.....	2'77
November ...	1,62,85	4,48	.....	4,48	1,21,61	7,44	1,29,05	28,52	.....	.....	2'76
December ...	1,79,80	4,57	.....	4,57	1,15,04	7,94	1,22,98	49,25	.....	2,50	2'58

Composition of the Paper Currency Reserve.—(Contd.)
(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	GOLD			SILVER			SECURITIES		Internal Bills of Exchange	Percentage of Gold to Note Circulation	
		In India	Out of India	Total	Coin	Bullion	Total	Rupee Securities	Sterling Securities			
1932												
January	...	1,79,16	4,89	...	4,88	1,08,88	6,95	1,15,88	55,00	...	8,50	2'74
February	...	1,79,54	4,92	...	4,92	1,04,11	8,09	1,12,20	59,42	...	8,00	2'78
March	...	1,78,14	5,26	...	5,26	1,01,96	9,22	1,11,18	57,94	...	8,75	3'01
April	...	1,68,81	5,58	...	5,58	1,00,81	9,69	1,10,50	52,28	...	...	3'27
May	...	1,68,47	10,71	...	10,71	99,88	10,67	1,10,50	47,26	...	...	3'85
June	...	1,70,85	10,78	...	10,78	1,01,80	10,58	1,11,88	48,19	...	...	3'82
July	...	1,74,28	10,86	...	10,86	1,08,64	10,75	1,14,89	48,98	...	...	3'26
August	...	1,75,58	11,11	...	11,11	1,04,04	10,98	1,15,02	49,45	...	...	3'82
September	...	1,75,77	11,84	...	11,84	1,08,01	12,28	1,15,29	49,14	...	...	3'48
October	...	1,75,85	11,58	...	11,58	1,02,06	12,86	1,14,92	49,40	...	...	3'54
November	...	1,75,68	11,75	...	11,75	1,00,49	12,48	1,12,97	50,91	...	...	3'72
December	...	1,74,80	18,68	...	18,68	97,88	12,88	1,10,66	45,46	...	...	10'70
1933												
January	...	1,74,88	25,52	...	25,52	96,26	18,28	1,09,54	89,27	...	...	14'64
February	...	1,75,25	25,68	...	25,68	96,08	14,84	1,10,87	89,20	...	...	14'65
March	...	1,76,90	25,99	...	25,99	96,84	15,52	1,11,86	89,05	...	...	14'70
April	...	1,76,66	26,26	...	26,26	95,70	15,88	1,11,58	88,82	...	...	14'80
May	...	1,75,69	26,45	...	26,45	94,27	14,94	1,09,21	40,08	...	...	15'05
June	...	1,76,57	29,07	...	29,07	98,92	9,52	1,08,44	44,06	...	...	16'45
July	...	1,78,88	29,18	...	29,18	95,28	9,84	1,05,12	44,68	...	...	16'80
August	...	1,79,76	29,81	...	29,81	95,45	9,96	1,05,41	45,04	...	...	16'80
September	...	1,79,70	29,51	...	29,51	94,61	10,16	1,04,77	45,42	...	...	16'40
October	...	1,80,04	29,70	...	29,70	94,88	9,91	1,04,24	46,10	...	...	16'20
November	...	1,79,64	80,24	...	80,24	92,97	10,80	1,08,27	46,18	...	...	16'80
December	...	1,78,11	80,51	...	80,51	90,74	10,49	1,01,28	46,87	17'10

Composition of the Paper Currency Reserve.—(Contd.)
(In Lakhs of Rupees)

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Last day of Month	Gross Note Circulation	GOLD			SILVER		SECURITIES			Internal Bills of Exchange	Percentage of Gold to Note Circulation	
		In India	Out of India	Total	Coin	Bullion	Total	Rupee Securities	Sterling Securities			
1934												
January	...	1,77,99	87,82	...	87,82	89,61	10,70	1,00,31	40,86	...	...	21'00
February	...	1,77,29	87,56	...	87,56	87,81	11,18	98,94	40,79	...	...	21'20
March	...	1,77,22	41,53	...	41,53	86,49	11,50	97,99	29,45	8,25	...	23'40
April	...	1,76,86	41,55	...	41,55	85,51	11,83	97,34	29,46	8,51	...	23'47
May	...	1,79,89	41,55	...	41,55	88,94	12,87	96,81	29,84	11,69	...	23'17
June	...	1,80,87	41,55	...	41,55	84,22	12,95	97,17	30,18	11,97	...	23'00
July	...	1,88,80	41,55	...	41,55	85,69	18,70	99,89	30,65	12,21	...	22'60
August	...	1,84,89	41,55	...	41,55	85,91	18,24	99,15	31,51	12,68	...	22'47
September	...	1,85,06	41,55	...	41,55	85,26	18,29	98,15	31,96	13,00	...	22'46
October	...	1,85,64	41,55	...	41,55	84,40	18,41	97,81	32,84	13,44	...	22'38
November	...	1,85,56	41,55	...	41,55	83,19	18,54	96,78	33,21	14,07	...	22'40
December	...	1,88,91	41,55	...	41,55	80,85	14,28	95,08	33,04	14,24	...	22'59
1935												
January	...	1,88,58	41,55	...	41,55	80,04	18,82	98,86	38,82	14,85	...	22'68
February	...	1,88,21	41,55	...	41,55	78,55	12,98	91,48	35,61	14,57	...	22'68
March	...	1,86,10	41,55	...	41,55	77,25	13,18	90,88	35,90	18,27	...	22'32

Composition of Paper Currency Reserve—(Contd).

(In Lakhs of Rupees)

Year	Month	Last Week of Month	Gross Note Circulation	GOLD	SILVER	SECURITIES		Percentage of Gold and Sterling Securities to Note Circulation
				Coin and Bullion	Rupee Coin	Rupee Securities	Sterling Securities	
1935								
	April	...	1,86,28	44,42	50,18	48,05	48,63	49'95
	May	...	1,86,44	44,42	50,84	41,06	50,62	50'04
	June	...	1,88,01	44,42	51,91	88,49	58,19	52'08
	July	...	1,90,82	44,42	54,72	26,49	65,19	57'44
	August	...	1,98,08	44,42	56,98	26,49	65,19	57'01
	September	...	1,94,72	44,42	58,01	25,50	66,19	56'98
	October	...	1,94,72	44,42	58,59	25,52	66,19	56'81
	November	...	1,94,96	44,42	58,82	25,53	66,19	56'74
	December	...	1,93,27	44,42	57,11	25,55	66,19	57'28
1936								
	January	...	1,93,91	44,42	57,76	25,54	66,19	57'04
	February	...	1,94,91	44,42	58,75	24,42	67,82	57'88
	March	...	1,95,58	44,42	59,41	24,43	67,82	57'18

Statistics of the Reserve Bank of India in the last week of each of the months of 1935-36.

(In Lakhs of Rupees)

Month	Capital and Reserve	DEPOSITS			Total	Notes and Coin	Balances held abroad	Loans and Advances to Government	Investments	Other Accounts	Scheduled Bank's Cash	Reserve Bank Cash
		Government	Banks	Other Accounts								
April 1935	10,00	18,44	8,65	20	37,29	19,44	12,85	...	5,09	41	...	...
May	10,00	20,00	14,42	99	45,41	22,22	17,51	...	5,50	18	...	...
June	10,00	22,84	17,06	99	50,89	25,65	18,85	...	6,01	38	...	...
July	10,00	11,75	29,59	59	51,93	85,01	10,88	...	5,91	68	84,28	85,01
August	10,00	12,88	35,75	77	59,85	88,72	18,88	...	6,29	51	41,57	88,72
September	10,00	18,45	35,70	1,08	60,27	37,98	15,84	...	5,48	1,07	41,09	87,98
October	10,00	10,17	29,48	1,25	50,90	34,68	10,82	...	5,48	47	34,19	34,68
November	10,00	11,88	28,17	1,78	51,78	34,74	11,26	...	5,20	58	38,62	34,74
December	10,00	7,08	28,17	1,97	47,22	21,80	18,08	2,00	5,22	67	35,88	21,80
January 1936	10,00	5,90	34,79	1,44	52,13	27,22	19,88	...	5,27	26	40,02	27,22
February	10,00	7,49	35,38	82	58,64	27,89	20,23	...	5,11	41	30,38	27,89
March	10,00	8,56	36,08	96	55,55	26,85	28,08	..	5,06	56	41,71	26,85

Statistics of Scheduled Banks for 1935-36

(In Lakhs of Rupees)

Month (Average of weekly figures)				Demand liabilities in India	Time liabilities in India	Cash in India	Balances with Reserve Bank	Advances in India	Bills discounted in India
April	1935	...	...	...	...	...	...	...	...
May	...	...	...	...	..	...	..	...	...
June	...	...	...	...	..	...	...	...	...
July	...	...	...	109,17	98,88	5,06	25,81	99,45	3,29
August	...	...	...	110,65	98,40	6,80	80,77	91,87	2,87
September	...	..	..	115,58	97,78	6,48	86,29	86,76	2,28
October	...	...	...	121,21	96,40	5,88	29,72	84,78	2,28
November	..	...	...	126,28	97,04	6,12	80,80	81,17	2,88
December	...	...	...	124,27	98,29	6,84	28,51	81,85	8,45
January	1936	...	...	122,98	99,85	6,05	84,28	84,69	8,98
February	...	...	..	120,60	100,87	5,56	85,28	87,98	5,20
March	...	...	...	120,46	101,80	5,64	85,84	92,09	5,94

Rates of Discount of Central Banks of certain countries 1933-34 to 1935-36.

(Rates Per cent)

End of	1933-34										1934-35						1935-36							
	United Kingdom		UNITED STATES								United Kingdom		UNITED STATES				United Kingdom		UNITED STATES					
	F. R. B. rate for 60-90 days Paper	F. R. B. average rate	Germany	France	British India	Japan	Switzerland	Italy	F. R. B. rate for 60-90 days Paper	F. R. B. average rate	Germany	France	British India	Japan	Switzerland	Italy	F. R. B. rate for 60-90 days Paper	F. R. B. average rate	Germany	France	British India	Japan	Switzerland	Italy	United Kingdom
April	2 8	3'47	4 2'5	3½	4'38	2 4	4	1'5	2'5	4 3	3'5	3'65	2 3	2 2	1'5	2'18	4 2'5	3'5	3'65	2 3'5	2 3'5	2 2	2	
May	2 2'5	3'44	4 2'5	3½	4'33	2 4	4	1'5	2'5	4 2'5	3'5	3'65	2 3	2 2	1'5	1'98	4 6	3'5	3'65	2'5 3'5	2 2	2	2	
June	2 2'5	3'20	4 2'5	3½	4'38	2 4	4	1'5	2'5	4 2'5	3'5	3'65	2 3	2 2	1'5	1'91	4 5	3'5	3'65	2'5 3'5	2 2	2	2	
July	2 2'5	3'17	4 2'5	3½	3'65	2 4	4	1'5	2'5	4 2'5	3'5	3'65	2 3	2 2	1'5	1'91	4 3'5	3'5	3'65	2'5 3'5	2 2	2	2	
August	2 2'5	3'17	4 2'5	3½	3'65	2 4	4	1'5	2'5	4 2'5	3'5	3'65	2 3	2 2	1'5	1'91	4 3	3'5	3'65	2'5 4'5	2 2	2	2	
September	2 2'5	3'17	4 2'5	3½	3'65	2 3'5	4	1'5	2'5	4 2'5	3'5	3'65	2 3	2 2	1'5	1'91	4 3	3'5	3'65	2'5 5	2 2	2	2	
October	2 2	3'12	4 2'5	3½	3'65	2 3'5	4	1'5	2'5	4 2'5	3'5	3'65	2 3	2 2	1'5	1'91	4 3	3'5	3'65	2'5 5	2 2	2	2	
November	2 2	2'94	4 2'5	3½	3'65	2 3'5	4	1'5	2'5	4 2'5	3'5	3'65	2 4	2 2	1'5	1'91	4 6	3	3'65	2'5 5	2 2	2	2	
December	2 2	2'92	4 2'5	3½	3'65	2 3	4	1'5	2'46	4 2'5	3'5	3'65	2 4	2 2	1'5	1'91	4 5	3	3'65	2'5 5	2 2	2	2	
January	2 2	2'92	4 2'5	3½	3'65	2 3	4	1'5	2'22	4 2'5	3'5	3'65	2 4	2 2	1'5	1'91	4 4	3	3'65	2'5 5	2 2	2	2	
February	2 1'5	2'64	4 3	3½	3'65	2 3	4	1'5	2'18	4 2'5	3'5	3'65	2 4	2 2	1'5	1'91	4 5	3	3'65	2'5 5	2 2	2	2	
March	2 1'5	2'52	4 3	3½	3'65	2 3	4	1'5	2'18	4 2'5	3'5	3'65	2 4	2 2	1'5	1'91	4 5	3	3'65	2'5 5	2 2	2	2	

Gold and Foreign Assets Reserves of Certain Countries 1935-36.
In millions of units

END OF		UNITED STATES			UNITED KINGDOM			GERMANY			FRANCE			CANADA		SWITZERLAND		BRITISH INDIA		
		F. R. Banks and Government	Gold against certificates,	Total Gold Stock	Bank of England	Reichs Bank	Foreign Assets	Bank of France	Govt. Gold	Chartered Banks	Govt. Gold	Chartered Banks	Govt. Gold	Chartered Banks	Gold	Foreign Assets	At Home	Abroad	Foreign Assets	
		Dollars		(£)	Reichs mark	Francs	Dollars	Francs		Francs	Dollars	Francs	Rupees							
April	1935 ...	121	8,589	8,710	193'1	82	4	80,938	9	1,056	5	111	5	1,865	7	415	29	628		
May	„ ...	119	8,739	8,858	193'4	82	4	71,779	976	1,174	5	111	10	1,193	7	415	29	681		
June	„ ...	117	8,998	9,115	193'8	86	4	71,017	7	1,203	5	111	18	1,195	11	415	29	715		
July	„ ...	115	9,028	9,143	192'8	94	6	71,277	9	1,231	5	110	12	1,239	11	415	29	755		
August	„ ...	114	9,089	9,203	194'1	95	5	71,742	7	1,229	5	110	10	1,366	7	415	29	790		
September	„ ...	113	9,255	9,363	194'4	95	6	71,952	8	1,225	5	110	3	1,372	20	415	29	820		
October	„ ...	111	9,582	9,693	195'5	88	6	71,990	8	1,254	5	110	4	1,337	22	415	29	765		
November	„ ...	110	9,810	9,920	193'4	88	5	66,191	106	1,279	5	110	9	1,392	4	415	29	774		
December	„ ...	109	10,016	10,125	200'7	82	5	66,296	10	1,318	5	109	4	1,339	7	415	29	832		
January	1936 ...	107	10,075	10,182	201'1	77	5	65,223	9	1,315	5	109	10	1,339	13	415	29	856		
February	„ ...	106	10,061	10,167	201'4	72	5	65,789	6	1,303	5	109	8	1,445	11	415	29	876		
March	„ ...	104	10,079	10,184	201'4	72	5	65,837	8	1,239	...	...	...	1,500	4	415	29	904

Market rates of Discount in certain Principal Countries during 1934-35 and 1935-36

	United Kingdom (London) Bankers' Drafts 90 days			French (Paris) Market Discount Commercial Paper 45-90 days			Germany (Berlin) Private Discount 56-90 days bills			Japan (Tokio) Commercial Paper 60 days		
	Max.	Min.	Monthly average	Max.	Min.	Monthly average	Max.	Min.	Monthly average	Max.	Min.	
1934												
April ...	'97	'94	'97	2'88	2'68	2'84	3'88	3'88	3'88	4'38	4'88	
May ...	'94	'89	'91	2'75	2'75	2'75	3'88	3'88	3'88	4'38	4'38	
June ...	'97	'91	'91	2'68	2'00	2'16	3'81	3'69	3'76	4'38	4'38	
July ...	'94	'78	'88	2'00	1'88	1'78	3'81	3'69	3'75	4'38	4'38	
August ...	'81	'78	'81	1'94	1'81	1'78	3'81	3'69	3'75	4'38	4'38	
September ...	'78	'66	'72	1'68	1'68	1'68	3'81	3'69	3'75	4'38	4'38	
October ...	'84	'56	'78	1'68	1'50	1'66	3'81	3'69	3'78	4'38	4'38	
November ...	'53	'88	'44	1'50	1'50	1'48	3'75	3'50	3'68	4'38	4'38	
December ...	'68	'50	'56	1'68	1'85	1'50	3'50	3'50	3'50	4'38	4'38	
1935												
January ...	'41	'81	'38	2'0	1'75	1'92	3'5	3'88	3'45	4'38	4'38	
February ...	'56	'81	'88	2'12	2'12	2'18	3'88	3'88	3'88	4'38	4'38	
March ...	'59	'58	'59	2'5	2'12	2'18	3'88	3'88	3'88	4'38	4'38	
April ...	'59	'56	'59	2'19	2'12	2'16	3'88	3'88	3'88	4'38	4'38	
May ...	'59	'59	'59	6	1'19	2'75	3'88	3	3'09	4'38	4'38	
June ..	'84	'59	'72	6	5	5'59	3	3	3	4'38	4'38	
July ..	'68	'59	'68	5	3'75	4'18	3	3	3	4'38	4'38	
August ...	'68	'59	'59	3'26	2'80	2'95	3	3	3	4'38	4'38	
September ...	'66	'56	'59	3	2'88	2'92	3'12	3	3'02	4'38	4'38	
October ...	'66	'59	'68	2'88	2'75	2'78	3'12	3	3'04	4'38	4'38	
November ...	'68	'55	'57	4'62	2'88	4'28	3'08	3	3'01	4'38	4'38	
December ...	'78	'59	'71	6	5'94	5'91	3	3	3	4'38	4'38	
1936												
January ...	'59	'55	'56	5	4	4'24	3	3	3	4'38	4'38	
February ...	'56	'55	'56	4	3'88	3'78	3	3	3	4'38	4'38	
March ...	'56	'55	'56	3'75	3'5	3'68	3	3	3	4'38	4'38	

**Market rates of discount in certain principal countries during
1934-35 and 1935-36 (Contd.)**

	Switzerland (Zurich) Market Discount 3 month's bills			UNITED STATES (New York)						Indian Bazaar Bill rate	
				Commercial Paper 4-6 months			Bankers 90 days Acceptances			Bombay Calcutta	
	Max.	Min.	Month Average	Max.	Min.	Month Average	Max.	Min.	Month Average	(Beginning of month)	
1934											
April ...	1'50	1'50	1'50	1'25	1	1'13	'25	'18	'19	6-7	6
May ...	1'50	1'50	1'50	1'00	1	1'00	'25	'18	'19	6-7	6
June ...	1'50	1'50	1'50	1'00	'75	'88	'25	'18	'19	6-7	6
July ...	1'50	1'50	1'50	1'00	'75	'88	'25	18	'19	6-7	6½
August ...	1'50	1'50	1'50	1'00	'75	'88	'25	'18	'18	6-7	8
September ...	1'50	1'50	1'50	1'00	'75	'88	'25	'18	'19	6-7	8
October ...	1'50	1'50	1'50	1'00	'75	'88	'19	'13	'16	6-7	2½
November ...	1'50	1'50	1'50	1'00	'75	'88	'18	'18	'16	6-7	8½
December ...	1'50	1'50	1'50	1'00	'75	'88	'18	'18	'18	6-7	5½
1935											
January ...	1'50	1'5	1'5	1	'75	'88	'18	'18	'18	6-7	5½
February ...	1'50	1'5	1'5	'75	'75	'75	'18	'18	'14	6-7	6½
March ...	1'5	1'5	1'5	'75	'75	'75	'18	'18	'18	7-8	6½
April ...	2	1'5	1'8	'75	'75	'75	'18	'18	'18		
May ...	2'5	2	2'30	'75	'75	'75	'18	'18	'18		
June ...	2'5	2'5	2'5	'75	'75	'75	18	'8	'18		
July ...	2'5	2'5	2'5	'75	'75	'75	'18	'18	'18		
August ...	2'5	2'44	2'47	'75	'75	'75	'18	'18	'18		
September ...	2'44	2'38	2'40	'75	'75	'75	'18	'18	'18		
October ...	2'88	2'88	2'88	'75	'75	'75	'18	'18	'18		
November ...	2'5	2'88	2'44	'75	'75	'75	'18	'18	'18		
December ...	2'5	2'5	2'5	'75	'75	'75	'18	'18	'18		
1936											
January ...	2'5	2'88	2'48	'75	'75	'75	'18	'18	'18		
February ...	2'88	2'81	2'87	'75	'75	'75	'18	'18	'18		
March ...	...	...	...	'75	'75	'75	'18	'18	'18		

Figures not available

Prices of representative securities of the Government of India and of the British 4% Funding Loan (1960-90)

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	1928-29				1929-30				1930-31				1931-32							
	8½% Rupee Paper		4% British Funding Loan (1960-90)		8½% Rupee Paper		4% British Funding Loan (1960-90)		8½% Rupee Paper		8½% India Sterling		4% British Funding Loan (1960-90)		8½% Rupee Paper		8½% India Sterling		4% British Funding Loan (1960-90)	
	H	L	H	L	H	L	H	L	H	L	H	L	H	L	H	L	H	L	H	L
April ...	75/9	75/6	92½	88½	72/4	71/8	88½	86½	68/14	64/1	65½	62½	91	89½	68	62/9	61	59	94½	92½
May ...	75/9	75/8	90½	90	72/5	71/8	88½	87½	65/5	64/14	68	61	90½	88½	62/9	61/18	60½	59½	96½	94½
June ...	75/10	75/8	91	90½	71/6	67/14	88	85½	65/5	64/11	62½	60½	90½	88½	61/8	68/18	60	58	97½	96½
July ...	75/9	74/2	90½	89½	68/7	67/6	87	85	65/2	62/1	68½	60½	91½	89½	61/8	59/4	68½	51	97½	95½
August ...	74/1	73/6	90½	89½	68/6	67/6	85½	84½	64/10	68	64½	63	91½	90½	59/8	57/1	57	54	92½	90½
September ...	78/14	72/14	90½	88½	68/14	68/7	84½	82½	65/6	64/4	65½	68½	92½	90½	57	52	55	48½	92½	79½
October ...	78/8	78/1	88½	88½	68/18	67/14	87	82½	65/2	64/6	66½	68½	94½	90½	58/14	51	58½	47	88½	88
November ...	78/6	72/14	90½	89½	68/6	67/15	85½	84	65/8	64/10	65½	64	96½	94½	55/10	58	55	49	86½	81½
December ...	78	72/4	90½	89½	68	67/12	85½	85½	64/11	68	65½	62½	95	93½	58/2	51/12	50½	47½	82	72
January ...	78/6	72/8	91½	90½	68	64/6	87	85½	68/4	62/10	64½	60	95½	94½	54/8	51/7	59	51	86½ (a)	84½ (a)
February ...	78/6	71/14	91½	88½	65/10	64/1	88	86½	62/11	61/9	60	57	94½	89½	61/12	58/9	68	56	86½ (a)	86½ (a)
March ...	72/8	71	88½	86½	69/10	64/9	98	87½	68/14	61/5	62	58	98½	91	61/12	60/2	68½	68½	86½ (a)	86½ (a)

	1932-33						1933-34						1934-35				1935-36			
	8½% Rupee Paper		8½% India Sterling		4% British Funding Loan (1960-90)		8½% Rupee Paper		8½% India Sterling		4% British Funding Loan (1960-90)		8½% Rupee Paper		4% British Funding Loan (1960-90)		8½% Rupee Paper		8½% India Sterling	
	H	L	H	L	H	L	H	L	H	L	H	L	H	L	H	L	H	L	H	L
April ...	62½	60½	67	65	97	95½	88½	88½	87½	85½	111½	110½	89½	87½	118½	112½	98½	88	98	92
May ...	68½	62	70½	66	100½	97½	88	79½	86½	79½	110½	108½	88½	87½	118½	112½	95½	92½	98½	97
June ...	68½	60½	75½	66	102½	100½	81½	79½	80½	79½	110½	109½	88½	87½	114½	112½	94½	94½	97½	96
July ...	70	66½	83	79½	103½	106½	85½	81½	83	77½	110½	109½	89½	88½	115½	114½	95½	94½	99	97½
August ...	69½	68½	81	75	107½	106	85½	84½	84	82	111½	109½	90½	88½	115	116	95½	86½	99	94½
September ...	69½	68½	82½	79	110	107½	85½	88½	86½	82½	112	111½	91½	90½	116½	114½	90½	87½	94½	91
October ...	76	70	90	85	109½	107½	88½	81½	87½	86½	111½	110½	91½	91½	116½	114½	98½	88½	95½	82
November ...	76½	71½	92	88½	109½	105½	88½	81½	87½	84½	111½	110½	95½	91½	116½	120½	96½	98½	97½	95½
December ...	74½	71½	88½	83½	108½	107½	82½	80½	86½	88½	111½	111½	98½	95½	120½	118½	96½	95½	97½	96½
January ...	80½	74½	99	86½	110	108½	88½	82½	88½	86½	112½	111½	98½	97½	121½	120½	96½	95½	97½	97½
February ...	88½	80½	99½	99½	110½	109½	86½	84½	90½	87½	118	111½	98½	96½	120½	118½	98½	96½	99	97½
March ...	88½	81½	101½	99	112½	110½	88½	86½	92½	89½	110½	110½	97½	90	118½	116	99½	96½	99	97½

Note--'H' means 'Highest' and 'L' 'Lowest.' (a) Quotations nominal.

Imperial Bank of India Official rates of interest.

1928	per cent.	Average for whole year.	1928	per cent.	Average for whole year
11th January	8	5'947	21st June	6	6'196
25th May	7		19th July	5	
31st May	6		15th November	6	
7th June	5		13th December	7	
28th June	4		1929		
15th November	5		14th February	8	6'828
29th November	6		11th April	7	
20th December	7	9th May	6		
1924		6th June	5		
8rd January	8	10th October	6		
14th February	9	31st October	7		
10th April	8	1930			
29th May	7	6'682	8rd April	6	5'887
19th June	6	10th July	5		
3rd July	5	20th November	6		
31st July	4	1931			
21st August	5	22nd January	7	7'046	
16th October	6	28th May	6		
1925		6th August	7		
22nd January	7	24th September	8		
21st May	6	5'642	1932		
18th June	5		14th January	7	5'021
2nd July	4		25th February	6	
24th September	5	28th April	5		
3rd December	6	4'825	7th July	4	
1926			1933		
20th May	5		From 16th February	8½	3'568
10th June	4		31st December	8½	
1927			1934		8'5
1st January	5		1935		
18th January	6		Reserve Bank of India		
10th February	7		5th April	8'5	3'8
2nd June	6		28th November	8'0	
23rd June	5	5'720			
28th July	4				
8th September	5				
8th December	6				
2nd December	7				

Indian Money Rates at the beginning of each month from 1930-31 to 1935-36

	1930-31			1931-32			1932-33			1933-34			1934-35			1935-36		
	Imperial Bank Rate	CALL MONEY RATE		Imperial Bank rate	CALL MONEY RATE		Imperial Bank rate	CALL MONEY RATE		Imperial Bank rate	CALL MONEY RATE		Imperial Bank rate	CALL MONEY RATE		Imperial Bank rate	CALL MONEY RATE	
		Calcutta	Bombay		Calcutta	Bombay		Calcutta	Bombay		Calcutta	Bombay		Calcutta	Bombay		Calcutta	Bombay
April ...	6	5	6	7	4½-5	6½	6	8½	5½	8½	¾	2	8½	¾	8	8½	8	8½
May ...	6	4½-4¾	5	7	4½	6½	5	8	5	8½	¾	2½	8½	¾	1½	8½	2	2
June ...	6	4½	5	6	5	5½	5	2½	8½	8½	½	1½	8½	¾	1	8½	1½	4
July ...	6	4½	5	6	4	4½	5	2	4	8½	¾	2	8½	¾	1½	8½	1	4
August ...	5	2½	2½	6	4½	5	4	2	2	8½	½	1	8½	¾	1½	8½	4	4
September	5	1½	2	7	4	5½	4	1½	1½	8½	½	1	8½	¾	1	8½	4	4
October ...	5	2½	2½	8	5	6½	4	1½	1	8½	¾	2	8½	¾	1	8½	4	4
November	5	2½	2	8	4	4½	4	1½	2	8½	½	1	8½	¾	1½	8½	4	4
December	6	2	2½	8	4-4½	6½	4	1½	1	8½	½	2	8½	¾	1½	8	4	4
January ...	6	3	3	8	4½-5	6½	4	1½	1½	8½	¾	2½	8½	¾	8	8	4	4
February...	7	3½-4	5½	7	4	5	4	4	1	8½	¾	2½	8½	1	8½	8	4	4
March ...	7	4½-5	5½	6	8½	4	8½	2	4	8½	¾	2½	8½	1	8½	8	4	4

TRADE SECTION:

FOREIGN TRADE

Broadly speaking, 1935-36 has more than maintained the upward trend in our foreign trade, which may be said to have begun with the middle of 1933. It is no doubt an obvious exaggeration to say that there has been an all-round expansion. The net result of our transactions with foreign countries has not been such as to increase the balance of payments, since an improvement in the balance of trade in merchandise has been offset by a decrease in the favourable balance on account of treasure. Nor can it be said that there has been an improvement in all the important items of our export trade; and it is, perhaps, too soon to say that the dangers latent in the increase in imports of earlier years has altogether disappeared. Some of the export staples like rice and tea and oilseeds have suffered a positive setback as compared with the previous year; and, likewise, some of the major imports like sugar and iron and steel have, at the same time, failed to show the decrease which may be deemed necessary, considering the expansion in internal production. The decline in the imports of sugar has, it would appear, been arrested, though not demonstrably to the detriment of the Indian industry. The balance of trade in merchandise though it has shown an improvement as compared with the previous years, has not yet held out any promise of making up for the loss on account of exports of treasure, an eventuality for which the country must be prepared. For, whatever the extent of our resources in hoarded gold, it would be foolish to imagine that the process of paying for our imports and our other foreign obligations though exports of treasure can be continued indefinitely. One cannot derive any feeling of satisfaction about the soundness of our foreign trade position, till the favourable balance of trade and merchandise is sufficient to cover the annual external obligations of the country.

In all these respects, 1934-35 may be said to leave much to be desired. Nevertheless, it would be true to say that the year is one of comparatively less regrets. In the present position, the proper objective in an analysis

of the figures of foreign trade is to reassure oneself that the recovery, which began in the middle of 1933, so far as our foreign trade is concerned, has been kept up and that, so far as one can judge, there are potentialities of yet further growth. This assurance, 1935-36 would appear to have held out. There is, at first, an all-round increase in exports, re-exports, imports and balance of trade in merchandise. Exports of Indian merchandise amounted to Rs. 160.49 crores as compared with Rs. 151.66 crores in 1934-35 and Rs. 146.32 crores in 1933-34 and Rs. 132.45 crores in 1932-33. Re-exports have, during this four-year period, risen from Rs. 3,21 lakhs to Rs. 3,42 lakhs and thence to Rs. 355 lakhs, till it has reached the level of Rs. 3,76 lakhs in the year under review.

It may be said, therefore, that exports in 1935-36 have exceeded those of 1931-32. It may be useful to examine the significance of this fact. If it is remembered that 1932-33 was the last year in the period of decline in our export trade, it may be said that it has taken three years for India's export trade to regain the ground lost in one year. It will be seen, therefore, that without any appreciable acceleration of the rate of increase, it will be nearly a decade before our exports will rise to the level of 1928-29, which has recorded the highest value of exports since 1924-25. That India's foreign trade has, at all, left the trough and is beginning to climb the other side of the valley is no small mercy in these days when there has been no abatement of the barriers to international trade. Re-exports at Rs. 376 lakhs are, it must be confessed, still below the level of 1931-32; but, they are of comparatively little importance, on account of the very little proportion they bear to the total foreign trade of India.

As for imports, they have, as has been pointed out in successive issues of the *Year Book*, suffered a somewhat chequered course during the last few years. As for exports, 1932-33 marked the nadir. Imports showed a rise in 1932-33 to Rs. 132.60 crores from Rs. 126.34 crores in 1931-32; and it was not

till 1933-34 that they reached their lowwater mark at Rs. 115.38 crores. But, in the next year, imports rose to Rs. 132.25 crores, a rise of nearly Rs. 17 crores, while exports showed a rise of only Rs. 5 crores. It is only to be expected, therefore, that 1935-36 will not reveal any marked increase at Rs. 134.39 crores. Imports in 1935-36 showed only a rise of Rs. 2.10 crores over the previous year. At the present level, imports, like exports, are well above the figure of 1931-32, though very considerably below that of 1930-31.

It may be said that, in spite of the fluctuations in the import trade which have no counterpart in the export trade, both imports and exports have maintained a more or less equal rate of improvement during the last few years. There is yet no sign that imports have undergone a natural readjustment to the reduced purchasing power of the country, considered apart from our hoarded resources, or to the expansion in the indigenous production of staple industries. The main problem of our foreign trade in the coming years will be to effect such an adjustment; and so long as gold exports continue to figure in our transactions with foreign countries, there will be no natural pressure brought to bear on the imports; and the import trade will continue as if India were obtaining from the rest of the world the same facilities for trade as formerly.

So far as 1935-36 is concerned, it is a matter for gratification that imports did not show the same rise over the previous year as exports. For, while the former increased from Rs. 151 crores to Rs. 160 crores, the latter rose from Rs. 132 crores to Rs. 134.39 crores. The result is that the balance of trade and merchandise showed a welcome, and, as will be seen presently, a much-needed improvement from Rs. 22.92 crores to Rs. 29.86 crores. It is interesting to reflect that the balance of trade in merchandise is well below the level of so recent a year as 1933-34, when it stood at Rs. 34.36 crores. It no doubt shows a remarkable improvement as compared with Rs. 3.06 crores in 1932-33; for, as has been referred to earlier, 1932-33 showed a lopsided improvement in the import trade while exports actually had a steep fall. The earlier years, therefore, afford no comparable basis, as far as the balance of trade in merchandise is concerned. If it is remembered that in 1931-32, the balance of trade in merchandise amounted to Rs. 34.21 crores, it will be seen that there is much leeway to be made up. The figure for 1930-31 is Rs. 60.77 crores and a

debtor country like India can have no feeling of relief till the increase in foreign trade is accompanied by that restriction of imports which will yield us an adequate favourable balance of trade.

From the standpoint of our balance of payments, it is regrettable that the increase in the balance of trade in merchandise should be more than offset by a fall in the balance of transactions in treasure. To careful observers of the trends, this will hardly come as a surprise; for, it is impossible, in the nature of things, that not only would gold exports continue, but they would also show an increase year after year. Even without a material improvement in the economic conditions of the country, gold exports must tend to fall as the supplies are by no means inexhaustible. But when there has been an improvement to some extent in prices and in internal trade, gold exports must tend to fall. Exports of gold (private) during the last three years fell from Rs. 57.05 crores to Rs. 52.53 crores and thence to Rs. 37.35 crores and the balance of transactions in treasure has been worsened by the fact that, unlike the two previous years, 1935-36 recorded an appreciable volume of imports of silver valued at as much as Rs. 1.27 crores. The result is, imports of treasure in 1935-36 amounted to Rs. 5.46 crores against Rs. 2.66 crores in the previous year, exports of treasure fell from Rs. 57.73 crores to Rs. 41.84 crores and the balance of transactions in treasure fell from Rs. 55.09 crores to Rs. 36.38 crores. It is sometimes suggested, in certain quarters, that the decline in India's exports of gold during the year was due, in some measure, to the extremely unsettled conditions of international finance and to the frequent emergence of the expectation that gold might command, before long, a higher value. Such expectations, though they could, conceivably, have been entertained, from time to time, can by no means account for such a serious fall over a year. Those who would still like to believe that the exports of gold from this country might again show an increase, will do well to take note of the fact that, in the years succeeding the abandonment of the gold standard—and these are the years in which gold has been exported from this country—1932-33 was the only year to record an increase in the balance of transactions in treasure from Rs. 55.66 crores to Rs. 64.98 crores. In the subsequent years, the decline in gold exports has been unchecked; and in the year under review the decline is so steep as to leave no room for any fond hope that gold will again be exported from this country on

the scale of 1932-33 or 1933-34. The change in the position of gold exports accounts largely for the fall in the balance of trade in merchandise and treasure from Rs. 78.01 crores to Rs. 66.24 crores.

The state of financial and economic statistics in India does not enable the full consideration of the balance of payments. The invisible items of foreign trade have not been even enumerated, not to speak of having been accurately assessed. It is generally believed, by those who are in a position to make a fair estimate of India's annual foreign obligations, that a favourable balance, on a most conservative estimate, of Rs. 70 crores is necessary to settle such obligations. That this may be fairly wide of the mark, may be said with confidence; and it is a pity that, in spite of the increase in public interest in national economic problems, the authorities have done little to make up for this serious omission. In an annual review like the one on hand, one has, therefore, to be content with setting down the items for which particulars are ascertainable. During the year under review, the purchase of sterling effected by the Reserve Bank of India amounted to Rs. 45.58 crores as compared with Rs. 49.82 crores purchased by the Government in 1934-35 and Rs. 59.97 crores in the previous year. Transfers of Government securities amounted to *minus* Rs. 56 lakhs against *plus* Rs. 36 lakhs in the previous year and interest on drafts in respect of Government of India securities to *minus* Rs. 31 lakhs against *minus* Rs. 28 lakhs in the previous year. And the balance of remittance of funds on this account is Rs. 46.45 crores against India as compared with an unfavourable balance of Rs. 49.78 crores in 1934-35 and Rs. 60.44 crores in 1933-34.

It is a relief to turn from inadequate data and unreliable guess work. Jute and jute manufactures have acquitted themselves creditably during the year, showing, in all cases, a rise both in volume and value. Exports of raw jute increased from 4.21 million bales to 4.32 million bales. At this level, it is slightly less than the volume of exports in the pre-depression year 1929-30, when exports touched 4.52 million bales. A similar consolation, however, is not available in respect of the value. For, though the value of exports of raw jute increased from Rs. 10.87 crores to Rs. 13.70 crores during the last two years, the latter figure compares very favourably with the Rs. 27.15 crores of 1929-30. This is only to be expected, as the difference in prices between the pre-depression and the depression period is great.

It may be added, too, that there is practically little hope of prices regaining that level; and here, as in the case of most of the other commodities, one has to look for re-adjustment at the ruling level of prices with but slight improvement. The United Kingdom took only 930,000 bales as against 932,000 bales in the previous year. But the value of the exports show a considerable rise from 2.35 crores to Rs. 2.96 crores. Other parts of the British Empire took less at 25,000 bales. The exports to Italy showed a steep decline from 480,000 to 275,000 bales with a corresponding decrease in value from Rs. 127 lakhs to Rs. 90 lakhs. Belgium also reduced her offtake of India's raw jute from 345,000 bales to 294,000 bales. Exports to France decreased from 465,000 bales to 420,000 bales, and here, as in the case of the United Kingdom, the value increased from Rs. 122 lakhs to Rs. 137 lakhs. The United States of America and Germany were the best customers for the year, the former increasing her offtake from 289,000 to 445,000 bales and the latter from 761,000 bales to 880,000 bales. Spain imported 46,000 tons more at 286,000 tons. The miscellaneous countries made up for the decline in 1934-35 from the previous year by an increase during the year under review to 525,000 bales from 439,000 bales. Belgium imported only 294,000 bales as compared with 341,000 bales in the previous year. It may be mentioned in passing that the percentage of our exports to the British Empire to total exports shows only a small fractional rise from 22.2 to 22.3.

Exports of gunny cloth showed a small increase from Rs. 10.99 crores to Rs. 12.24 crores. The United Kingdom and the United States showed the largest increase. Exports to the former have risen in value from Rs. 53 lakhs to Rs. 89 lakhs. The U.S.A. have imported Rs. 7.31 crores worth of gunny cloth during the year against Rs. 5.93 crores in the previous year and Rs. 6.60 crores in 1933-34. The Argentine Republic has been disappointing during the year, exports to that country having declined from Rs. 2.45 crores to Rs. 1.32 crores. Canada increased the value of her imports from Rs. 70 lakhs to Rs. 75 lakhs. In the offtake of gunny cloth, the percentage of the British Empire, which fell from 15.3 per cent. to 14.6 per cent. in 1934-35, has increased during the year to 16.6 per cent.

Exports of jute bags increased in quantity from 422.9 million to 458.9 million and from Rs. 10.25 crores to Rs. 11.01 crores in value. Empire and non-Empire countries alike increased their offtake of jute bags during

the year. The most remarkable increase is in the case of the miscellaneous countries which imported Rs. 2.17 crores worth during the year as compared with Rs. 1.75 crores worth during the previous year. The United Kingdom increased her imports of jute bags from 48 million to 51.3 million and the value rose from Rs. 1.03 crores to 1.12 crores. The Straits Settlements reduced their imports from 42.4 million to 31.1 million with a consequent decrease in value from Rs. 98 lakhs to Rs. 78 lakhs. Exports to Egypt increased from 19 million to 23.5 million bags and exports to U. S. A. increased from 11.9 million to 16.4 million.

Exports of raw cotton suffered a decrease during the year in volume, but there has been, at the same time, an increase in the value. This is attributable to the higher level of prices during the year, the declared value per cwt. having risen from Rs. 27-2-7 to Rs. 27-10-5. Exports of raw jute fell during the year from 3.49 million bales to 3.396 million bales. The value, however, rose from Rs. 31.91 to Rs. 33.79 crores. As is well-known, the most notable feature of the export trade in raw cotton during recent years is the steady increase in the United Kingdom offtake of Indian cotton. From 168,000 bales in 1932-33, the volume of our exports to the United Kingdom has risen to 455,000 bales during the year under review; and the value has increased, during the same period, from Rs. 1.61 crores to Rs. 4.51 crores. Exports to Japan have declined from 2 million bales to 1.7 million bales in volume and from Rs. 21.53 crores to Rs. 17.94 crores in value. It may be observed that 1934-35 showed a marked increase of over 1.1 million bales from 1933-34. It is too much to expect that a setback in 1935-36 would be avoided. Exports to Italy have been disappointing during the year, having fallen off from 278,000 bales to 154,000 bales in volume and from Rs. 2.55 crores to Rs. 1.42 crores in value. Exports to France increased from 148,000 bales to 165,000 bales with an increase in value from Rs. 1.35 crores to Rs. 1.62 crores. The vagaries of the Chinese market have, if anything, increased during the year. Exports to that country have dwindled to 109,000 bales as compared with 142,000 bales in 1934-35, 345,000 bales in 1933-34 and as much as 606,000 in 1930-31. Exports to Belgium increased from 153,000 bales to 231,000 bales and from Rs. 1.49 crores to Rs. 2.26 crores.

It is important to note that, in spite of the various restrictions on the imports of raw materials, Germany increased her im-

ports of Indian cotton from 153,000 bales to 258,000 bales. The value has risen from Rs. 1.37 crores to Rs. 2.56 crores.

Exports of tea have fallen both in volume and value during the year under review. As against 324.8 million lbs. exported in 1934-35, 1935-36 has only 312.6 million lbs. to its credit. The value has naturally fallen from Rs. 20.13 crores to Rs. 19.82. crores. The United Kingdom imported only Rs. 17.77 crores worth as compared with Rs. 18.15 crores in the previous year. Exports to Canada suffered a big drop in value from Rs. 65 lakhs to Rs. 14 lakhs. Ceylon registered a small increase from Rs. 20 to Rs. 23 lakhs. The United States reduced her imports from 8 million lbs. to 6.8 million and the value fell from Rs. 41 lakhs to Rs. 36 lakhs. Only the miscellaneous countries show a small rise from Rs. 58 lakhs to Rs. 59 lakhs.

Exports of rice showed a slight increase in value. For, exports amounted to 1.6 million tons in 1935-36 against 1.73 tons in the previous year, 1.8 million tons in 1932-33 and 2.3 million tons in 1931-32. The value, however, increased from Rs. 10.30 crores to Rs. 10.95 crores at which level it is in excess of that of 1933-34 as well. But when it is remembered that the pre-war average of India's exports of rice stood at Rs. 25.67 crores and that even in 1930-31 it was at the slightly higher level of Rs. 25.82 crores, it will be realised how much ground India's rice trade has lost in the export markets. Rice is thus one of the weakest points in our foreign trade. The only hopeful feature of the situation in regard to rice is that some of the customers have, of late, begun to increase their offtake of Indian rice, though, it need hardly be mentioned, this is no compensation for the loss India has suffered at the hands of the others. The value of the exports to United Kingdom increased from Rs. 53 lakhs to Rs. 59 lakhs, in spite of a slight fall in the volume from 88,000 tons to 85,000 tons. The most notable rise, however, is in the case of Ceylon which imported during the year 424,000 tons valued at Rs. 3.50 lakhs against 392,000 tons valued at Rs. 2.78 lakhs in the previous year. The Straits Settlements imported 138,000 tons valued at Rs. 108 lakhs against 135,000 tons of the value of Rs. 82 lakhs in the previous year. Perhaps the largest fall is in the case of Germany which imported only 79,000 tons of Indian rice against 158,000 tons in the previous year. The value necessarily declined from Rs. 88 lakhs to

Rs. 55 lakhs. The decline in the exports to China continued unchecked. While 1934-35 showed a small and very considerable rise over the previous year, 1935-36 records a fall in exports from 173,000 tons to 72,000 tons with a consequent fall in value from Rs. 97 lakhs to Rs. 50 lakhs. The miscellaneous countries, too, effected a cut in their imports of Indian rice from 292,000 tons to 229,000 tons.

Generally speaking, oilseeds have suffered a setback within the year; but groundnuts have made a better showing, exports having increased in value from Rs. 5.93 crores to Rs. 6.65 crores in spite of the fall in volume from 511,000 tons to 413,000 tons. Groundnuts afforded an almost solitary instance of an agricultural raw material which, as compared with the pre-war average, shows a remarkable increase in the volume and value of exports.

The bigger customers of India's groundnuts excepting the United Kingdom have improved their average during the year. France increased her imports from 99,000 tons to 144,000 tons and the value increased from Rs. 1.47 crores to Rs. 2.34 crores. But it must be mentioned that, over the period of the last three years, the average is still much below the level of our exports to France during even the worst years of the depression. Exports to Italy have suffered a fall in volume from 54,000 tons to 15,800 tons. The biggest fall is in the case of the United Kingdom which has reduced its offtake from 134,200 to 52,500 tons. The value thereof has declined from Rs. 1.70 crores to Rs. 86 lakhs.

Exports of linseed have suffered a further decline in value during the year from Rs. 3 crores to Rs. 1.219 crores. This compares with exports of Rs. 4.58 crores in 1933-34 and Rs. 5.41 crores in 1930-31. It may also be added that the pre-War average stands at Rs. 7.99 crores. Exports to the United Kingdom have declined from Rs. 1.28 crores to Rs. 1.03 crores. The exports to miscellaneous countries have declined from 83,000 tons to 53,000 tons. The other important customers have all reduced their imports of linseed from India. It is noteworthy that the decline in the exports of linseed, particularly to the United Kingdom, is a sad commentary on the wisdom of those who sought to defend the Ottawa Pact merely on the strength of the transient improvement in our exports of linseed.

Exports of castor seeds showed a slight increase from Rs. 81 lakhs to Rs. 83 lakhs. France is responsible for a big increase from

Rs. 12 lakhs to Rs. 19 lakhs. Exports from the United Kingdom declined in volume, the value, however, being maintained. The most serious fall was in the case of the United States of America. Exports of rapeseed declined from 36,000 tons to 19,000 tons in volume and from Rs. 42 lakhs to Rs. 26 lakhs in value. Exports of raw hides showed a small increase in value from Rs. 1.10 crores to 1.12 crores.

Exports of raw skins showed a more considerable rise from Rs. 2.02 crores to to Rs. 2.98 crores.

The last gasp of our export trade in wheat seems, however, to have been prolonged during the year, the decline in value being only from Rs. 10.6 lakhs to Rs. 9.4 lakhs. It is interesting to note that while the exports to the United Kingdom decreased from Rs. 7 lakhs to Rs. 6 lakhs there was hardly any export recorded against Italy, France, Belgium, Germany and Egypt. Dressed and tanned hides exported during the year rose to the value of Rs. 2.29 crores against Rs. 1.99 crores in the previous year, the United Kingdom being predominantly responsible for the improvement, exports to that country having increased from Rs. 1.94 crores to Rs. 2.21 crores. Tanned skins, however, showed a fall from Rs. 3.25 crores to Rs. 2.91 crores.

Manganese ore had a better year, as much as 727,000 tons being exported against 460,000 tons in the previous year. The value has naturally increased from Rs. 80.48 lakhs to Rs. 122.41 lakhs. Principal steel manufacturing countries have all increased their imports of manganese ore, the largest quantitative increase being in the case of Japan from 99,000 tons to 174,000 tons. Exports of shellac declined from 432,000 cwts. to 285,000 cwts. in volume and from Rs. 2.67 crores to Rs. 1.04 crores in value.

Exports of pig-lead showed an increase in value from Rs. 135.9 lakhs to Rs. 178.4 lakhs. The value of the exports of coal declined from Rs. 29.2 lakhs to Rs. 17.3 lakhs.

The changes in the import trade of India are, it will be readily admitted, being examined from the standpoint of the protected industries. For, not only is the policy of discriminatory protection of sufficient standing to call for an examination of its results, but there has, of late, been, so to say, a cloud hanging over it, which, though no bigger than your fist at the moment, seems to have potentialities of

growth. It should not be forgotten that all the recent changes in our tariffs have been detrimental to the Indian industry. The public would, therefore, like to be assured that the position of the Indian industry is such as not to be seriously jeopardised by the change, even if further persistence on the path of protection, at least in so far as the older industries are concerned, is not called for. We have examined the position of the import trade in reference to the balance of trade and balance of payments position. But here it would be useful to consider the changes which affect the protected industries and examine how far the changes are in the national interest.

Taking the case of the oldest among the protected industries, it is necessary to note that the imports of cotton piecegoods during the year increased from 944 to 946 million yards in volume with a decline in value from Rs. 16.92 crores to Rs. 15.78 crores. It is well-known that indigenous protection of cotton cloth has increased greatly in recent times and, other things remaining the same, one would expect a fall in the import of piecegoods. But it would now appear that for the time being, at any rate, a natural limit to our policy of restricting the imports of cotton piecegoods has been reached. In the nature of things, the principal importers of cotton goods into India, namely, Japan and the United Kingdom, are also our biggest markets for our raw cotton. India being only one of the world's producers of cotton, customers in this trade could well ask for reciprocity of trade relations and the principle of connecting the offtake of raw cotton with the imports of cotton goods into this country has been already recognised in the Indo-Japanese Trade Agreement. The same principle also underlay the Mody-Lees Pact, though in a less specific or definite form. So long as India has a large surplus of cotton to be shipped to foreign markets, she has to admit the obligation to give a share to her foreign competitors of her internal market for cotton goods. Only to the extent that our dependence on foreign markets for the disposal of our cotton is reduced by an increase in the indigenous production of cotton goods, would a decrease in imports be possible. We are clearly caught up in a vicious circle from which we can escape only slowly and by stages.

It would appear that the conflict that obtains in certain spheres between the expansion of the indigenous industry and the expansion of our foreign markets for our agricultural staples, is being minimised by

a timely expansion in consumptive demand at home. After all, the *per capita* consumption to-day of such necessities as cotton goods, sugar, salt and the like, must have been, during the last few years, at a much lower level than in the years of prosperity. When the difference is made up, it would be possible for both indigenous industry and the import trade to enjoy a reasonable degree of expansion. This hope is strengthened by the fact that prices of cloth have gone down greatly in the last few years.

In piecegoods, only Greys showed an increase in volume from 297.4 million yards to 331.9 million yards and from Rs. 4.03 crores to Rs. 4.34 crores in value. Japan increased her imports from 193.7 million yards to 246.1 million yards and the value rose from Rs. 2.43 crores to Rs. 3 crores. The share of the United Kingdom fell from 102.7 million yards to 85.4 million yards with a consequent decline in the value from Rs. 1.5 crores to Rs. 1.33 crores. Imports of white piecegoods fell from 285.2 million yards to 263.3 million yards in volume and from Rs. 5.46 crores to Rs. 4.98 crores in value. In this the share of Japan increased from 40.2 to 58.3 million yards with an increase in value from Rs. 64.5 lakhs to Rs. 84 lakhs. Imports from the United Kingdom fell from 236.6 million yards to 199 million yards in value and from Rs. 4.51 crores to Rs. 3.89 crores. Coloured printed or dyed, also fell from 369.9 million yards to 359.3 million yards with a fall in value from Rs. 7.34 crores to Rs. 6.46 crores. Imports from the United Kingdom declined from 215 million yards to 155 million yards. The value fell from Rs. 5.04 crores to Rs. 3.77 crores. In this sphere, Japan lost ground during the year, imports from that country amounting to 191.5 million yards against 139.8 million yards. But the value rose from Rs. 2.12 crores to Rs. 2.51 crores.

Imports of raw cotton increased from 60,600 tons to 76,000 tons in volume and from Rs. 5.28 crores to Rs. 6.74 crores in value. The Kenya Colony has the largest share of the Indian market for raw cotton, as she imported Rs. 3.13 crores worth during the year against Rs. 2.77 crores in the previous year. Egypt comes as the second with Rs. 1.41 crores of imports in 1935-36 against Rs. 1.55 crores worth in 1934-35.

Imports of sugar declined from 223,700 tons to 210,200 tons. The value declined from Rs. 2.10 crores to Rs. 1.90 crores. Imports from the United Kingdom increased from 16,800 tons to 20,800 tons and the

value thereof increased from Rs. 15.8 lakhs to Rs. 20.9 lakhs. Imports from Java continued to decline during the year and only 150,000 tons were imported as against 175,000 tons in 1934-35 and 194,000 tons in 1933-34. The value declined from Rs. 1.64 crores to Rs. 1.40 crores.

Imports of machinery and millwork increased from Rs. 12.64 crores to Rs. 13.69 crores. The United Kingdom increased her trade with this country from Rs. 9.15 crores to Rs. 9.26 crores. The increase is, in fact, allround, almost every country exporting more during the year than in the previous year. Imports from the U. S. A. amounted to Rs. 1.17 crores against Rs. 1.15 crores in the previous year. Japan exported Rs. 17.6 lakhs worth against Rs. 11.2 lakhs worth in the previous year. Imports of German machinery increased from Rs. 1.26 crores in the previous year to Rs. 1.64 crores. The trade with Belgium on this account also improved by Rs. 10.8 lakhs to Rs. 27.5 lakhs. It is interesting to note that the "other countries" imported into this country Rs. 1.16 crores worth against Rs. 79 lakhs in the previous year. Of the various items included under machinery and millwork, jute machinery accounts for far the largest amount of imports at Rs. 3.43 crores which compares with Rs. 3.24 crores in 1934-35 and Rs. 2.61 crores in 1933-34.

Textile machinery comes next with Rs. 2.01 crores; and at this level it shows an increase of Rs. 40 lakhs over the previous year, and a decrease of about Rs. 3 lakhs as compared with 1933-34. The next largest item is electrical machinery, of which Rs. 2.05 crores worth was imported during the year under review; and it is an index of the spread of electrical development in India that imports of electrical machinery have increased from Rs. 1.27 crores in 1933-34 to Rs. 1.69 crores in 1934-35. In former years, imports of sugar machinery occupied the first place owing to the rapid expansion of the sugar industry in India on the strength of the generous protection accorded to the Indian industry. But during the year under review, it has not even the third place which has now been taken by boilers, of which Rs. 76.67 lakhs worth was imported during the year against Rs. 43.70 lakhs in 1934-35 and Rs. 65.86 lakhs in 1933-34. It may be mentioned in passing that imports of agricultural machinery during the last three years were barely maintained without any noticeable change eitherway. Imports of sugar machinery suffered a further decline from Rs. 1.05 crores in 1934-35 to Rs. 65.72 lakhs in the year under review. And this

compares with Rs. 3.36 crores in 1933-34. Imports of railway materials showed a rise from Rs. 42.95 lakhs to Rs. 56.58 lakhs.

Imports of iron and steel goods increased in value from Rs. 6.34 crores to Rs. 7.22 crores. Of this, iron goods amounted to Rs. 3.9 lakhs in value against Rs. 7.3 lakhs in the previous year. The value of imports of steel was maintained at Rs. 97 lakhs; but the volume increased from 89,000 tons to 92,000 tons. Goods classified as "iron or steel" increased in volume from 229,752 tons to 354,284 tons in volume and from Rs. 5.3 crores to Rs. 6.2 crores in value. It is interesting to note that imports of protected steel increased from Rs. 51 lakhs to Rs. 86 lakhs in value and from 44,349 tons to 74,839 tons in volume, while the value of steel not protected dwindled to Rs. 11 lakhs in value as compared with Rs. 46 lakhs in the previous year, the volume having declined at the same time from 44,658 tons to 17,394 tons. "Iron or steel" goods, which are under the protected category, increased from Rs. 3.01 crores to Rs. 3.48 crores in value and from 1,74,923 tons to 211,601 tons in volume. The non-protected categories also increased from 99,829 tons to 142,683 tons in volume and from Rs. 2.32 crores to Rs. 2.73 crores in value. Protected angles and tees were imported to the value of Rs. 19.57 lakhs against Rs. 14.02 lakhs in the previous year. Imports of steel bars increased from Rs. 36.63 lakhs to Rs. 61.27 lakhs. Ingots, blooms, billets and slabs increased from Rs. 7.28 lakhs to Rs. 11.24 lakhs. In iron and steel, as in sugar and cotton textiles, changes in imports have not been quite in accord with the increase in indigenous production; and from all reports one can only conclude that, while the increase is explained by the virtual abandonment of protection to the iron and steel industry, there has been an expansion of the internal demand, which has given timely relief to both the importer and the indigenous producer.

Another important item of the import trade is instruments, apparatus, etc., which account for Rs. 5.16 crores as against Rs. 4.76 crores in the previous year. It is interesting to note that the pre-War average under this head was only Rs. 1.36 crores. The post-War average stood at Rs. 3.92 crores; and at its present level the import trade in these articles is nearly equal to the Rs. 5.38 crores of the pre-Depression year 1929-30. The greater part of this item is accounted for by the electrical instruments and apparatus (exclusive of machinery) imports of which amounted to Rs. 3.09

crores during the year under review against Rs. 2.81 crores in the previous year. The United Kingdom has the largest share of this trade and at Rs. 1.75 crores, the imports from that country show an increase of over Rs. 13 lakhs. The next largest importer is the United States of America with Rs. 38 lakhs and an increase of Rs. 8 lakhs over the previous year to her credit. Germany comes next with Rs. 37.8 lakhs; Japan has Rs. 17.78 lakhs and the Netherlands imported Rs. 13.12 lakhs worth during the year. All the countries have shown marked improvement during the year over the previous year.

Imports of kerosene oil showed a decline of Rs. 2.2 crores as compared with Rs. 2.61 crores in the previous year. Russia, which has since 1931-32 gained a large share of the Indian market, accounted for Rs. 1.44 crores during the year under review. The United States, at whose expense Soviet Russia has gained in the Indian market, imported only Rs. 3 lakhs worth during the year against Rs. 1.47 crores in 1929-30 and Rs. 6 lakhs in 1934-35.

Imports of cement showed a small decline at Rs. 22 lakhs as compared with Rs. 23 lakhs in the previous year. Great Britain has the lion's share of the trade at Rs. 18.6 lakhs.

Imports of motor cars showed a marked decrease during the year from 14,434 to 13,590 in number and from Rs. 2.57 crores to Rs. 2.51 crores in value. Imports from the United States declined in value from Rs. 93 lakhs to Rs. 74 lakhs. The United Kingdom increased her imports into this country from Rs. 1.23 crores to Rs. 1.27 crores. And Canada derived a similar benefit, imports therefrom having increased from Rs. 33 lakhs to Rs. 38 lakhs. Imports of motor cycles declined from 794 to 734 units and from Rs. 3.8 lakhs to Rs. 3.3 lakhs in value. Motor buses showed a decline in numbers from 9,973 to 8,470, but the value showed a slight improvement from Rs. 119.6 lakhs to Rs. 119.9 lakhs.

Rubber manufactures were imported to the value of Rs. 2.07 crores during the year against Rs. 2.06 crores in the previous year. Imports of shawls increased from Rs. 52.07 lakhs to Rs. 56.46 lakhs. Imports of boots and shoes declined from Rs. 34.8 lakhs to Rs. 28.9 lakhs in value. Woollen piecegoods declined from Rs. 1.398 crores to Rs. 81.1 lakhs, Japan being the chief sufferer with only Rs. 30.1 lakhs worth in 1935-36, against Rs. 73.1 lakhs in

the previous year.

Contrary to the vogue of the official publications, we may now turn at the end to the imports of food, drink and tobacco, imports of which during the year amounted to Rs. 13,199 crores against Rs. 13.86 crores in the previous year. Grain, pulse and flour show the largest fall from Rs. 2.66 crores to Rs. 1.62 crores. Sugar comes next with a fall of Rs. 20 lakhs at Rs. 1.91 crores. Other items show increases ranging from Rs. 22 lakhs to Rs. 1 lakh. The largest increase is in provision and oilman stores.

FOREIGN TRADE THROUGH PORTS OF NATIVE STATES

Kathiawar:

The seaborne trade through the Kathiawar ports has, of late, been steadily growing in importance owing chiefly to the lower port charges, as compared with Bombay. The following table shows the value of imports and exports and re-exports at the Kathiawar ports from 1925-27 to 1933-34.

Year	Imports	Exports	(In thousands of Rs.)	
			Re-exports	
1928-27	... 3,07,12	11,18	47	
1927-28	... 2,89,60	30,55	62	
1928-29	... 3,98,43	1,27,01	59	
1929-30	... 3,91,96	98,54	84	
1930-31	... 3,82,74	80,70	16	
1931-32	... 2,76,48	67,39	8	
1932-33	... 4,15,07	80,91	5	
1933-34	... 4,17,82	2,46,43	1,29	
1934-35	... 5,19,09	1,49,25	2,36	

The accuracy of figures up to 1930-31 is problematical, as they are from returns prepared in old times and the figures recorded in some cases were inclusive of merchandise imported or exported coast-wise.

The trade of Cochin is of considerable significance as Cochin is the *enfant terrible* among the Indian ports.

Statistics of the trade in Cochin during 1933-34 show that the port has enjoyed a record year and is taking its full share in the revival and development of trade. The figures dispel all apprehensions regarding the future of the port.

It was in May, 1928, that the first steamer entered in the inner harbour at Cochin. The number of steamers which used the port in 1928-29 was 4,79, and every year since then there was a steady increase. The number was 509 in 1929-30; 570 in 1930-31; 604 in 1931-32; 615 in 1932-33. Whereas the increase during these four years was only 136, the increase

in 1933-34 alone was 66, the number of steamers which called at the port being 681. Of this, only 3 did not come inside the harbour.

The tonnage of the goods passing through the ports has also grown considerably, as the following figures show:

	Imports	Exports	Total
1930-31	... 3,96,806	1,01,354	4,98,160
1931-32	... 4,55,342	90,061	5,45,403
1932-33	... 4,80,585	88,270	5,68,855
1933-34	... 6,40,800	1,08,000	7,38,800

(The figures for 1933-34 are approximate).

In this connection the following table showing the total foreign sea-borne and coasting trade of Cochin since 1924-25 will be very interesting; and the figures have been taken from the reports of the Maritime trade for the province of Madras.

Cochin Trade Statistics.

(Value in lakhs of Rupees)

Year	Foreign Trade	Coasting Trade	Total Trade	Percentage total of Madras Presy.
1924-25	... 3,45	7,01	10,46	11.04
1925-26	... 4,11	6,38	10,49	11.00
1926-27	... 4,07	5,87	9,94.5	10.99
1927-28	... 5,19	6,36	11,55	11.17
1928-29	... 5,99	6,00	11,99	11.21
1929-30	... 4,81.5	6,25	11,13.5	...
1930-31	... 4,53	5,87	10,48	12.49
1931-32	... 3,73	5,53	9,26	13.00
1932-33	... 3,79	5,92	9,71	14.50
1933-34	... 4,89	6,12	10,51	15.40
1934-35	... 5,81	6,70	12,51	16.77

Considerable trade is also carried on between the French settlements in India, Portugese settlements and Travancore. Some twenty years ago the Controller of Currency estimated the total imports and exports at the ports in these non-British possessions at about Rs. 36 lakhs and Rs. 175 lakhs respectively per annum. Certainly the trade should have grown much more now and trade statistics will be very interesting to-day.

**FRONTIERS
FOREIGN TRADE ACROSS LAND**

Prior to April, 1925, the registration of the land frontier trade was done through the Agency of the clerks posted on important roads across the frontiers.

A new system of registration of the land frontier trade was, therefore, inaugurated since 1st April, 1925. Only the traffic in selected articles at certain railway stations adjacent to the more important trade routes across the frontier is registered. Stations have been selected at which it is estimated that the bulk of inward traffic is intended to be transported beyond the frontier and the bulk of the outward traffic consists of goods which have come from beyond the frontier.

For compilation purposes the registration stations have been divided into three groups. For purposes of the tables, the trade registered at the three groups of stations has been combined into a lump figure for each commodity.

India's Foreign Trade.

(In Lakhs of Rupees.)

YEAR AND MONTH	1	2	3	4	5	6	7	8
	Exports of Merchandise	Re-exports of Merchandise	Imports of Merchandise	Balance of trade in Merchandise (1+2-3)	Exports of Treasure	Imports of Treasure	Balance of trans- actions in treasure (5-6)	Balance of trade in Merchandise and treasure (4+7)
1932-33								
April	10,44	28	18,28	-2,58	4,80	22	+ 4,08	+ 1,55
May	9,57	24	11,82	-2,01	8,85	28	+ 8,07	+ 1,06
June	9,88	22	12,09	-2,49	4,98	86	+ 4,57	+ 2,08
July	8,97	28	11,22	-2,02	6,27	58	+ 5,74	+ 8,72
August	10,02	26	11,18	- 85	4,65	28	+ 4,87	+ 8,52
September	12,87	24	11,41	+1,20	6,71	20	+ 6,51	+ 7,71
October	11,50	26	9,98	+1,78	5,78	14	+ 5,64	+ 7,42
November	12,10	27	11,14	+1,28	6,82	28	+ 6,59	+ 7,82
December	12,09	40	9,81	+2,68	10,21	21	+10,00	+12,68
January	11,44	28	10,66	+1,06	4,85	28	+ 4,62	+ 5,68
February	12,24	21	9,28	+8,22	5,05	15	+ 4,95	+ 8,17
March	12,85	82	10,88	+1,79	5,07	18	+ 4,89	+ 6,8
TOTAL 1932-33	1,82,45	8,21	182,60	+8,06	67,99	8,01	+64,98	+68,04
1933-34								
April	10,20	22	9,69	+ 78	4,61	14	+ 4,47	+ 5,20
May	10,60	25	9,75	+1,10	5,81	22	+ 5,09	+ 6,19
June	12,78	27	8,68	+4,82	5,70	14	+ 5,56	+ 9,88
July	12,17	25	8,70	+3,72	2,72	9	+ 2,68	+ 6,85
August	14,02	82	9,91	+4,43	4,54	12	+ 4,42	+ 8,85
September	11,82	81	8,75	+2,88	5,82	14	+ 5,68	+ 8,56
October	12,61	80	10,61	+2,80	8,52	23	+ 8,29	+ 5,59
November	12,84	85	10,01	+8,18	2,61	20	+ 2,41	+ 5,59
December	11,57	29	9,19	+2,67	2,48	22	+ 2,26	+ 4,98
January	11,40	26	10,67	+ 99	6,02	12	+ 5,90	+ 6,89
February	12,54	27	8,75	+4,06	10,80	20	+10,10	+14,16
March	14,82	88	10,67	+3,98	5,56	14	+ 5,43	+ 9,40
TOTAL 1933-34	1,46,82	8,42	1,15,88	+34,86	59,19	1,96	+57,28	+91,59

India's Foreign Trade.—(Contd.)
(In Lakhs of Rupees.)

YEAR AND MONTH	1	2	3	4	5	6	7	8
	Exports of Merchandise	Re-exports of Merchandise	Imports of Merchandise	Balance of trade in Merchandise (1+2-3)	Exports of Treasure	Imports of Treasure	Balance of trans- actions in treasure (5-6)	Balance of trade in Merchandise and treasure (4+7)
1934-35								
April	12,44	26	10,97	+1,73	5,44	9	+5,85	+7,08
May	13,11	23	10,48	+2,86	5,46	23	+5,28	+8,09
June	12,29	19	9,55	+2,93	5,85	14	+5,21	+8,14
July	12,59	26	9,90	+2,95	6,11	7	+6,94	+8,99
August	12,12	20	10,68	+1,64	1,85	12	+1,28	+2,87
September	11,85	22	10,55	+1,52	1,11	14	+97	+2,49
October	12,07	80	12,48	-11	4,28	7	+4,21	+4,10
November	11,93	32	11,40	+90	6,07	31	+5,76	+6,66
December	11,74	49	10,85	+1,88	6,56	54	+6,02	+7,90
January	13,42	28	12,90	+80	4,80	15	+4,65	+5,45
February	12,87	35	10,40	+2,59	5,52	7	+5,45	+8,04
March	15,18	45	12,40	+8,23	5,68	71	+4,97	+8,20
TOTAL 1934-35 ...	151,66	3,55	132,29	+22,92	57,78	2,66	+55,09	+78,01
1935-36								
April	10,76	29	11,60	-55	1,41	19	+1,22	+67
May	14,95	26	11,82	+3,39	2,26	24	+2,02	+5,41
June	12,51	30	9,920	+2,89	1,18	29	+89	+8,78
July	11,80	27	10,06	+2,01	6,19	28	+5,91	+7,92
August	11,88	23	11,19	+87	7,80	11	+7,19	+8,56
September	11,79	23	10,21	+1,81	8,81	18	+5,13	+4,94
October	14,22	31	11,33	+2,70	3,21	10	+8,11	+5,81
November	14,23	48	12,76	+1,95	4,09	17	+8,92	+5,87
December	13,36	36	10,61	+3,11	3,77	10	+3,67	+6,78
January	13,96	37	13,06	+1,27	3,88	98	+2,90	+4,17
February	15,10	30	10,19	+4,91	2,69	1,88	+86	+5,77
March	15,98	36	10,84	+5,50	2,10	1,04	+1,06	+6,56
TOTAL 1935-36 ...	1,60,49	3,76	1,34,39	+29,86	41,84	5,46	+36,88	+66,24

Table Showing the volume of principal articles Exported from British India.

(Figures in Thousands unless stated otherwise)

Name of Article	Pre-War Quinquennial Average	War Quinquennial Average	Post-War Quinquennial Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Cotton,—Raw (tons)	480	891	5,21	7,01	428	865	504	628	607
" Waste (cwt.)	...	...	8,12	2,20	246	238	288	852	467
" Piecegoods (millions of yds.)	90	1,55	1,64	98	105	66	56	58	71
" Twists & Yarn (millions of lbs.)	193	180	32	28	22	15	16	18	10
Jute, Raw (tons)	764	464	5,54	620	587	568	748	752	771
" Gunny Bags (in millions No.)	339	716	4,04	484	389	415	402	428	459
" Cloth (in millions of yds.)	970	1,177	1,270	1,271	1,021	1,012	1,053	1,068	1,218
Grain, Pulse and Flour (tons)	...	...	...	2,618	2,614	2,056	1,870	1,765	1,538
Rice not in Husk "	2,898	1,685	1,462	2,254	2,801	1,828	1,733	1,592	1,894
Wheat "	1,808	807	287	197	20	2	2	11	10
Other sorts "	715	649	800	168	298	228	185	162	149
Seeds—Essential "	10	8	9	4	5	6	8	9	9
Linseed "	879	270	251	257	120	72	879	288	164
Groundnut "	212	119	195	601	672	483	547	510	418
Other seeds "	852	311	468	175	191	221	190	127	86
Tea (in millions of lbs.)	266	328	321	356	342	379	318	325	318
Leather (tons)	...	22	15	18	16	15	20	18	20
Hides and Skins—Raw "	73	57	58	45	34	27	42	40	40
Metals—Manufactures and Ores—									
Iron or Steel (tons)	42	61	95	495	458	337	517	477	598
Other Metals "	10	11	38	158	141	158	156	154	173
Manganese Ore "	607	474	648	436	212	198	266	455	729
Other Ores "	12	21	37	42	23	12	39	57	64
Lac (cwt.)	434	34	416	547	464	418	731	586	488
Wool—Raw and Manufactures (in millions of lbs.)	56	51	39	35	46	33	64	44	59
Paraffin wax (tons)	12	22	26	53	52	45	54	46	54
Oilcakes "	140	117	135	254	291	237	237	348	300
Spices (cwt.)	352	315	318	342	321	299	270	286	252
Wood and Timber (tons)	50	29	35	40	22	17	27	45	65
Rubber,—raw (millions of lbs.)	1	8	13	23	15	7	16	24	31
Coffee (cwt.)	255	216	226	298	166	173	136	141	219

Table showing the volume of principal articles Exported from British India—(contd.)

(Figures in Thousands unless stated otherwise.)

Name of Article	Pre-War Quinquennial Average	War Quinquennial Average	Post-War Quinquennial Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Opium (tons)	51	14	9	4	8	4	2	10	...
Manures (cwts.)	117	57	118	54	58	81	41	51	61
Fodder, Bran and Pollards (tons)	228	129	211	262	282	225	254	281	255
Dyeing and tanning substances (cwts.)	1,618	1,261	1,508	1,468	1,407	1,205	1,421	1,545	1,674
Tobacco (millions of lbs.)	22	26	27	29	26	22	30	27	30
Coir (tons.)	36	23	32	26	26	27	31	31	34
Mica (cwts.)	49	50	60	74	58	40	66	104	107
Fruits and Vegetables (tons.)	11	10	10	9	10	10	13	15	17
Fish (excluding Canned Fish) (cwts.)	249	239	233	278	251	221	236	51	237
Oils (in millions of gallons)	17	32	27	1'8	2'1	2'6	2'9	2'2	2'4
Coal and Coke (tons)	325	526	434	430	517	454	374	311	200
Hemp—Raw (cwts.)	509	561	455	293	224	231	388	437	643
Ghee (cwts.)	47	46	41	31	27	22	24	26	24
Animals—Living (thousand No.)	451	274	233	318	184	38	133	168	263
Silk raw (lbs.)	1,711	1,017	1,325	651	535	119	449	637	979
Fibre for Brushes and Brooms (tons)	...	4	5	6	6	7	7	7	8
Bristles (cwts.)	94	4	3	2'5	3	3	4	4	5
Cordage and Rope (cwts.)	53	56	55	46	46	46	42	53	48
Candles (lbs.)	6,069	3,014	9,692	2,237	1,435	1,632	1,385	1,767	1,379
Saltpetre (cwts.)	305	440	273	33	134	159	133	173	174
Tallow, Stearine and Wax (cwts.)	17	13	29	24	11	17	3	4	3
Horns, Tips, etc. (cwts.)	33	30	70	21	13	33	42	37	37
Sugar (tons)	11	3	13	1	1	1	1'6	5	1'4

Table showing the value of the principal articles Exported from British India
(In Lakhs of Rupees)

Name of Article	Pre-War Average 1909-10 to 1918-14	War Average 1914- 15 to 1918-19	Post-War Average 1919-20 to 1928-24	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	
Cotton, Raw and Waste } ...	88,28	88,68	65,47	46,78	2 ⁸ ,78	20,70	27,58	34,95	38,70	
„ Manufactures } ...	11,40	11,78	17,22	5,22	4,82	8,29	2,78	2,65	2,98	
Jute Manufactures } ...	20,25	40,20	43,15	31,89	21,92	21,71	21,87	21,47	28,49	
„ Raw } ...	22,20	12,80	19,53	12,88	11,19	9,73	10,93	10,87	18,71	
Tea ...	18,07	17,55	20,92	23,56	19,44	17,15	19,84	20,18	19,82	
Grain, Pulse and Flour ...	45,81	37,42	32,83	29,83	20,37	16,08	11,75	11,84	12,41	
Seeds ...	24,37	12,17	23,54	17,30	14,59	11,31	13,66	10,54	10,32	
Leather ...	4,80	7,19	6,24	6,89	5,85	4,76	5,88	5,43	5,68	
Metals and Ores {	Manganese Ore ..	99	89	1,45	1,89	57	48	51	80	1,82
	Other metals and Ores ...	70	1,33	2,74	6,55	4,90	4,19	4,93	5,11	6,41
Hides and Skins (raw) ...	10,32	9,88	9,45	5,47	3,66	2,77	4,25	3,18	4,18	
Paraffin Wax ...	55	98	1,19	2,32	2,32	2,02	2,29	192	2,28	
Oil-Cakes ...	1,06	95	1,61	2,03	2,01	1,97	1,65	1,97	1,82	
Wool—Raw and Manufactures ...	2,94	4,11	4,09	3,23	3,37	1,73	2,72	2,17	2,93	
Lac ...	2,20	2,57	3,42	3,14	1,84	1,24	2,46	3,30	1,58	
Coffee ...	1,33	1,18	1,47	1,92	93	1,10	1,02	78	1,02	
Tobacco ...	87	56	85	1,04	85	77	94	82	92	
Dyeing and Tanning substances ...	1,15	2,41	1,52	1,03	87	75	79	72	70	
Spices ...	86	1,03	1,12	1,27	87	72	72	77	65	

Table showing the value of the principal articles Exported from British India—(contd.)

(In Lakhs of Rupees)

Name of Article	Pre-War Average 1909-10 to 1918-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Fodder, Bran and Pollards	90	42	1,20	77	75	70	47	77	78
Fruits and Vegetables	47	57	64	80	90	70	99	108	165
Coir	80	54	1,02	89	76	60	77	80	87
Wood and Timber	1,00	71	1,12	1,40	78	56	84	110	185
Oils	92	1,87	8,78	47	57	54	57	55	64
Fish (excluding canned fish)	39	43	57	68	54	46	45	45	46
Coal and Coke	76	48	57	49	55	44	37	29	17
Provisions and Oilman's stores	46	60	66	50	40	88	28	28	27
Mica	86	57	80	68	89	82	45	69	88
Hemp—Raw	78	1,18	90	39	27	82	86	39	60
Drugs and Medicines	19	80	36	21	23	81	24	26	25
Fibre for Brushes, etc.	...	15	21	26	20	24	22	19	22
Bristles	16	14	15	11	12	14	17	28	28
Saltpetre	35	80	46	8	11	12	15	14	18
Opium	9,96	2,17	2,33	1,22	87	11	78	7	...
Animals—Living	28	22	80	26	15	10	10	12	9
Apparel	15	11	21	16	10	9	11	11	18
Rubber—Raw	39	1,58	1,18	1,80	45	9	31	66	89
Building and Engineering materials other than Iron, Steel or Wood	...	...	...	10	7	9	10	10	10
Cordage and Rope	8	11	13	10	9	8	7	7	7
Tallow, Stearine and Wax	9	8	12	7	4	5	3	3	3
Candles	17	23	20	6	4	5	5	5	5
Silk—Raw and manufactures	50	45	42	10	8	8	8	5	6
Sugar	16	22	56	8	2	2	2	2	2
Horns, Tips, etc.	21	7	12	4	1	2	3	2	3
All other articles	2,77	2,89	5,61	3,72	3,78	3,24	3,34	3,76	495
TOTAL EXPORTS	2,19,50	2,15,97	2,86,33	2,20,49	1,55,89	1,82,27	1,47,25	1,51,67	160,49

Exports of Jute—Raw

(Quantity in Thousands of Bales.)

(Value in Lakhs of Rupees)

Country to which Exported	Pre-War Average	War Average	Post-War Average	1980-81	1981-82	1982-88	1988-84	1984-85	1985-86	Pre-War Average	1980-81	1981-82	1982-88	1988-84	1984-85	1985-86
United Kingdom ...	1,691	1,295	952	604	865	725	998	982	980	8,97	2,28	8,11	2,24	2,56	2,85	296
Other parts of the Br. Empire	4	8	5	7	6	8	28	29	25	2	1	2	8	6	8	9
United States of America	535	528	488	297	274	201	290	289	445	2,88	1,04	91	69	75	76	186
France ...	428	198	857	500	291	886	469	465	420	2,25	1,85	98	1,16	1,25	1,22	187
Italy ..	218	215	180	286	246	210	864	487	275	1,15	92	86	66	96	1,27	90
Brazil ...	15	66	79	85	90	74	107	100	111	...	88	81	26	88	88	88
Japan ...	17	80	60	84	56	81	97	180	128	11	12	17	23	24	82	88
Belgium ...	...	1	174	268	257	192	818	841	294	14	99	76	59	88	86	94
Spain ...	122	172	182	185	199	287	200	241	287	65	69	69	72	51	61	84
Germany ...	920	84	586	946	788	785	926	761	880	4,90	8,50	2,56	2,29	242	1,51	254
Austria ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Hungary ...	250	18	2	...	...	...	...	...	...	...	...	...	...	...	...	...
Other Countries ...	86	44	92	808	270	804	761	489	525	1,68	1,15	75	86	95	198	159
Total British Empire	1,695	1,808	957	611	871	788	1,017	961	954	8,99	2,24	8,18	2,27	2,62	2,42	505
Total Foreign Countries	2,589	1,296	2,145	2,859	2,416	2,420	8,178	8,250	8,865	18,21	10,64	7,99	7,46	8,81	8,45	10,65
Grand Total	4,281	2,599	8,102	8,470	8,287	8,158	4,190	4,214	4,819	22,20	12,88	11,12	9,78	10,98	10,87	18,70
Percentage of Br. Empire	39·6	50·1	80·9	17·6	26·5	28·2	24·2	22·8	22·0	40·5	17·4	28·1	28·8	28·9	22·2	22·8

Exports of Jute Manufactures.

Name of Countries to which Exported	(Quantity in Lakhs of Yds.)				Gunny Cloth							(Value in Lakhs of Rupees)						
	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1920-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	Pre-War Average 1909-10 to 1913-14	1920-30	1930-31	1931-32	1932-33	1933-34	1935-36	1935-36
United Kingdom ...	423	1,383	741	586	402	622	575	516	494	857	56	1,15	59	70	68	57	53	89
Ceylon ...	...	...	...	38	30	29	23	26	23	18	...	7	8	4	8	8	8	2
Union of South Africa ...	...	...	...	55	57	44	45	64	69	85	2	12	10	7	7	9	9	11
Canada ...	333	534	508	816	731	638	655	801	685	754	40	143	91	65	65	87	70	75
Australia and New Zealand ...	209	253	175	299	227	228	277	243	284	308	...	74	83	32	40	85	40	43
China ...	..	...	...	104	50	58	42	15	11	6	...	21	8	7	5	2	1	1
Philippine Island and Guam ...	...	...	...	146	158	162	209	178	187	175	...	33	23	25	33	23	19	23
Egypt ...	...	...	...	56	38	69	66	113	96	99	1	12	5	9	8	18	12	12
United States of America ...	6,6398	6,95	8,938	10,719	8,588	6,924	5,438	6,747	6,099	77,50	692	1,825	1,062	657	510	660	593	731
Uruguay ...	...	...	...	146	141	104	96	102	78	25	...	29	22	11	10	12	8	8
Argentine Republic ...	1,727	1,440	1,818	3,293	2,086	1,049	2,375	1,696	...	...	209	649	316	119	247	193	245	132
Peru ...	...	...	...	25	15	17	22	30	39	39	..	4	1	2	2	3	4	4
Other Countries ...	369	1,016	523	229	249	272	244	286	334	403	76	44	33	33	30	35	41	43
Total British Empire	...	...	...	1,789	1,447	1,556	1,530	1,650	15,64	20,22	...	351	201	178	173	1,95	1,76	220
„ Foreign Countries	...	...	...	14,716	11,263	8,655	8,537	8,866	90,72	101,61	...	2,619	1,486	867	846	6-44	9,23	1,004
GRAND TOTAL ...	9,700	11,561	12,703	16,505	12,710	10,211	10,117	10,522	10,635	121,33	10,76	29,70	16,36	10,45	10,24	11,33	10,99	12,24
Percentage of British Empire ...	...	...	...	10.3	11.4	15.2	15.6	15.3	14.6	16.6	...	...	...	...	...	...	...	...
Declared value per yard	...	...	...	...	...	...	...	...	...	...	0-1-9	0-2-11	0-2-1	0-3	0-1-7	0-1-9	0-1-3	0-1-7

Exports of Jute Manufactures—(Contd.)

Countries to which Exported	(Quantity in Lakhs of Bags).			Jute Bags.							(Value in Lakhs of Rupees).						
	Pre-War Average 1909-10 to 1918-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1928-24	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	Pre-War Average 1909-10 to 1918-14	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	
United Kingdom ...	805	2,265	418	401	475	465	451	480	513	79	121	114	107	98	108	112	
Germany				18	17	80	16	9	19	15	7	5	9	4	2	4	
Netherlands	206	688	299	28	14	15	16	11	21	...	8	8	8	4	8	5	
Belgium				Europe excepting United Kingdom ...	120	67	67	91	89	98	...	29	15	15	20	16	17
France				11	7	7	7	6	7	...	8	2	2	2	2	2	
Portuguese East Africa [E. Africa incl. Mauritius] ...	99	90	112	124	124	119	117	142	156	14	87	88	28	25	81	88	
Union of South Africa [S. Africa incl. Rhodesia] ...	119	243	177	2,00	182	181	154	240	249	89	80	62	57	46	66	67	
Straits Settlements (incl. Labuan).				115	156	143	141	46	50	...	41	47	89	85	12	14	
Siam				40	62	118	128	424	811	27	14	19	81	81	98	78	
Indo-China ...	398	436	584	58	47	86	74	118	198	...	17	18	22	17	27	44	
Hawaii				Far East excepting Java and Japan.	169	207	181	171	189	152	19	84	29	24	28	27	20
China				199	234	5	6	12	7	...	61	79	65	1	8	2	
Japan	...	35	118	186	54	46	94	62	182	195	...	17	12	24	14	41	48
Java	...	180	206	205	416	296	186	128	99	180	45	159	96	41	84	26	86
Egypt	...	119	385	102	170	148	128	175	190	235	48	66	46	85	52	55	64
United States of America.	180	229	298	106	84	128	89	119	164	92	25	14	25	12	18	22	
Cuba and West Indies.				Central America and West Indies	351	267	281	287	810	814	44	140	88	76	66	88	90
Chile and Argentina [S. America]	481	532	335	202	52	78	108	146	167	85	50	15	22	40	89	28	
Australia and New Zealand	628	787	720	999	742	1,049	876	668	745	...	870	236	820	242	198	208	
Other countries	796	747	607	564	613	686	874	12,10	862	432	183	166	171	259	175	217	
TOTAL BRITISH EMPIRE ...	...	...	...	1,795	1,612	1,990	2,047	1,752	18,80	...	637	474	548	488	427	449
TOTAL FOREIGN COUNTRIES ...	...	...	...	2,545	2,278	2,161	2,094	2,477	17,08	...	825	620	578	484	598	652
GRAND TOTAL ...	8,891	6,676	4,043	4,840	3,885	4,151	4,016	4,229	45,89	989	14,62	10,94	11,16	972	10,25	11,01	
Percentage of British Empire in total	...	...	...	41.4	41.5	46.8	47.8	88.7	41.1	...	43.6	43.8	43.7	34.9	41.6	40.8
Declared value per bag	...	...	...	...	...	...	...	...	...	0.4-5	0.5-5	0.4-6	0.4-4	0.8-8	0.8-11	0.8-10

Exports of Cotton—Raw.

Country to which Exported	(Quantity in Thousands of Bales of 400 lbs.)									(Value in Lakhs of Rupees)						
	Pre-War Average	War Average	Post-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	Pre-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ...	221	212	152	281	168	168	849	347	435	172	8,00	1,54	161	8,87	8,42	4,51
Other parts of British Empire	80	21	18	6	8	2	1	8	8	41	11	5	8	2	8	5
Japan ...	1,012	1,378	1,540	1,686	1,080	1,085	1,106	2,055	17,59	14,51	20,99	11,05	11,12	11,88	21,53	17,94
Italy ...	233	249	263	862	184	151	261	278	154	8,18	8,77	1,62	1,44	2,39	2,55	1,42
France ...	109	69	91	232	81	128	161	148	165	1,51	2,59	79	1,17	1,58	1,85	1,62
China (exclusive of Hongkong, etc.) ...	81	48	289	606	436	184	845	142	109	48	7,41	4,52	1,88	8,80	1,29	1,05
Belgium ...	277	44	217	217	121	128	144	158	231	8,68	2,64	1,18	18,0	1,43	1,49	2,26
Spain ...	50	41	61	106	45	50	42	61	68	78	1,16	42	49	63	55	64
Germany ...	851	69	198	809	166	151	246	158	258	4,45	8,29	148	1,88	2,10	1,87	2,56
Other Countries	192	64	98	121	85	71	178	150	194	266	1,87	80	55	1,07	1,87	1,74
Total British Empire ...	152	233	165	287	171	170	848	850	458	218	8,11	1,59	1,64	8,89	8,45	4,56
Total Foreign Countries ...	2,255	1,937	2,752	8,699	2,198	1,898	2,478	8,140	2,988	81,15	49,22	21,86	18,78	24,18	84,50	29,28
GRAND TOTAL	2,407	2,190	2,917	8,926	2,869	2,048	2,821	8,490	8,896	88,28	46,88	28,45	20,87	27,52	81,95	88,79
Percentage of British Empire	6.3	10.6	5.7	7.8	7.2	8.2	12.2	10.9	18.5	...	...	...	...	...	...	...
Declared value in total per cwt. Rs. ...	...	...	...	...	...	...	...	...	...	88-11-8	88-0-8	27-5-2	27-12-10	27-2-7	27-10-5	27-11-8

Exports of Tea.

Name of Countries	(Quantity in Millions of lbs.)									(Value in Lakhs of Rupees.)						
	Pre-War Average	War Average	Post-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	Pre-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom	194	252	280	299	291	331	276	288.5	275.8	9.51	19.95	16.90	14.79	17.59	18.15	17.77
Canada ...	10	10	10	10	14	17	15	18	12.8	55	62	67	80	77	65	14
Australia ...	9	8	6	5	8	2	2	2	1.9	41	29	18	8	11	8	10
Ceylon ...	4	8	8	5	8	4	8	8	8.0	27	37	20	23	20	20	23
Egypt ...	1	2	2	4	8	2	1	1	...	...	22	15	8	7	4	8
Iraq ...	...	...	12	1	1	...	5	0.5	0.6	...	7	5	2	8	8	4
Russia ...	80	18	...	6	8	8	7	...	...	1.42	85	16	14	4	...	...
United States of America ...	2	6	6	10	10	11	8	8	6.8	12	64	50	57	46	41	86
China ...	8	6	...	2	1	...	...	1	...	86	18	6	...	...	...	...
Persia ...	...	4	2	4	2	1	1	...	...	2	24	10	7	6	...	...
Georgia ...	...	...	...	2	2	1	...	...	...	...	15	9	8	...	...	...
Arabia ...	...	...	...	1	1	2	5	1	0.7	1	7	5	5	8	6	4
New Zealand ...	...	...	...	...	1	1	2.5	1	0.4	...	2	5	6	18	7	2
Other Countries	8	14	10	7	6	4	6.8	5.8	0.6	40	39	27	23	36	53	59
Total British Empire ...	221	280	306	323	312	355	299.5	306.5	293.9	10.74	21.81	17.98	15.99	18.80	19.01	18.76
Total Foreign Countries ...	45	43	15	33	29	24	18.5	18.3	1.8	233	2.25	1.43	1.16	1.05	1.12	1.16
GRAND TOTAL ...	266	323	321	356	341	379	318	324.8	312.6	13.07	23.56	19.41	17.15	19.85	20.13	19.92
Percentage of British Empire to total ...	83.1	86.7	95.3	90.7	91.5	93.7	94.3	94.1	94.2	82.2	94.3	92.6	98.2	94.6	94.4	94.2
Declared value per lb. ...	...	...	...	...	...	...	...	...	...	0.7-1	0.10-7	0.9-1	0.7-3	0.9-11	0.10-2	0.10-5

Exports of Oil Seeds.

(Quantity in hundreds of tons.)

GROUNDNUT.

(Value in Lakhs of Rupees.)

Name of Countries	(Quantity in hundreds of tons.)			GROUNDNUT.							(Value in Lakhs of Rupees.)					
	Pre-War Average	War Average	Post-War Average	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	Pre-War Average	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
France ...	169.1	87.5	126.8	172.2	228.2	219.4	188.0	99.8	14.46	2.82	2.87	8.58	8.68	2.88	1.47	2.84
United Kingdom ...	1.9	8.8	18.8	47.2	77.9	81.6	52.8	184.2	52.5	8	72	1.15	58	67	1.70	86
Belgium ...	15.8	6	14.0	2.2	4.5	8.6	18.5	14.0	24.8	27	4	7	14	14	15	88
Italy... ..	7	2.9	14.6	77.0	80.8	28.2	72.4	54.4	15.8	2	1.18	1.29	44	84	59	80
Germany ...	7.4	8	12.2	119.8	121.8	48.1	97.2	65.1	68.8	12	2.01	1.76	76	1.18	78	1.10
Netherlands ...	1	...	7.8	167.8	147.2	87.4	100.9	114.9	76.9	...	2.67	2.11	1.88	1.22	1.27	1.24
Other Countries	17.8	18.6	7.0	15.5	17.1	9.7	21.6	29.8	53.2	27	28	24	15	25	2	48
TOTAL ...	211.8	118.7	195.2	601.2	672.0	488.0	546.5	511.2	412.6	8.58	9.67	10.14	7.12	6.68	5.98	665
Percentage of United Kingdom to total ...	0.9	6.9	6.8	7.9	11.6	6.9	9.0	9.1	...	0.85	7.4	11.8	7.7	4.6	2.0	...
Declared value per cwt. Rs. ...	...	...	...	...	...	...	...	...	...	8-5-1	8-0-8	7-8-7	8-8-7	6-1-1	5-15-2	8-2-4

(Quantity in hundreds of tons.)

LINSEED.

(Value in Lakhs of Rupees.)

Name of Countries	(Quantity in hundreds of tons.)			LINSEED.						(Value in Lakhs of Rupees.)						
	Pre-War Average	War Average	Post-War Average	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	Pre-War Average	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
United Kingdom	180.5	208.5	141.9	57.6	14.1	14.8	176.4	108.8	77.1	2.65	1.24	16	16	2.01	1.28	108
France ...	76.8	25.8	42.9	25.0	44.2	21.6	42.6	18.7	6.5	1.56	58	55	25	51	17	8
Italy ...	26.6	16.6	16.1	82.7	14.6	10.6	21.7	10.1	6.7	55	78	24	18	81	18	9
Belgium ...	67.8	4.9	28.1	18.2	8	8	10.2	8	5.1	1.56	29	1	4	18	1	7
Germany ...	83.5	2.0	8.2	10.6	9.8	9.5	10.8	5.4	8.5	70	28	14	18	18	7	7
Australia ...	1.6	11.1	11.4	11.0	10.0	9.4	12.0	21.4	9.7	8	22	12	10	14	26	18
Other countries	42.2	7.0	12.9	106.5	26.8	8.8	108.7	88.2	58.1	94	2.17	81	0.6	1.56	1.08	12
TOTAL ...	879.0	270.4	251.5	256.6	120.8	72.2	878.9	288.4	168.7	7.99	5.41	1.58	91	4.58	8.00	2.19
Total for Br. Empire ...	182.1	214.6	158.8	68.6	24.1	28.7	188.4	119.8	...	2.68	1.46	1.28	26	2.15	1.54	1.16
Percentage of Br. Empire to total	84.9	79.4	61.0	26.7	20.0	82.8	41.7	50.0	...	88.5	27.0	8.8	28.0	46.9	51.8	52.9
Declared value per cwt. Rs. ...	...	...	...	...	...	...	...	...	...	10-8-8	10-8-7	6-5-9	6-4-10	6-1-0	6-9-4	6-9-6

Exports of Oil Seeds—(Contd.)

(Quantity in Hundreds of Tons).

CASTOR SEEDS

(Value in Lakhs of Rupees).

Name of Country	Pre-War Average	War Average	Post-War Average	1980-81	1981-82	1982-83	1983-84	1984-85	1984-85	Pre-War Average	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
United Kingdom	58.9	47.1	10.5	19.6	28.2	22.7	27.0	26.4	22.4	78	83	84	83	88	81	81
United States of America	11.8	14.7	18.8	88.5	84.7	28.4	28.4	18.9	40	18	65	48	41	29	17	5
Belgium	18.7	1.1	4.1	5.1	4.1	4.1	8			20	8	6	6			
France	15.7	14.8	8.8	16.0	20.8	16.8	18.0	9.2	18.6	28	29	81	24	16	12	19
Italy	11.0	7.1	4.8	6.5	12.1	6.2	7.9	5.1	67	16	12	18	9	10	6	9
Other Countries	7.5	4.0	1.8	5.8	9.5	11.9	10.0	20.4	18.8	11	9	18	11	12	15	19
TOTAL	118.6	88.8	48.8	91.0	104.0	85.9	81.6	68.7	600	1.66	1.56	1.50	1.24	1.00	81	88

Percentage of United Kingdom to total	47.4	58.0	21.7	21.5	22.8	25.0	19.5	29.4	...	47.0	21.2	22.6	25.8	19.0	29.6	...
Declared value per cwt.	...	...	...	...	...	...	...	...	...	7-5-2	8-9-0	7-8-5	7-8-8	6-1-7	5-14-5	6-14-4

RAPE-SEED

United Kingdom	25.8	50.5	46.7	10.6	14.4	10.7	19.7	12.2	20	85	15	19	14	21	14	8
France	68.5	19.6	17.0	10.6	5.6	8.8	11.1	5.2	88	96	17	7	10	18	6	4
Italy	7.1	6.0	26.0	1.7	18.0	68.2	9.7	8.4	2	11	8	26	91	11	4	...
Belgium	98.6	5.4	56.5	1.8	1.8	2.5	4.8	2.6	17	1.52	8	2	8	5	8	8
Germany	68.2	1.6	88.4	2.8	4.0	9.1	9.6	4.2	48	1.05	4	5	12	11	5	6
Other Countries	10.0	7.6	21.2	5.8	10.6	15.7	21.9	9.8	75	16	10	14	28	28	10	10
TOTAL	272.7	90.7	205.8	82.8	58.9	114.5	78.5	86.9	190	4.15	52	78	1.54	81	42	26

Percentage of United Kingdom to total	9.3	55.7	22.7	82.8	26.7	9.8	22.7	88.1	...	8.4	28.8	26.0	9.1	22.2	88.8	11.5
Declared value per cwt. Rs.	...	...	...	...	...	...	...	...	...	7-9-8	7-15-1	6-12-4	6-11-7	5-8-8	6-0-1	7-0-11

Exports of Rice not in Husk

(Quantity in Thousands of Tons)

(Value in Lakhs of Rupees)

Name of Countries	Pre-War	War	Post-War	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	Pre-War	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
	Average 1909-10 to 1918-14	Average 1914-15 to 1918-19	Average 1919-20 to 1923-24							Average 1909-10 to 1918-14						
United Kingdom ...	159	825	96	58	51	75	71	88	85	157	62	40	54	48	58	59
Ceylon ...	825	828	811	444	410	894	408	892	424	427	562	867	840	270	278	850
Straits Settlements ...	808	261	170	265	288	156	154	185	188	824	279	167	110	88	82	108
Union of South Africa ...	...	...	...	29	27	25	25	26	26	82	42	80	26	21	25	28
Kenya Colony, Zanzibar Pemba ...	...	...	...	18	17	18	16	11	12	88	25	17	12	15	12	18
Australia and New Zealand ...	...	...	...	2	5	5	6	7	4	21	8	5	4	8	4	8
Belgium ...	...	...	...	46	49	29	41	20	8	42	44	28	16	15	8	5
Germany ...	845	28	207	162	262	228	246	158	79	841	158	178	155	188	88	55
Netherlands ...	240	24	81	100	158	96	81	62	85	216	96	109	61	48	89	24
China ...	18	6	68	467	854	234	171	178	72	...	548	265	180	98	97	50
Japan and Korea ...	128	52	52	5	...	74	...	4	9	184	6	...	62	...	8	7
Sumatra ...	10	88	88	129	98	62	70	70	75	11	144	64	48	41	40	49
Java ...	168	82	75	51	68	18	4	26	4	177	47	48	11	2	15	8
Bahrein Islands ...	...	...	...	16	16	17	18	12	18	25	28	28	21	18	11	18
Egypt ...	54	17	86	22	86	86	24	80	4	54	22	58	25	48	17	10
Mauritius and Dependencies ...	56	50	50	50	51	52	52	62	45	74	65	54	46	87	47	48
Cuba ...	...	...	...	92	70	89	46	17	25	...	107	52	80	28	9	21
West Indies ...	...	...	...	16	21	17	22	86	48	19	80	18	14	14	25	84
United States of America ...	...	...	...	8	1	1	1	8	2	...	8	1	1	1	2	2
Arabia ...	25	88	47	50	42	44	44	48	47	...	72	50	48	86	41	44
Other Countries ...	572	446	289	229	289	857	210	292	229	480	244	175	180	1,22	181	158
Total British Empire ...	1,044	1,094	885	884	810	721	790	588	845	10,80	10,66	7,57	5,92	4,90	5,12	698
„ Foreign Countries ...	1,854	591	627	1,870	1,491	967	948	1,009	549	15,61	15,16	10,27	8,81	5,62	5,18	402
GRAND TOTAL ...	2,898	1,685	1,462	2,254	2,801	1,828	1,788	1,598	13,94	25,67	25,82	17,84	14,28	10,52	10,80	10,95
Percentage of Br. Empire ...	48.5	65.0	57.1	89.2	85.2	40.0	45.4	87.0	60.5	...	...	...	...	...	...	...
Declared value per cwt. ...	...	...	...	...	...	...	...	...	...	5-5-8	5-11-8	8-14-2	8-14-8	8-0-2	8-0-2	4-0-7

Exports of Hides and Skins.

RAW HIDES

(Value in Lakhs of Rupees)

Name of Countries	Pre-War Average	War Average	Post-War Average	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
United Kingdom ...	81	1,09	60	7	4	4	11	10	14
United States of America ...	69	1,65	86	1			1	1	1
Italy ...	84	1,45	52	82	15	18	18	24	12
Spain ...	47	21	26	15	8	4	4	8	5
France ...	8	9	5						
Belgium ...	7	1	4	1					
Germany ...	2,48	25	75	68	82	19	84	29	37
Netherlands ...	17	1	4	11	4	4	6	10	5
Other Countries ...	1,52	28	80	48	80	28	26	88	88
Total British Empire ...	84	1,16	68	7	4	4	12	10	14
Total Foreign Countries ...	6,28	8,88	2,74	1,71	87	59	89	100	98
Grand Total ...	6,57	5,05	8,42	1,78	91	63	1,01	1,10	11,2
Percentage of British Empire in total	5.2	22.9	19.9	8.9	4.4	8.8	12	9.1	12.5
Declared Value per cwt. ...	66-4-1	...	...	88-14-8	26-11-8	28-6-9	25-0-0	28-14-4	24-7-11

RAW SKINS

United Kingdom ...	26	89	50	82	47	54	84	46	76
United States of America ...	2,80	3,98	4,80	2,58	1,77	91	1,59	1,09	1,68
France ...	25	22	28	21	16	21	16	6	6
Other Countries ...	42	28	48	52	21	54	64	41	58
Total British Empire ...	82	57	69	47	50	61	91	54	67
Total Foreign Countries ...	8,41	4,25	5,88	8,16	2,24	1,58	2,32	1,48	2,11
Grand Total ...	8,78	4,82	6,02	8,68	2,74	2,14	8,23	2,02	2,98
Percentage of British Empire in total	8.6	11.8	11.8	12.9	19.8	28.5	28.1	26.7	29.2
Declared Value per cwt. ...	68-0-6	...	...	99-1-0	80-11-7	76-18-5	81-2-11	66-11-9	70-15-5

Exports of Wheat

(Quantity in Thousands of Tons)

(Value in Lakhs of Rupees)

Name of Countries to which Exported	Pre-War Average	War Average	Post-War Average	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	Pre-War Average	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
	1909-10 to 1918-14	1914-15 to 1918-19	1919-20 to 1923-24							1909-10 to 1918-14						
United Kingdom	985	840	162	175	17	...	...	8.6	7.0	10.51	1.71	10	...	...	7	6.0
France	106	84	18	5	...	...	...	...	...	118	5	...	...	...	...	...
Italy	84	62	11	...	...	...	...	...	...	87	...	...	...	...	...	...
Belgium	188	6	16	6	...	...	...	...	...	146	7	...	...	...	...	...
Germany	16	...	8	...	...	...	...	...	...	...	...	...	...	...	...	...
Egypt	4	268	9	...	...	...	...	...	...	4	...	...	...	...	...	...
Arabia	...	...	...	2	2	0.6	0.6	0.7	0.6	...	8	2	1	0.6	0.7	0.6
Other Countries	25	47	18	8	2	1.6	1.5	1.7	2.0	46	9	8	8	2.7	2.9	2.8
Total British Empire	992	680	178	175	17	...	...	8.6	7.0	10.60	1.71	10	...	...	7.0	6.0
Foreign Countries	816	177	64	21	4	2.2	2.1	2.4	2.6	8.87	24	5	4	8.8	8.6	8.4
GRAND TOTAL	1,808	807	287	196	21	2.2	2.1	11.0	9.6	18.97	1.95	15	4	8.8	10.6	9.4
Percentage of British Empire	75.8	78.1	78.0	89.8	81.0	...	...	78.2	72.9	...	...	...	...	...	...	...
Declared Value per cwt...	...	...	...	...	...	...	...	...	...	5-5-5	4-15-4	6-4-2	8-11-4	7-14-5	6-15-1	6-8-2

Exports of Hides and Skins Tanned and Dressed.

Dressed and Tanned Hides.

(Value in Lakhs of Rupees)

Name of Country to which Exported	Pre-War Average 1909-10 to 1918-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ...	1,52	4,88	2,91	2,51	2,08	1,60	2,88	1,94	2,21
Other Countries ...	4	2	29	8	5	2	8	4	8
Total British Empire ...	1,58	4,90	3,03	2,54	2,09	1,61	2,88	1,94	2,21
Total Foreign Countries ...	4	1	16	6	4	1	8	4	8
Grand Total ...	1,57	4,40	3,19	3,60	2,18	1,62	2,41	1,98	2,29
Percentage of British Empire in total ...	97.5	99.8	95.0	97.7	98.1	99.4	99.0	98.5	97.8
Declared Value per cwt. ...	87-10-10	...	...	112-8-4	...	...	91-1-1	87-7-5	81-8-8

Dressed and Tanned Skins.

United Kingdom ...	2,15	1,99	2,14	3,23	2,77	2,77	2,92	2,91	2,62
United States of America ...	29	59	25	6	8	...	4	8	8
Japan ...	18	12	36	29	26	21	21	24	19
Other Countries ...	18	6	18	10	8	6	7	7	7
Total British Empire ...	2,21	2,02	2,26	3,23	2,81	2,81	2,95	2,93	2,68
Total Foreign Countries ...	50	78	67	40	38	28	29	32	28
Grand Total ...	2,71	2,75	2,93	3,63	3,14	3,04	3,24	3,25	2,91
Percentage of British Empire in total ...	81.5	74.5	79.5	89.1	89.5	92.1	91.5	90.2	90.0
Declared Value per cwt. ...	196-12-3	...	...	296-14-9	...	...	240-8-10	248-1-7	252-3-10

Exports of Manganese Ore.

Names of Countries	<i>(Quantity in Thousands of Tons)</i>										<i>(Value in Thousands of Rupees)</i>							
	Pre-War Average	War Average	Post-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	Pre-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	
United Kingdom ...	1,93	3,36	2,45	1,14	54	55	117	159	197	80,66	86,65	34,23	16,06	14,16	25,40	32,82	38,64	
Germany ...	7	8	5	15	2	1	3	1		...	7,04	4,61	41	25	60	31	18	
Netherlands ...	19	...	15	11	8	2	3	...		...	2,40	4,60	89	50	55	...	...
Belgium ...	1,50	15	1,94	78	85	82	19	37	72	25,84	48,24	23,98	10,65	9,50	2,49	6,50	12,49	
France ...	97	47	1,08	1,83	80	75	61	113	119	17,24	53,53	49,46	17,87	16,83	10,60	17,76	20,69	
Italy ...	3	12	12	1	...	...	...	...	...	...	1,50	...	...	...	...	...	...
Japan ...	4	12	2	6	...	81	62	99	174	...	...	...	...	6,65	10,77	13,95	28,96
United States of America	1,82	43	66	49	28	...	...	45	106	18,75	15,45	14,41	8,44	...	1	3,07	10,99
Other Countries ...	2	1	1	24	10	2	6	50	61	6,15	18,75	8,41	220	85	29	1,07	11,46	
TOTAL ...	6,07	4,74	6,48	4,86	2,12	1,98	266	460	729	93,64	2,28,56	1,39,10	56,52	48,24	51,34	80,43	132,41	
Percentage of U.K. to total	1'8	70'9	37'8	23'5	25'5	27'8	44'0	34'1	27'0	31'3	33'0	24'6	23'3	29'4	50'0	40'8	29'1	
Declared value per ton	...	...	...	...	...	...	...	...	...	16-4-0	28-0-423-10-2	27-0-7	23-12-0	19-4-10	18-0-4	...	18-2-7

Exports of Shellac.

Names of Countries	<i>(Quantity in Thousands of Cwts.)</i>										<i>(Value in Lakhs of Rupees.)</i>							
	Pre-War Average	War Average	Post-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	Pre-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	
United Kingdom ...	79	65	66	96	83	81	300	229	44	...	1,81	54	35	25	1,23	144	17	
United States of America	164	191	238	117	101	66	94	82	37	...	2,61	78	44	22	31	49	31	
Germany ...	61	4	11	64	34	34	40	20	28	...	79	39	15	10	11	18	10	
France ...	18	9	9	11	10	11	12	8	9	...	13	7	9	8	4	5	8	
Japan ...	4	12	10	23	34	27	31	43	54	...	33	18	15	8	10	29	19	
Australia ...	2	2	2	4	2	4	3	4	7	...	7	3	1	2	1	3	2	
Belgium ...	...	...	...	4	5	4	3	3	4	...	6	2	2	1	1	2	1
Italy ...	...	...	...	6	5	5	6	6	7	...	7	4	2	2	2	4	3
Other Countries ...	28	18	15	36	23	30	31	46	45	...	36	24	12	10	11	33	18	
TOTAL ...	856	301	356	366	297	2062	529	432	233	...	5,63	2,29	1,30	33	1,94	2,67	104	
Percentage of B. Empire to total	22'8	22'8	21'9	27'3	23'6	32'4	59'0	49'3	15'5	...	24'3	24'9	27'7	32'5	64'0	50'2	16'3	
Declared value per cwt.	...	...	...	...	...	...	...	...	...	54-1-9	118-15-10	62-6-5	43-1-6	31-9-3	36-11-6	62-4-3	36-6-0

Exports of Pig Lead (Value in Lakhs of Rupees)

Names of Countries	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom	165.7	104.2	117.6	127.7	88.0	111.5
Germany	8.2	6.9	...	...	...	...
Belgium	4.8	4.6	...	...	...	...
Ceylon	8.9	5.9	4.0	3.6	3.2	3.3
China	3.4	3.8	3.2	0.9	0.5	...
Japan	18.7	33.7	20.9	17.1	40.6	54.5
Other Countries	7.7	9.2	1.9	2.4	7.9	9.1
Total British Empire (United Kingdom and Ceylon)	1,74.6	110.1	121.6	181.8	86.9	114.8
„ Other Countries	42.3	63.2	26.0	20.4	49.0	63.6
TOTAL	2,16.9	1,73.3	147.6	151.7	135.9	178.4
Percentage of U. K. and Ceylon in total	80.5	63.5	82.8	87.5	63.9	64.3

Exports of Wolfram Ore (Value in Lakhs of Rupees)

United Kingdom	52.5	56.2	50.2	60.9	97.5	127.1
Germany	3.8	3.8	0.7	1.7	4.0	3.9
Other Countries	1.7	2.4	0.5	1.8	5.9	9.6
TOTAL	58.0	62.3	51.4	64.4	107.4	140.6
Percentage of United Kingdom	90.6	90.5	97.7	94.5	90.9	90.4

Exports of Coal (Value in Lakhs of Rupees)

Names of Countries	Pre-War Average 1909-10 to 1913-14	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ... ..	...	1	1.0	3.6	3.1	...	...
Ceylon	43	36	33.0	20.0	25.9	23.0	12.6
Straits Settlements	17	3	2.5	1.9	0.5	1.8	1.0
Hongkong ... ..	...	5	14.1	13.8	6.5	3.3	2.9
Philippine Islands and Guaw ... ..	...	3	3.2	0.7	0.4	...	...
Other Countries	16	1	0.7	3.3	0.7	0.7	0.8
Total British Empire	60	45	50.6	39.3	36.2	23.4	16.5
„ Foreign Countries	16	4	3.9	4.5	1.1	7	0.8
GRAND TOTAL	76	49	54.5	43.8	37.3	29.2	17.3
Percentage of British Empire in total	78.9	91.8	92.3	89.7	97.0	97.6	95.4

Exports of Pig Iron

United Kingdom	33.5	24.1	26.1	21.6	21.3	15.0
Germany	4.3	4.6	2.7	1.3	0.8	0.8
China	7.7	5.8	5.9	4.4	3.8	1.9
Japan	64.1	65.8	24.2	40.2	54.2	91.8
United States of America	40.8	17.9	10.9	13.8	6.9	12.0
Other Countries	15.0	5.0	4.6	3.2	5.7	3.0
TOTAL	170.4	122.7	74.4	85.0	92.7	124.5
Percentage of United Kingdom	22.6	19.6	35.1	26.2	22.9	12.0

Exports of Raw Wool
(In Lakhs of Rupees.)

	Pre-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ...	261	227	250	93	146	92	188
United States of America ...	4.5	14	22	9	83	25	57
Other Countries ...	2.5	10	5	8	19	10	15
TOTAL ...	268	251	277	110	198	127	210

Manufactures.

United Kingdom ...	19	38.2	40.6	44.6	56.5	73.9	60.3
Ceylon ...	...	1.4	1.7	1.9	1.9	1.6	0.7
United States of America ...	2.4	20.9	10.8	12.7	8.5	7.8	13.1
Australia ...	...	0.3	0.1	0.7	0.6	1.0	1.6
Other Countries ...	1.7	6.0	3.2	3.6	5.2	5.5	4.9
TOTAL ...	25.1	67.8	56.4	63.5	72.7	89.8	80.6
Other kinds of Woollen Manufactures	2.8	4.7	2.7	4.3	1.3	2.0	2.3
Total of Woollen Manufactures ...	25.9	71.7	59.1	67.8	74.0	91.8	82.9
Total of Wool and Woollens ...	294.0	322.7	336.1	177.8	273	219.2	298.0
Declared value per lb. of Wool, Raw	0.7-10	0.13-2	0.11-2	0.6-8	0.5-8	0.6-0	...

Table showing the volume of principal articles imported into British India
(Figures in thousands unless stated otherwise)

Names of Articles	Pre-War Average 1909-10 to 1918-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36			
Cotton—												
Piecegoods (millions of yds.)	2,654	1,853	1,852	890	776	1,225	796	944	946			
Twist and yarn (millions of lbs.)	42	84	45	29	81	45	82	84	45			
Raw	Tons ... 12	58	12	58	79	85	43	60	77			
Waste	Cwt. ... 8	2	...	...	...	...	...	...	...
Metals and Ores.—												
Iron and Steel	} Protected } Not Protected	Tons	}	421	273	287	244	275	354			
Copper				201	184	186		495	417			
Lead	...	...	...	205	204	325	178	28	28			
Zinc	...	...	...	37	80	27	28	28	28			
Brass	...	...	...	106	51	101	208	206	326	818	876	4,87
Aluminium	...	...	...	20	113	444	380	343	571	471	637	5,09
Sugar	...	...	...	181	9	58	128	89	25	89	52	64
Oils:—	...	...	...	727	553	517	1,003	556	402	264	223	201
Mineral (millions of gallons)	91	83	189	242	217	188	186	201	228			
Other kinds (thousands of gallons)	1,197	862	445	1,935	3,980	8,151	6,833	8,346	9,586			
Motor Cars	No. ... (a) 8	2	8	18	7	6	10	14	14			
" Cycles	" ... (a) 1	1	2	15	09	08	07	08	07			
" Omnibuses, etc,	" ...	...	1	9	4	8	5	10	8			
Provisions and Oilmans	Stores	Cwt.	...	578	488	501	1,237	945	901	849	931	998
Grain, Pulse and Flour	Tons	...	...	15	34	186	277	156	77	124	416	286
Silk Raw	lbs.	...	...	2,567	1,953	1,816	1,940	1,563	3,186	2,379	2,217	2,791
" Waste	"	...	...	92	78	105	11	4	8	...	5	...
" Piecegoods including mixed goods (in millions of yds.)	...	...	...	82	23	20	21	25	45	51	57	86
" Yarns, Noils, Warps, etc.	lbs.	...	...	1,011	787	784	1,424	1,710	3,010	2,023	3,298	3,623
Wool—Raw	"	...	...	3,202	3,678	2,086	3,075	6,691	7,186	5,099	5,985	7,485
Piecegoods (millions of yds.)	...	...	...	22	8	5	8	6	14	115	11	5
Shawls	No.	...	...	1,663	198	80	392	164	333	332	416	500
Other Manufactures	lbs.	...	...	4,032	1,713	1,459	5,185	4,150	6,557	7,245	10,770	27,884
Liquors	gallons.	...	...	6,401	4,362	4,325	7,182	5,666	5,415	4,855	4,912	5,121
Paper and Pasteboard	cwts.	...	...	...	...	1,229	2,294	2,191	2,640	2,564	2,933	3,333
Spices	"	...	...	1,329	1,365	1,265	1,347	1,270	1,272	1,365	1,509	1,634

(a) Figures for 1913-14.

Table showing the volume of principal articles imported into British India—(Contd.)

(Figures in thousands unless stated otherwise)

Names of Articles	Pre-War Average 1909-10 to 1918-14	War Average 1914-15 to 1918-19	Post War Average 1919-20 to 1928-24	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Chemicals—									
Soda Compounds cwt. ...	581	826	908	1,507	1,515	1,688	1,672	1,909	2,011
Tobacco (in millions of lbs.) ...	3	4	6	5	4.5	6	5	4	3
Glass—Bottles and Phials gross ...	166	345	383	616	461	810	786	8,30	1,040
Glass Beads and false Pearls cwt. ...	29	18	22	19	15.5	23	22	21	22
„ Sheet & Plates (millions of sq. ft.) ...	16	8	15.5	20	16	19	20	25	31
Dyes from Cotton (in millions of lbs.) ...	15	3	12	18	18	18	14	19	20
Camphor lbs. ...	1,417	1,682	707	1,770	1,933	1,753	1,786	2,019	2,207
Quinine Salts „ ...	119	76	81	107	111	103	123	108	104
Fruits—Dried, Salted, etc. tons ...	53	53	63	69	71	61	57	84	88
Soap cwt. ...	814	842	289	332	310	296	303	207	60
Paints and Colours „ ...	296	255	299	453	334	340	370	356	371
Cement tons ...	30	95	119	112	88	88	66	67	59
Bricks and Tiles (millions) No. ...	18	17	20	12	11	11	14	14	18
Salt ...	545	444	511	704	451	544	373	373	387
Teak wood C. tons ...	92	70	26	11	12	7	12	9	1
Boots and Shoes (millions of pairs) ...	2.3	1.2	0.6	10.9	9.5	7.9	7.3	4.3	2.9
Books, Printed, etc. cwt. ...	81	28	23	34	31	27	30	34	34
Tea (millions of lbs.) ...	4.8	7.4	7.7	6.6	7	5.8	4.7	3.1	5.1
Coal and Coke tons ...	455	133	630	179	68	47	76	71	76
Paper-making materials cwt. ...	171	135	165	454	443	313	406	390	309
Gums and Resins cwt. ...	150	87	163	181	140	146	137	197	196
Flax manufactures (millions of yds.) ...	5.2	3.1	1.3	1.3	1.6	1.6	1.6	1.6	1.3
Animals—living No. ...	14	12	5	8	12	5	6	9	9
Hides and Skins—raw tons ...	1	1	1	1.6	1.3	1.3	2.2	2.0	1.9
Tallow and Stearine cwt. ...	57	40	64	103	123	140	117	147	143
Fish (excluding Canned Fish) cwt. ...	205	129	119	105	88	93	103	97	110
Matches (millions of gross) ...	14.6	14.6	12.7	0.4	0.1	0.06	0.03	0.05	0.11
Oil-Cloth and Floor-Cloth sq. yds. ...	1,444	1,121	634	361	733	944	855	1,044	1,060
Cordage and Rope cwt. ...	23	25	15103	22	20	15	13	22	30
Pitch and Tar „ ...	290	219		45	63	117	155	105	32

Table showing the value of principal Imports into British India
(In Lakhs of Rupees)

Names of Articles	Pre-War Average 1909-10 to 1918-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1928-24	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Cotton—Raw and Waste	1,03	45	2,01	6,39	7,08	7,26	3,56	5,28	6,75
„ Piecegoods	45,24	44,40	58,26	20,05	14,67	21,26	18,49	16,92	15,78
„ Other Manufactures	6,94	798	12,89	5,21	4,48	5,57	4,25	4,84	5,86
Machinery and Millwork	5,61	514	21,65	14,85	10,92	10,54	12,77	12,64	18,60
Metals and Ores—Iron and Steel	12,49	10,11	21,39	10,89	6,32	5,30	5,55	6,49	7,23
Copper	3,07	71	1,92	1,04	85	1,15	88	1,40	1,17
Other Metals	2,51	2,07	4,90	3,98	2,60	3,28	3,06	3,48	3,62
Ores	2	2	4	1	1	1	1	1	1
Oils—Mineral	3,72	4,02	3,03	10,48	9,04	6,70	5,88	6,07	5,97
Other Oils	28	22	25	44	68	1,80	92	90	1,82
Silk—Raw and Manufactures	395	3,98	5,74	3,00	2,74	4,88	3,59	3,87	2,78
Sugar (including Molasses)	12,98	14,56	19,71	10,96	6,17	4,28	2,71	2,11	1,91
Instruments, Apparatus and Appliances	1,86	1,66	3,92	4,77	3,69	3,85	4,02	4,78	5,16
Vehicles—Motor Cars	1,13*	75	3,12	2,58	1,48	1,29	1,77	2,57	2,51
Cycles	11*	6	19	8	4	4	8	4	8
Omnibuses	6	6	70	1,42	67	41	66	1,21	1,20
Other Vehicles	45	75	2,25	3,23	2,29	2,08	2,31	2,76	3,13
Hardware	3,17	2,79	5,79	3,60	2,61	2,99	2,38	3,05	3,27
Wool and Woollens	3,25	2,00	2,62	2,31	1,62	2,96	2,55	3,36	2,79
Provisions and Oilman's Stores	2,29	2,23	3,20	4,88	3,41	2,98	2,72	2,39	3,12
Paper and Pasteboard	1,27	2,02	3,50	2,37	2,50	2,36	2,63	2,73	3,34
Chemicals	90	1,02	2,05	2,61	2,57	2,71	2,70	2,92	2,43
Dyes	1,33	1,06	2,91	2,59	2,68	2,50	2,46	3,08	2,07
Liquors	2,02	2,37	3,72	3,32	2,27	2,26	2,27	2,36	2,43
Rubber	23	97	1,34	2,57	2,21	1,98	1,33	2,06	2,07
Drugs and Medicines	94	1,21	1,70	1,94	1,91	1,36	1,93	1,92	2,11
Spices	1,64	2,06	2,37	2,55	2,08	1,72	1,56	1,55	1,62
Glass and Glassware	1,62	1,23	2,53	1,65	1,22	1,42	1,22	1,33	1,39
Fruits and Vegetables	1,03	1,10	1,76	1,49	1,34	1,17	1,00	1,30	1,31
Tobacco	71	1,32	2,23	1,51	94	97	72	62	62
Paints and Painter's Materials	71	99	1,44	1,12	83	92	92	97	1,02
Apparel	147	143	1,70	1,11	82	84	82	82	71
Precious Stones and Pearls, unset	93	47	1,19	60	45	34	75	50	43
Soap	62	96	1,71	1,12	39	33	73	63	34
Salt	79	1,32	1,74	1,15	72	79	50	52	56
Building and Engineering Materials	73	99	1,67	1,10	34	77	65	60	73
Stationery	53	64	1,07	31	64	72	66	69	76

*Figures for 1913-14.

Table showing the value of principal Imports into British India—(Contd.)

(In Lakhs of Rupees).

Name of Articles	Pre-War Average 1909-10 to 1918-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1928-24	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Grain, Pulse and Flour ...	20	58	2,70	2,82	1,18	71	84	2,66	162
Haberdashery and Millinery ...	1,87	1,02	1,81	78	54	68	55	67	59
Toilet Requisites ...	20	25	42	54	48	58	57	64	66
Belting for Machinery ...	40	60	84	68	50	58	46	50	54
Manures ...	5	5	10	67	86	53	52	67	71
Boots and Shoes ...	57	41	41	88	65	52	48	85	29
Wood and Timber ...	79	1,02	1,09	90	61	51	54	57	58
Earthenware and Porcelain ...	52	46	78	48	88	50	43	44	46
Tea Chests ...	44	80	72	64	50	48	53	52	58
Toys and Requisites for Games ...	40	30	52	49	87	47	58	51	48
Books, Printed, etc. ...	43	46	58	61	53	46	49	52	53
Arms, Ammunition and Military Stores	34	38	60	54	68	44	43	24	49
Tea ...	22	47	55	46	44	35	25	17	25
Jewellery, also plate of gold and silver	24	9	17	89	19	84	5	21	11
Bobbins ...	...	37	66	43	82	29	22	29	81
Umbrellas and Fittings ...	42	29	38	31	30	28	27	27	29
Tallow and Stearine ...	16	16	28	27	21	25	20	22	28
Cutlery ...	22	15	30	26	21	24	26	28	29
Gums and Resins ...	24	20	33	31	24	24	27	27	26
Paper-making Materials ...	11	18	31	42	36	22	27	26	20
Furniture and Cabinetware ...	22	15	26	28	20	18	17	20	23
Flax, Raw and Manufactures ...	31	42	39	22	18	17	17	18	18
Animals, Living ...	44	52	25	21	42	15	28	25	20
Fish (excluding canned fish) ...	31	20	22	24	18	14	15	17	19
Jute and Jute Goods ...	19	36	22	18	13	18	10	9	11
Clocks, Watches and parts ...	23	18	24	17	11	18	16	16	18
Coal and Coke ...	31	30	2,25	35	14	10	14	12	18
Matches ...	88	1,58	1,77	4	1	1	1	1	1
All other articles ...	7,96	10,33	24,24	10,54	9,67	10,31	18,01	13,59	12,75
TOTAL	1,45,85	1,47,80	2,54,05	1,64,79	1,26,37	1,82,58	1,15,86	1,82,25	1,84,89

Imports of Cotton, Twist and Yarn

(Quantity in Lakhs of Lbs.)

(Value in Lakhs of Rupees)

Names of Countries	Pre-War Average	War Average	Post-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	Pre-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
				1930-31	1931-32	1932-33	1933-34	1934-35	1935-36		1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ...	870	247	257	108.2	119.1	133.6	99.5	97.8	97.7	335.2	126.6	121.8	131.8	95.8	100.5	97.5
Switzerland ...	11.8	3.4	6.0	0.7	0.5	0.7	0.1	0.1	...	...	0.9	0.6	0.7	0.1	0.1	...
Italy ...	6.1	3.0	2.9	0.7	1.4	...	0.2	...	...	5.0	0.8	1.2	...	0.2	...	...
China (including Hongkong)	0.4	2.8	7.8	117.4	132.2	133.2	102.8	127.7	134.2	...	95.8	92.0	84.8	64.8	92.8	98.9
Japan ...	4.6	74.2	167.9	68.9	62.1	131.5	116.8	118.4	218.1	6.2	88.6	82.8	160.7	95.7	115.9	179.2
Other Countries ...	25.5	10.7	5.7	0.5	0.5	2.0	1.6	1.1	.8	30.8	0.7	0.5	1.8	0.9	0.9	.6
TOTAL	417.9	340.6	446.8	291.4	315.8	451.0	320.6	340.17	445.7	377.2	308.4	293.9	378.8	257.5	309.8	371.1
Percentage of U. K. ...	88.5	72.5	57.5	35.4	37.4	29.6	31.0	28.	...	33.8	41.0	40.7	34.8	36.7	32.4	26.3
Declared Value Per lbs....	..	...	...	...	...	...	...	...	...	0-14-5	1-0-11	1-1-5	1-2-9	0-12-10	0-12-8	...

Imports of Cotton Piecegoods

(Quantity in Millions of Yards)

Grey—																		
	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ...	1,316	815.2	569	143.8	59.7	111.1	88.2	102.7	85.4	20,74	231	96	176	185	158.0	133.0		
Japan ...	2.6	31.2	97	218.8	135.2	243.9	141.6	193.7	246.1	...	398	239	329.6	170	243.8	300.0		
United States ...	10.4	7.4	3	0.5	0.5	0.3	0.2	0.3	...	...	2	1	0.6	0.5	0.3	...
Other Countries ...	2.0	1.1	3	2.9	4.0	0.7	0.1	0.7	.4	85	6	6	1.1	.3	1.3	1.0		
TOTAL	1,331	904.9	677	365.0	249.4	356.0	230.1	297.4	331.9	21,09	637	302	507.3	305.3	403.1	434.0		
White—																		
	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ...	642.9	510.0	363.5	230	207	231	134.2	236.6	199.0	10,37	5,23	402	526.8	369	451.6	339.9		
Netherlands ...	7.6	3.8	4.4	4.8	3.6	2.2	1.5	2.0	1.5	...	15	10.6	6.5	4	5.6	4.0		
Switzerland ...	2.6	0.8	1.7	5.4	5.9	6.5	0.6	4.6	3.5	...	19	17.1	24.9	2	16.8	14.7		
Japan ...	...	3.8	2.6	23.1	59.8	120.4	75.2	40.2	53.3	...	51	93.4	162.6	96	64.5	34.0	
Other Countries ...	1.1	1.0	1.4	3.9	3.4	2.6	0.5	1.3	1.0	33	18	9.5	11.8	2	3.0	5.4		
TOTAL	654.2	513.9	373.6	271.7	279.7	412.7	261.9	235.2	263.3	11,20	6,21	532.6	732.5	473	546.6	433.0		

Imports of Cotton Piecegoods—(Contd.)

(Quantity in Millions of Yards)

(Value in Lakhs of Rupees)

Names of Countries	Pre-War Average	War Average	Post-War Average	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	Pre-War Average	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
Coloured, Printed or Dyed—																
United Kingdom ...	590.4	850.8	254.6	148.0	110.8	194.8	142.4	215.1	155.0	11,30	447.6	285.4	487.6	854.1	504.8	877.8
Germany ...	...	...	...	0.6	0.5	0.6	0.8	0.1	0.2	...	8.6	8.9	4.9	...	1.0	1.1
Netherlands ...	15.2	8.8	7.0	8.5	8.1	2.6	0.1	0.2	0.8	...	85.1	10.1	7.7	0.4	0.4	0.7
Belgium ...	4.1	0.5	0.8	0.4	0.2	0.2	0.2	0.1	...	...	8.0	1.8	1.5	...	0.7	..
Switzerland ...	2.7	1.7	1.5	0.7	1.6	8.8	...	8.0	2.2	...	8.8	6.9	14.1	...	10.9	..
Italy ...	10.8	9.1	4.2	8.8	9.9	7.2	0.4	1.8	0.6	...	28.1	25.9	18.8	1.4	5.9	2.0
Straits Settlements (including Labuan) ...	1.5	0.7	1.4	0.7	0.4	0.2	0.9	0.8	...	...	8.1	1.5	0.8	1.4	0.7	...
Japan ...	0.5	18.1	14.0	74.8	94.7	214.2	128.9	189.8	191.5	...	143.7	162.7	291.9	165.4	211.7	251.4
Other Countries ...	6.9	1.6	1.9	8.7	2.5	2.2	0.5	0.5	0.7	1,65	18.9	7.5	6.8	2.7	6.0	8.8
TOTAL	681.6	386.8	285.4	245.7	228.2	424.8	268.7	860.9	851.8	12,95	681.9	505.2	884.1	525.4	742.7	645.8
Fents—																
United Kingdom	14.4	26.1	11.9	2.5	6.5	10.7	11.1	...	...	...	5.5	18.0	19.8	16.6	...	...
United States of America	0.8	5.8	4.8	4.8	16.4	18.4	15.6	...	...	...	9.8	22.9	30.2	15.9	...	...
Japan ...	...	...	...	...	...	1.2	8.2	...	...	..	...	...	1.8	11.9	...	...
Other Countries ...	0.2	0.5	0.1	0.8	0.4	0.4	0.2	...	...	...	0.5	0.8	1.1	0.5	...	...
TOTAL	14.9	81.9	16.8	7.6	8.8	31.7	84.92	...	...	...	15.8	86.7	51.9	44.9	...	...

Imports of Sugar

(Quantity in Hundreds of Tons.)

(Value in Lakhs of Rupees)

Names of Countries	(Quantity in Hundreds of Tons.)									(Value in Lakhs of Rupees)						
	Pre-War Average 1909-10 to 1918-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1928-24	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	Pre-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ...	7	4	7	8.4	22.9	34.9	36.7	16.8	20.8	25.4	10.0	28.0	33.1	38.1	15.8	20.9
Ceylon ...	...	...	...	5.7	1.0	1	...	...	...	...	9.5	1.8	0.1	...	...	...
Straits Settlements ...	1.7	28.5	7.5	5	4	2	...	...	2	3.7	1.4	0.8	0.5	0.1	2	0.4
Java ...	453.0	367.2	382.8	302.8	366.7	294.8	194.4	175.2	150.4	923.8	936.5	436.2	329.7	197.9	163.9	140.2
China (Incl. Hongkong)	4.4	5.7	6.5	5.0	4.0	2.2	3.4	3.8	3.0	10.8	8.9	9.0	4.4	4.9	5.6	4.6
Russia ...	...	...	...	42.6	68.4	8.8	...	...	...	...	44.8	66.8	8.9	...	...	...
Poland ...	...	...	...	1.6	1.8	...	...	...	...	...	2.0	15.4	...	...	...	...
Germany ...	...	...	...	11.5	15.4	2	...	1	...	3.8	15.0	17.7	0.8	...	...	...
Hungary ...	...	...	118	13.8	6	...	...	...	...	85.1	15.9	0.7	...	...	...	...
Czechoslovakia ...	...	...	...	5	9	4	...	...	...	...	0.7	1.2	0.5	...	...	...
Other Countries ...	174.2	70.2	35.2	9.2	34.5	27.8	26.9	26.2	26.8	209.4	9.1	24.1	29.7	19.8	25.2	24.6
TOTAL ...	634.0	472.0	444.0	901.1	516.1	401.7	261.4	222.7	201.2	12,51.0	10,53.8	600.7	422.9	270.3	210.7	190.7

Imports of Machinery and Millwork.

(Value in Lakhs of Rupees)

	Pre-War Average	War Average	Post-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ...	497.7	420.4	17,60.8	10,72.2	7,78.2	7,81.2	8,78.5	915.8	925.9
United States of America	24.6	66.8	3,10.8	1,64.2	1,22.1	81.1	80.7	114.8	117.0
Japan ...	0.6	18.5	6.0	4.8	8.7	4.1	7.8	11.2	17.6
Italy ...	1.4	2.4	4.8	15.9	...	...	...	...	...
Germany ...	30.8	2.5	38.9	1,18.1	1,12.3	98.1	181.8	126.6	164.4
Belgium ...	1.8	...	...	14.4	26.8	33.0	42.0	16.7	27.5
Other Countries ...	4.7	3.3	44.5	45.9	55.2	51.1	140.5	79.1	116.6
TOTAL ...	561.1	5,18.9	21,64.8	14,34.8	10,92.3	10,54.2	12,76.9	1263.7	1869.0
Share of United Kingdom	88.7%	81.8%	81.8%	74.7%	70.8%	74.1%	68.4%	72.4	67.6

Imports of some kinds of Iron and Steel Manufactures.

(Quantity in Thousands of Tons)

(Value in Lakhs of Rupees)

Name of Countries	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Steel Bars (other than Cast Steel)																
United Kingdom ...	46.6	32.3	20.4	11.0	11.5	14.9	18.1	21.8	62.4	47.6	30.5	15.7	15.2	19.8	26.8	32.7
Germany ...	18.7	10.8	2.8	1.4	2.8	3.1	2.9	4.8	14.1	11.8	2.7	1.6	2.6	3.0	2.8	4.6
Belgium ...	80.2	81.5	43.7	33.5	32.0	27.7	25.2	12.2	82.8	85.3	88.9	25.6	22.7	23.1	28.0	10.0
Luxemburg ..	15.8	38.0	14.4	20.8	17.1	12.8	11.0	7.3	16.6	38.7	12.1	15.9	10.7	10.1	9.4	5.7
France ...	12.3	6.0	5.2	5.0	4.8	5.5	2.8	7.2	12.6	0.4	4.6	3.9	3.2	4.2	2.5	5.8
Other Countries ...	1.1	1.1	0.9	0.8	0.9	2.1	2.6	1.2	3.4	3.2	2.3	2.3	2.4	2.3	4.3	2.9
TOTAL	169.8	169.8	87.4	72.5	69.2	66.1	62.6	54.5	191.9	192.6	91.2	65.1	56.8	63.0	68.8	61.7
Beams, Channels, Pillars, Girders and Bridgework																
United Kingdom ...	67.6	51.5	36.9	14.0	5.8	9.2	9.9	16.1	1,00.7	79.1	62.3	22.1	3.4	13.0	13.2	21.0
Germany ...	2.2	6.8	3.6	6.0	1.1	2.3	4.4	6.3	1.9	7.7	6.9	4.7	0.8	1.3	3.5	4.3
Belgium ...	44.6	30.3	22.5	9.5	5.9	5.1	5.8	4.9	41.1	29.2	19.6	7.4	4.2	4.1	5.0	4.2
France ...	20.6	14.1	17.5	5.9	2.7	1.7	1.3	1.2	18.7	13.4	14.1	4.6	1.7	1.2	1.4	0.9
United States of America ...	0.1	0.2	0.2	...	...	...	...	...	0.5	0.6	0.6	...	...	...	...	...
Other Countries ...	0.6	1.8	1.1	0.7	0.2	0.9	0.4	0.2	0.7	1.9	1.4	1.0	0.2	0.9	0.4	0.3
TOTAL	135.8	104.9	86.8	36.1	15.7	19.2	22.3	23.7	1,63.7	1,81.9	1,04.9	39.8	15.3	21.0	23.5	31.2
Sheets and Plates (including Galvanized and Tinned)																
United Kingdom ...	3,55	2,67	1,26	79	76	77	82	88	7,50	5,69	2,48	1,49	130	140	149	157
Belgium ...	56	65	59	32	24	9	5	17	98	1,19	99	60	35	12	6	22
United States of America ...	14	11	11	...	...	...	...	...	49	37	36	1	...	...	1	...
Germany ...	1	1	1	...	...	...	...	...	1	1	1	...	...	...	1	...
Other Countries ...	7	7	7	3	2	6	9	12	14	12	18	5	5	14	13	20
TOTAL	4,38	3,51	2,04	1,14	1,02	92	93	117	9,07	7,33	3,97	2,15	1,70	166	170	199

Imports of Electrical Instruments, Apparatus and Appliances

(Value in Lakhs of Rupees)

Name of Countries	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ...	215	174	115	122	180.5	162.4	175.0
Germany ...	43	43	88	84	25.2	82.0	37.8
Netherlands ...	16	15	13	11	11.5	18.0	18.1
Belgium ...	...	7	5	8	8.8	2.1	8.8
Italy ...	14	9	5	6	6.8	7.6	6.2
Japan ...	10	7	5	17	15.2	16.8	17.8
United States of America ...	47	44	80	27	28.9	80.6	88.8
Other Countries ...	16	12	17	17	15.0	16.8	17.8
TOTAL ...	8.61	8.11	2.28	2.84	2,80.9	281.8	808.8

Imports of Kerosene Oil

(Value in Lakhs of Rupees)

Name of Countries	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Russia ...	42	56	...	1.64	1,50.2	1,47.6	144.4
Georgia ...	1.07	1.21	1.18	...	...	...	...
Roumania ...	...	...	...	...	28.1	7.0	8.1
Azerbaijan ...	44	65	72	...	...	...	...
Sumatra ...	...	...	...	...	10.9	41.5	16.1
Persia ...	1.58	86	95	89	2	86.1	43.7
Java ...	...	...	...	...	18.4	8.0	1.0
United States of America ...	1.47	1.43	1.28	18	18	6	8.0
Other Countries ...	91	68	25	88	8.7	19.9	4.8
TOTAL ...	5.89	5.84	4.88	2.54	2,26.8	2,60.0	222.1
Declared value per gallon ...	0-8-10	0-8-8	0-8-1	0-6-10	0-6-5	0-5-11	...

Imports of Cement

Name of Countries	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ...	47	86	25	17	14.2	18.4	19.6
Germany ...	2	1	1	...	...	...	...
Japan ...	7	13	10	8	5.6	8.8	2.1
Other Countries ...	8	5	5	4	2.4	1.6	1.8
TOTAL ...	64	55	41	29	22.2	28.8	22.0
Declared value per cwt. ...	2-10-1	2-7-4	2-5-0	1-12-0	1-10-11	...	...

Imports of Motor Vehicles

(Quantity in Numbers)

(Value in Lakhs of Rupees)

Name of Countries	(Quantity in Numbers)						(Value in Lakhs of Rupees)								
	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	Pre-War Average	War-Average	Post-War Average	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
Motor Cars (including Taxi-Cabs) —															
United Kingdom ...	2,885	2,178	3,958	5,348	6,811	6,744	77	24	80	71	50	80	106	123	127
United States of America ...	5,098	8,868	1,201	2,227	5,564	3,851	21	46	166	100	65	29	86	93	74
Germany ...	45	212	146	106	120	835	...	...	...	2	4	2	2	2	7
France ...	261	161	84	62	26	13	5	2	7	7	5	2	1	1	...
Italy ...	917	510	226	221	267	210	...	2	9	19	10	5	5	4	3
Canada ...	3,250	676	296	1,715	2,057	2,328	...	...	85	54	10	6	26	33	38
Others Countries ...	145	115	290	80	89	109	10	1	15	5	4	5	1	1	2
TOTAL	12,601	7,220	6,201	9,759	14,434	18,590	1,18	75	6,12	258	148	129	177	257	251
Motor Cycles (including Scooters) —															
United Kingdom ...	1,395	808	699	612	675	554	10.8	5.1	13.5	7.6	3.9	3.3	3	3.4	2.8
United States of America ...	58	8	1	12	17	180	...	...	...	0.8	...	...	0.1	0.1	0.5
Other Countries ...	58	110	82	76	102	...	0.40	1.3	5.9	0.2	0.3	0.2	0.2	0.3	...
TOTAL	1,501	926	782	700	794	734	10.7	6.4	19.4	8.1	4.2	3.5	3.3	3.8	3.3
Motor Buses —															
United Kingdom ...	258	435	517	528	1,171	982	8.6	2.7	22.8	15.2	14.4	9.9	12.4	25.3	30.9
United States of America ...	6,197	3,286	1,793	3,692	6,559	5,051	0.7	2.7	29.7	88.8	42.4	24.7	36.4	67.5	54.5
Canada ...	2,397	598	338	1,243	2,058	2,335	...	...	6.2	36.0	9.0	5.8	16.4	25.6	30.8
Others Countries ...	61	33	23	33	185	102	1.4	1.0	10.9	1.6	0.7	0.6	0.6	2.3	3.7
TOTAL	8,913	4,302	2,676	5,496	9,973	8,470	5.7	6.4	69.6	141.6	66.5	41.0	65.8	110.6	119.9

Imports of Rubber Manufactures

Name of Countries	<i>(Quantity in Thousands)</i>								<i>(Value in Lakhs of Rupees)</i>							
	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Pneumatic Motor Covers																
United Kingdom	1,17	1,32	81	87	1,08	197	229	216	45.4	59.4	87.0	80.8	44.8	70.8	87.4	98.3
Germany	19	36	31	18	16	10	15	14	7.1	19.3	17.1	7.9	8.1	4.0	6.7	6.8
France	48	34	20	23	15	7	2	2	17.6	11.4	6.5	7.5	6.1	8.0	0.8	1.1
Italy	46	49	28	30	32	10	4	...	17.0	21.4	18.4	12.5	18.8	8.8	1.8	0.2
Canada	1,45	1,17	55	24	12	22	12	2	56.9	53.1	20.8	7.6	4.8	6.8	4.1	0.6
United States of America	82	1,18	1,41	1,59	87	87	38	20	87.0	59.1	68.9	66.1	40.4	16.4	14.5	9.9
Other Countries	6	6	15	7	21	23	28	27	1.6	1.9	4.8	2.4	7.7	8.7	9.7	8.8
TOTAL	4,68	4,87	3,71	3,48	2,92	3,11	3,27	2,81	182.6	225.6	168.0	184.8	125.7	118.3	124.4	126.2

(In Hundreds of Numbers)

(In Thousands of Rupees)

Pneumatic Motor Cycle covers																
Name of Countries	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom	97	1,09	82	46	82	88	88	29	85.1	78.5	47.2	61.4	51.4	68	45	38
United States of America	1	7	8	7	5	2	2	8	2.4	14.9	5.0	8.8	7.6	2	2	3
Other Countries	64	47	56	86	17	11	4	...	78.8	86.6	50.0	30.0	21.8	18	4	...
TOTAL	1,62	1,68	91	89	54	51	44	32	165.8	180.0	102.2	106.2	80.8	78	51	41

(In Thousands of Numbers)

(In Lakhs of Rupees)

Pneumatic cycle covers																
Name of Countries	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom	4,18	3,44	6,29	9,56	7,74	11,17	1,825	1,068	8.0	14.2	10.4	14.6	11.8	14.8	17.1	16.0
Germany	88	1,20	1,02	2,41	45	88	71	...	0.6	1.8	1.5	8.8	0.7	4	0.9	...
France	2,82	2,08	1,88	1,72	86	97	9	761	4.8	8.2	3.4	2.9	1.4	1.2	0.1	7.2
Other Countries	98	47	1,76	2,65	4,64	5,20	180	...	2.6	0.8	2.8	3.9	4.9	5	1.6	...
TOTAL	7,86	12,14	10,90	16,84	18,69	17,72	15,85	1,824	16.0	20.0	18.1	24.7	18.8	21.4	19.7	28.2

(In Hundreds of Numbers)

(In Thousands of Rupees)

Solid Rubber Tyres for Motor Vehicles																
Name of Countries	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom	43	24	23	18	18	24	84	22	481.8	253.4	224.5	160.4	188.4	237	242	148
Germany	10	12	5	7	2.9	5	5	4	145.1	179.1	68.9	85.5	33.2	57	56	57
United States of America	20	20	16	8	7.8	2	4	5	268.4	238.5	164.7	98.2	91.2	86	42	58
Other Countries	8	4	1	2	0.6	1	5	5	114.9	44.0	11.1	22.9	6.4	6	41	28
TOTAL	81	60	45	35	29.8	32	48	36	10,04.7	765.0	464.2	376.0	314.2	336	381	286

Imports of Metals and Metal Manufactures

(Value in Lakhs of Rupees)

Copper (excluding Ore)

Name of Countries	Post-War Average 1909-20 to 23-24	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ...	1,14	29	29	28	40	61	34
Japan ...	8	...	...	..	9	19	14
France ...	4	20	18	1	...	1	...
Germany ...	20	29	29	67	32	80	42
Belgium ...	5	5	2	4	1	1	1
Other Countries ...	44	21	12	15	14	23	25
TOTAL ...	1,02	1,04	85	1,14	87	140	116
Declared value of Copper Wrought per cwt. ...	...	51-7-0	41-18-4	35-4-10	31-9-7	...	...

Hardware (excluding Cutlery and Electroplated Ware)

	Post-War Average 1919-20 to 1928-24	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ...	3,12	1,31	96	91	98	98	104
Sweden ...	13	13	12	15	16	17	19
Germany ...	59	1,08	76	1,08	86	95	108
Austria ...	5	7	4	5	4	4	3
Japan ...	46	21	16	30	35	32	36
United States of America ...	1,22	45	27	17	23	30	31
Other Countries ...	22	35	30	33	27	29	26
TOTAL ...	5,79	3,60	2,61	2,99	2,88	3,05	327

Cutlery

	Pre-War Average 1909-10 to 1913-14	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ...	10.5	8.3	5.9	6.5	7.3	8.4	8.7
Germany ...	7.9	15.7	13.2	14.3	13.7	14.7	16.3
Other Countries ..	3.3	2.0	1.6	3.5	4.0	4.9	4.7
TOTAL ...	21.7	26.0	20.7	24.3	25.5	28.0	28.7

Imports of Salt

	Pre-War Average 1909-10 to 1913-14	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ...	27	9	6	4	1	1	1
Germany ...	17	20	5	10	8	10	14
Spain ...	24	11	...	4	...	...	...
Aden and Dependencies ...	53	28	49	40	37	33	40
Egypt ...	85	22	2	6	1	2	...
Italian East Africa ...	15	22	10	14	...	...	...
Other Countries ...	4	3	...	1	3	1	1
TOTAL ...	1,75	1,15	72	79	50	52	56
Declared value per ton ...	29-5-2	16-11-10	15-15-4	14-8-3	13-6-5	13-10-1	...

Imports of Boots and Shoes.

(Quantity in Thousands of Pairs)

(Value in Lakhs of Rupees)

Name of Countries	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	Pre-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ...	245	153	207	129	145	142	51·0	11·1	6·6	6·2	5·8	6·1	6·2
Germany ...	204	64	93	46	7	...	...	2·2	0·7	1·1	1	0·8	...
Austria ...	34	7	2	...	2	...	2·5	0·5	0·3	0·2	0·2	0·2	...
Czechoslovakia ...	61	68	268	377	284	851	...	2·3	2·4	4·6	5·0	7·1	8·0
Japan ...	10,089	3,734	6,892	6,620	3,620	2,377	0·2	67·2	48·7	31·6	32·4	19·8	13·7
United States of America	104	7	2	1	2	...	0·5	1·5	0·2	0·1	...	...	...
Canada ...	70	1	...	2	1	..	...	1·5	...	...	...	...	...
Other Countries ...	114	461	418	139	196	36	2·5	1·7	6·0	3·0	2·3	1·3	1·0
TOTAL ...	10,921	9,490	7,882	7,313	4,256	2,906	56·7	33·0	64·9	51·8	47·5	34·8	23·9
Total of U. K. and Canada	315	154	207	131	146	142	...	12·6	6·6	6·2	5·8	6·1	6·2
Percentage of U. K. and Canada in Total ...	2·9	1·6	2·6	1·8	3·4	4·9	2·7-2	14·3	10·2	12·0	1·3	1·3	2·1
Declared value per pair	...	...	...	...	...	...	...	0-12-11	0-10-11	0-10-6	0-10-5	...	...

Imports of Cotton Raw.

(Quantity in Hundreds of Tons)

(In Lakhs of Rupees)

	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	Pre-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ...	24·7	5·2	6·1	...	14	...	53·7	27·4	4·2	4·6	...	12·0	0·2
Persia ...	0·8	4·6	3·3	9	7	...	...	0·6	2·4	4·5	4·3	4·2	0·3
Egypt ...	213·4	143·6	91·4	61·0	169	155	4·5	216·7	131·0	77·9	53·3	154·3	140·9
Kenya Colony ...	226·9	321·3	206·9	242·0	327	363	0·1	233·0	310·3	177·7	202·3	276·6	312·3
Tanganyika Territory	3·9	5·7	9·4	26·0	24	47	...	10·4	4·3	3·1	23·0	22·1	39·9
Anglo-Egyptian Sudan	0·3	16·3	64·5	9·0	34	50	...	0·3	16·0	66·2	7·2	29·4	43·4
United States of America	97·6	236·2	457·9	31·0	16	103	27·7	33·2	223·6	334·6	64·0	16·0	91·6
Other Countries ...	12·0	4·3	2·6	2·6	15	43	11·2	12·3	3·9	2·1	1·6	19·5	30·4
TOTAL	534·6	733·2	347·6	429·9	606	766	102·2	633·9	703·4	725·7	355·7	323·4	674·5
Total British Empire	251·9	343·3	277·5	341·0	315	416	53·3	315·7	332·9	243·5	239·0	313·0	331·7
Percentage of British Empire	43·1	43·3	32·9	73·7	61·9	54·3	57·5	49·4	47·3	34·2	31·3	60·2	53·7

Imports of Silk—Raw and Manufactured.

Name of Countries	(Value in Lakhs of Rupees.)			(Quantity in Thousands of lbs.)												
	Pre-War Average	War Average	Post-War Average	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	War Average	1981-82	1982-83	1983-84	1984-85	1985-86	1985-86
Raw Silk—																
China (including Hong-kong) ...	1,07.1	99.8	...	87.5	60.7	1,10.2	64	86	15.2	...	1,923	1,529	2,930	2,101	1,299	564
Japan ...	1.1	...	...	0.7	1.6	4.7	7	21	42.4	...	17	84	165	220	897	1,625
Other Countries ...	9.1	10.2	9.1	...	...	2.1	1	...	0.1	...	...	...	92	58	21	2
TOTAL ...	1,17.8	1,10.0	1,49.9	88.2	62.8	1,17.1	72	57	57.7	2,567	1,940	1,563	3,187	2,379	2,217	2,191
Declared value per lb.	4-9-1	5-10-1	8-8-9	4-8-9	8-15-9	8-10-9	8-1-9	2-10-1	...	...	...	...	...	...	...	...
Silk Yarn, etc.—																
United Kingdom ...	4.3	4.0	1.9	1.3	1.7	6.6	4.3	9.5	6.6	...	81.4	62	260	263	537.0	389
Switzerland ...	0.6	0.3	0.3	5.8	10.7	3.1	...	...	...	...	128.6	239	96	...	3.5	...
Italy ...	14.2	3.6	14.6	15.9	19.2	23.6	5.1	7.6	7.1	...	432.3	622	862	249	347.7	284
China (including Hong-kong) ...	2.8	5.1	9.9	13.0	9.3	11.2	14.6	12.3	12.5	...	895.9	343	418	615	492.0	483
Japan ...	17.4	29.1	30.3	9.2	5.1	40.4	21.8	47.6	56.5	...	237.8	116	1,187	814	1,834.7	2,377
Other Countries ...	1.9	0.1	1.3	6.7	5.2	3.5	.9	0.6	1.3	...	198.4	278	187	32	23.1	95
TOTAL ...	41.2	42.2	53.3	51.9	51.2	88.4	46.7	73.2	34.0	1,011	1,424.4	1,710	3,010	2,028	3,293.0	3,628
Declared value per lb.	4-1-2	5-5-10	7-15-0	3-10-3	2-15-11	2-15-0	2-4-10	...	...	...	...	...	...	...	...	...
Silk Piece-goods—																
United Kingdom ...	3.9	4.1	5.2	0.6	1.6	0.9	0.7	0.6	0.2	...	26.6	147.5	92.0	48	86.7	11.3
France ...	3.9	3.7	2.6	1.0	0.6	0.4	...	...	...	...	28.7	14.6	8.1	...	...	...
China (including Hong-kong) ...	53.5	73.9	135.0	61.3	50.1	44.8	32.1	21.1	15.9	...	3,377.3	7,323.4	7,941.5	6,656	5,090.3	5,255.3
Japan ...	113.6	1,17.9	177.6	60.0	71.9	133.0	147.4	100.9	71.3	...	7,334.7	11,744.7	26,763.1	34,269	27,796.5	21,717.3
Other Countries ...	2.4	1.9	4.2	4.0	2.0	1.3	.2	2.6	2.4	...	437.6	139.0	143.2	150	366.2	445.6
TOTAL ...	1,32.3	2,01.5	3,24.6	126.9	126.2	130.9	132.2	125.2	90.4	26,030	16,754.9	19,724.2	34,957.9	41,123	33,339.7	27,430.0
Percentage of United Kingdom ...	2.1	2	1.6	0.47	1.3	0.5	...	...	...	...	...	...	...	...	...	...
Declared value per yd.	0-11-2	...	...	0-12-1	0-10-2	0-3-3	0-7-0	0-5-11	...	...	...	...	...	...	...	...

Imports of Wool and Woollens
(Value in Lakhs of Rupees)

Wool Raw—		1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom	...	17	5	9	18	14	18	18
Persia	..	9	3	5	8	2	1	1
Australia	...	22	10	15	18	18	21	27
Other Countries	...	4	1	2	3	...	1	3
TOTAL		52	19	31	42	34	41	44
Carpets and Floor Rugs—								
United Kingdom	..	3.4	2.4	2.0	1.8	1.5	2.4	3.1
Persia	...	1.5	1.1	2.1	0.8	0.2	0.1	0.1
Other Countries	...	4.0	1.0	1.1	1.5	0.6	0.9	0.7
TOTAL		9.9	4.5	5.2	4.1	2.3	3.4	3.9
Piecegoods—								
United Kingdom	...	90.8	47.7	24.8	52.5	57.4	46.5	43.6
Germany	...	24.6	8.2	4.2	8.8	6.5	7.6	3.7
Netherlands	...	8.4	3.7	2.4	1.6	0.9	0.7	...
Belgium	...	5.4	3.9	1.5	5.9	4.6	0.5	0.2
France	...	60.1	24.0	16.1	34.3	17.4	4.2	0.1
Italy	...	29.8	25.3	15.1	42.1	22.6	3.5	1.5
Japan	...	4.8	2.9	0.7	7.8	15.5	73.1	30.1
Other Countries	...	9.3	4.2	3.9	8.2	5.4	3.7	1.8
TOTAL		33.2	1,19.9	68.9	1,61.2	1,30.3	139.8	81.1

(In Lakhs of Rupees)

Woollen Shawls—		Pre-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom	...	...	0.7	0.1	0.4	0.2	...	..
Germany	...	...	9.6	4.9	7.9	7.5	6.7	5.8
Other Countries	..	...	3.8	0.9	2.6	1.7	5.3	5.7
TOTAL		41.5	14.1	5.9	10.8	9.5	12.0	11.5
Hosiery	...	12.0	9.7	6.7	6.9	8.8	12.3	17.5
Other sorts of Manufactures	...	32.1	63.9	44.4	71.5	69.9	178.0	120.5
TOTAL OF WOOL & WOOLLENS		3,24.6	2,31.1	1,62.1	2,96.5	2,54.9	336.5	278.5

Imports of Artificial Silk Manufactures.

(Value in Lakhs of Rupees)

	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Piecegoods of Cotton and Artificial Silk—								
United Kingdom	84.1	41.6	12.7	9.6	17.1	14.1	...	...
Germany ...	26.6	9.7	8.9	4.9	7.8	2.1	...	...
Switzerland ...	58.2	48.4	15.8	7.6	4.4	11.1	...	...
Italy ...	92.6	51.2	19.6	16.0	21.8	16.8	...	...
Austria ...	17.6	9.2	2.8	1.6	8.0	3.7	...	...
Japan ...	30.5	140.0	150.4	208.6	252.4	124.2	...	...
Other Countries	25.8	19.9	6.9	8.5	8.7	2.4	...	...
TOTAL	330.4	315.0	211.6	251.8	310.2	178.9	...	...
Other Artificial Silk Manufactures—								
United Kingdom	33.2	24.3	14.2	13.3	15.1	19.8	10.7	6.3
Germany ...	12.5	7.2	5.8	4.0	8.9	...	1.7	1.4
Netherlands ...	13.4	6.4	8.7	10.1	7.1	...	...	...
France ...	6.5	11.6	1.4	7.3	3.3	4.2	1.5	0.6
Switzerland ...	6.3	5.3	0.9	2.8	0.7	...	...	...
Italy ...	61.6	46.4	50.6	41.3	47.8	37.6	54.3	27.2
United States of America ...	...	...	0.8	1.8	2.2	...	...	...
Japan ...	3.4	5.5	3.8	6.2	16.0	134.6	267.9	260.7
Other Countries	9.7	10.3	4.4	5.7	9.6	73.0	3.2	19.6
TOTAL	146.6	117.0	90.1	92.5	105.7	274.2	359.3	315.8

Imports of Tea (Black and Green)

(Value in Thousands of Rupees)

Names of Countries	Pre-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Ceylon ...	7.10	18.88	15.41	18.09	11.83	5.02	8.49	3.79
Straits Settlements	...	1.32	96	56	53	18	10	9
Java ...	81	22.53	7.63	4.50	1.00	1	...	...
China (including Hongkong)	10.70	20.21	20.90	19.10	13.60	16.29	8.83	15.96
Other Countries	3.68	96	78	1.32	2.67	3.42	4.70	5.13
TOTAL ...	22.29	68.90	45.63	43.57	34.63	25.13	17.12	24.97

Imports of Food, Drink and Tobacco

(Quantity in Thousands of Tons.)

(Value in Thousands of Rupees.)

Names of Countries	(Quantity in Thousands of Tons.)							(Value in Thousands of Rupees.)							
	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	Pre-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Fruits and Vegetables, Dried, Salted, etc.—															
France	0·8	0·2	0·5	0·3	0·2	0·3	0·5	9·00	2,74	1,27	2,49	1,60	1,17	1,40	2,68
Italy	8·6	2·8	1·8	1·7	1·6	1·5	1·5	8,50	38,26	25,14	6,83	6,94	8,63	6,84	7,83
Maskat Territory and Trucial Oman	7·8	6·1	8·3	7·1	7·9	9·0	9·0	18,80	18,85	14,15	16,54	18,00	10,96	11,16	10,57
Iraq	42·8	45·6	41·5	37·4	26·0	47·1	50·7	...	60,04	49,72	40,49	82,76	20,50	86,59	85,54
Persia	5·4	5·8	5·6	3·2	3·8	4·1	4·9	18,70	21,61	18,51	16,83	9,50	6,56	3,09	9,21
Portugese East Africa ...	...	...	...	...	12·1	12·7	12·8	...	...	...	...	...	...	...	...
Other Countries ...	10·4	94	12·9	10·9	6·3	9·6	8·6	52,72	7,77	19,18	24,66	20,59	24,06	41,72	37,41
TOTAL	70·3	69·4	70·5	60·6	57·4	84·8	88·0	1,07,72	1,49,27	1,17,92	1,07,84	84,39	71,88	97,71	1,00,19

(Quantity in Thousands of Gallons.)

(Value in Lakhs of Rupees)

Ale, Beer and Porter—															
United Kingdom ...	3,148	3,017	2,478	2,447	2,184	2,250	2,209	45·6	68·7	63·7	43·8	49·7	45·2	45·4	47·1
Germany	1,048	899	555	508	376	365	430	...	30·1	25·2	14·8	14·3	10·6	9·8	11·7
Netherlands	337	369	342	282	303	411	492	...	6·8	7·5	6·5	6·0	6·5	8·7	10·6
Japan	283	279	260	416	526	433	599	...	4·0	4·6	3·8	4·4	1·5	5·2	6·1
Other Countries ...	43	46	95	65	62	79	47	18·83	1·1	1·3	2·2	1·6	1·5	1·9	2·3
TOTAL	4,864	4,610	3,725	3,718	3,456	3,598	3,867	59·43	1,11·3	1,02·3	76·1	76·0	63·8	71·0	78·0

(Quantity in Thousands of Gallons)

(Value in Lakhs of Rupees.)

Spirit—															
United Kingdom ...	761	708	463	476	403	503	522	69	1,41	1,25	88	84	89·4	92·2	96·6
Germany	60	87	16	11	12	14	14	...	6	5	3	2	3·4	3·9	3·8
France	426	339	157	122	123	134	144	...	53	42	22	21	22·2	24·2	25·3
Java	1,054	1,144	1,069	857	521	411	299	3	12	12	10	8	7·0	5·5	3·8
United States of America	66	57	46	43	45	46	33	5	19	17	14	16	14·0	13·3	15·7
Other Countries ...	47	33	19	11	14	21	19	33	5	4	3	2	2·6	4·6	3·8
TOTAL ...	2,414	2,318	1,770	1,775	1,213	1,129	1,051	1,15	236	205	135	1,33	133·6	143·7	143·0
Wines	290	246	165	166	177	178	188	23	20	24	15	16	19·2	20·3	20·9
TOTAL OF LIQUORS ...	7,568	7,174	5,660	5,415	4,856	4,912	5,121	2,12,43	3,76·3	3,31·3	2,26·1	2,25·0	2,26·6	235·6	247·7

Imports of Food, Drink and Tobacco—(Contd.)
(In Lakhs of Rupees)

Names of Countries	Pre-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1929-36
Provisions, etc.—							
United Kingdom ...	1,84	1,94	1,51	1,40	1,51	161	178
Netherlands ...	9	1,27	57	85	24	25	25
Straits Settlements (incl. Labuan) ...	24	32	24	20	20	25	27
China (incl. Hongkong) ...	4	15	10	8	9	11	10
United States of America...	4	40	22	19	14	15	18
Australia ...	8	9	13	18	16	12	12
Other Countries ...	51	71	64	53	38	40	42
TOTAL ...	2,29	4,88	3,41	2,03	2,72	280	312
(In Thousands of Rupees)							
Tobacco—							
Unmanufactured ...	...	14,40	29,86	62,27	47,27	33,56	27,85
Cigars ...	...	1,60	1,04	85	74	61	70
Cigarettes :							
United Kingdom ...	...	1,17,95	48,55	26,31	16,62	20,64	26,68
China (incl. Hongkong) ...	...	2,07	2,70	1,04	84	82	...
Egypt ...	4,69	44	68	82	82	28	...
United States of America ...	...	1,04	55	50	52	64	75
Other Countries ...	...	98	85	78	1,26	33	72
Total of Cigarettes ...	52,74	1,22,48	52,78	28,95	19,06	22,21	28,10
Tobacco for Pipes & Cigarettes Other Sorts ...	...	10,89 1,80	8,54 2,13	3,06 1,80	3,00 2,08	3,91 1,53	3,20 1,71
	71,07	1,51,16	94,35	96,94	72,15	61,82	61,56

Table showing the total Exports to each principal country, the Imports from the respective country and the Balance of trade with each such country, distinguishing between countries in the British Empire and foreign countries, for Pre-War, War and Post-War years and for years 1927-28 to 1935-36.

(In Lakhs of Rupees.)

Names of Countries	Pre-War Average (1909-14)			War Average (1914-19)			Post-War Average (1919-24)			1927-28		
	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade
British Empire—												
United Kingdom	56,80	91,58	-35,28	69,62	83,56	-13,94	73,04	1,46,48	-73,89	81,76	1,19,21	-37,45
Ceylon	8,24	72	+7,52	9,63	1,66	+7,97	12,82	1,71	+10,61	15,88	1,90	+18,98
Straits Settlements	7,73	8,08	+4,65	6,23	4,37	+1,86	8,20	4,85	+3,85	9,28	5,84	+3,44
Australia	8,14	1,01	+2,18	5,08	1,11	+8,92	4,99	3,19	+1,80	6,62	1,02	+4,70
Hongkong	9,26	98	+8,28	4,48	1,80	+8,18	6,93	1,86	+3,07	2,20	1,16	+1,04
Canada	1,09	1	+1,08	1,79	4	+1,75	1,83	69	+1,14	2,19	1,79	+40
Aden and Dependencies	1,25	41	+84	2,15	77	+1,88	2,79	80	+1,99	1,91	66	+1,25
Kenya Colony, Zanzibar and Pemba	89	86	+58	1,32	1,15	+17	2,14	1,09	+15	1,90	2,59	-69
Other Countries of the British Empire	4,16	8,89	+77	15,58	2,68	+12,85	12,88	4,02	+8,86	9,95	1,80	+8,65
Total British Empire ...	92,06	1,01,54	-9,48	1,15,78	96,64	+19,14	1,25,12	1,63,54	-40,42	1,31,69	1,36,37	-4,68
Percentage of Total Trade...	41.1	69.6	...	51.6	65.4	...	41.4	63.2	...	40.1	54.6	...
Foreign Countries—												
United States of America	16,90	4,49	+12,41	26,73	10,29	+16,46	36,26	21.64	+14,62	36,70	20,43	+16,27
Japan	16,86	8,64	+13,22	25,20	15,41	+9,79	40,81	17,48	+22,83	29,19	17,90	+11,29
China	8,74	1,58	+7,16	4,56	1,93	-2,63	10,98	3,14	+7,84	4,58	4,41	+17
Java and Borneo	2,91	9,35	-6,44	2,55	11,56	+9,01	3,18	17,18	-14,09	2,40	14,71	-12,81
Argentine Republic	2,27	...	+2,27	2,61	...	+2,61	4,21	...	+4,21	7,49	...	+7,49
France	14,82	2,21	+12,61	10,02	1,85	+8,17	14,87	2,87	+12,00	16,10	4,80	+11,80
Italy	7,08	1,45	+5,63	8,77	1,78	+7,04	9,63	2,47	+7,16	13,05	6,76	+6,29
Spain	1,99	17	+1,82	1,60	86	+1,24	2,80	80	+2,50	3,81	34	+2,97
Russia	1,94	22	+1,72	2,74	10	+2,64	...	12	-12	49	48	+1
Netherlands	3,84	1,27	+2,07	40	86	-46	3,16	2,18	+98	3,18	4,81	+3,82
Belgium	11,97	2,76	+9,21	1,10	38	+72	11,25	4,64	+6,61	10,97	7,43	+3,49
Germany	22,86	9,35	+13,01	2,04	1,04	+1,00	14,86	7,16	+7,70	32,46	15,34	+17,12
Austria	7,77	3,19	+4,58	94	27	+67	78	42	+81	28	1,26	-98
Other Countries	1,311	4,53	+8,58	19,05	6,28	+1,277	25,12	9,41	+1,571	31,85	15,26	+16,59
Total Foreign Countries ...	1,32,06	44,31	+87,75	1,08,33	51,16	+57,17	1,76,36	33,51	+83,35	1,97,00	1,18,43	+83,52
GRAND TOTAL	2,24,12	1,45,85	+78,27	2,24,11	1,47,80	+76,31	3,01,98	2,54,05	+47,93	3,28,69	2,49,85	+78,84

Table showing the total Exports to each principal country, the Imports from the respective country and the Balance of trade with each such country, distinguishing between countries in the British Empire and foreign countries, for Pre-War, War and Post-War years and for years 1927-28 to 1935-36—(contd.)

(In Lakhs of Rupees.)

Names of Countries	1928-29			1929-30			1930-31			1931-32		
	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade
British Empire—												
United Kingdom ...	72,87	1,18,24	-40,87	69,59	1,03,10	-33,51	54,23	61,29	-7,06	53,46	44,76	-1,30
Ceylon ...	14,25	2,10	+12,15	13,22	1,80	+11,42	11,88	1,43	+9,95	7,65	1,89	+6,26
Straits Settlements ...	7,95	5,11	+2,84	8,02	6,17	-1,85	6,81	8,97	+2,34	4,70	2,87	+1,83
Australia ...	7,89	8,46	-1,07	5,80	5,54	+26	4,49	2,42	+2,07	2,95	1,58	+1,37
Hongkong ...	2,51	78	+1,73	2,04	74	+2,30	1,67	87	+80	1,81	52	+1,29
Canada ...	2,45	2,46	-1	2,41	1,91	+50	1,72	1,88	+80	1,47	42	+1,05
Aden and Dependencies ...	2,99	62	+1,40	1,43	57	+86	1,31	33	+93	77	53	+24
Kenya Colony, Zanzibar and Pemba	1,77	2,72	-95	1,72	3,44	-1,72	1,16	3,36	-2,20	77	3,68	-2,01
Other Countries of the British Empire	9,21	1,09	+8,12	9,38	1,19	+8,19	7,13	1,02	+6,16	5,14	87	+4,27
Total British Empire ...	1,19,92	1,36,58	-16,66	1,14,61	1,24,46	-9,85	89,45	76,02	+13,43	68,72	56,62	+13,10
Percentage of Total Trade ...	35.5	53.9	...	36.0	51.7	...	39.6	46.1	...	44.1	44.8	...
Foreign Countries—												
United States of America ...	39,97	17,92	+22,05	37,08	17,66	+19,37	21,14	15,12	+6,02	13,87	12,85	+1,02
Japan ...	34,61	17,68	+16,93	32,56	23,59	+8,97	23,87	14,51	+9,33	13,95	13,34	+61
China ...	9,48	4,82	+5,16	13,06	4,10	+8,96	13,27	8,88	+4,39	7,79	2,76	+5,03
Java and Borneo ...	3,69	16,42	-12,73	4,27	13,67	-9,40	2,63	10,34	-7,71	1,74	4,86	-3,12
Argentine Republic ...	8,01	16	+7,85	7,10	8	+7,02	8,63	...	+8,63	2,93	...	+2,39
France ...	17,91	4,78	+13,13	16,94	4,57	+12,37	11,17	2,89	+8,28	7,43	2,17	+5,81
Italy ...	15,25	7,86	+7,39	11,47	6,73	+4,74	7,93	4,51	+3,42	5,40	3,61	+1,79
Spain ...	8,01	27	+8,64	5,61	30	+3,81	2,87	80	+2,07	1,84	20	+1,14
Russia ...	25	85	+60	40	46	-6	53	1,04	-51	53	95	-42
Netherlands ...	8,73	4,77	+3,96	8,90	4,23	+4,67	6,67	3,22	+3,45	4,66	2,04	+2,62
Belgium ...	13,75	7,20	+6,55	12,21	6,79	+5,42	7,57	4,67	+2,90	4,24	3,02	+1,22
Germany ...	32,43	15,84	+16,59	26,49	15,79	+10,70	14,26	12,33	+1,93	10,19	10,21	+2
Austria ...	9	1,40	-1,31	5	1,23	-1,18	...	82	-82	...	71	-71
Other Countries ...	30,21	17,75	+12,46	29,23	17,14	+12,09	21,15	15,67	+5,48	13,59	13,00	+59
Total Foreign Countries ...	2,18,04	1,16,72	+1,01,32	2,08,32	1,16,34	+91,98	1,36,19	88,30	+47,89	87,17	69,72	+17,45
GRAND TOTAL ...	3,37,96	2,53,30	+84,66	3,22,93	2,40,80	+82,13	2,25,64	1,64,32	+61,32	1,55,89	1,26,34	+29,55

Table showing the total Exports to each principal country, the Imports from the respective country and the Balance of trade with each such country, distinguishing between countries in the British Empire and foreign countries for Pre-War, War and Post-War years and for years 1927-28 to 1935-36.—(concl'd.)

(In Lakhs of Rupees)

Names of Countries	1932-33			1933-34			1934-35			1935-36		
	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade
British Empire—												
United Kingdom	87,55	43,77	-11,22	47,20	47,59	-89	47,92	53,73	-5,81	49,80	52,17	-2,37
Ceylon	6,57	1,78	+4,79	5,91	1,29	+4,62	6,87	1,29	+5,08	6,12	1,50	+5,62
Straits Settlements	265	2,79	+86	3,26	2,63	+58	3,28	3,11	+12	3,66	3,66	...
Australia	3,88	1,07	+2,81	2,98	1,02	+1,96	2,71	97	+1,74	2,87	1,19	+1,68
Hongkong	1,89	1	+1,83	1,08	45	+68	57	89	+18	50	42	+8
Canada	1,62	34	+1,28	1,88	69	+1,19	1,72	92	+80	1,72	98	+79
Aden and Dependencies	62	43	+19	65	49	+16	64	42	+22	71	42	+29
Kenya Colony, Zanzibar and Pemba	64	2,22	-1,58	87	2,43	-1,76	51	320	-2,69	58	3,50	-2,92
Other Countries of the British Empire	4,54	1,95	+2,59	4,81	1,00	+3,45	5,20	1,32	+3,18	6,30	1,70	+4,00
Total British Empire	60,46	59,86	+1,10	68,14	57,70	+10,44	68,87	65,35	+352	73,26	65,49	+7,77
Percentage of Total Trade ... ..	...	...	...	...	...	...	...	...	...	...	...	...
Foreign Countries—												
United States of America	9,76	11,25	+1,49	14,07	7,18	+6,89	12,89	8,41	+4,48	16,07	8,94	+7,13
Japan	13,95	20,50	+6,55	12,61	16,36	-3,75	24,59	20,80	+3,79	21,87	21,84	+8
China	3,55	2,95	+60	4,45	2,23	+2,22	2,62	2,07	+55	1,87	1,85	+2
Java and Borneo	78	4,17	-3,44	48	2,71	-2,23	51	2,21	-170	49	2,06	-1,57
Argentine Republic	3,64	...	+3,64	...	...	...	...	...	...	...	...	...
France	7,85	2,03	+5,82	7,37	1,51	+5,86	5,29	1,53	+3,76	6,70	1,30	+5,42
Italy	4,65	3,95	+70	5,75	2,91	+2,84	5,84	3,02	+2,82	8,25	2,00	+1,25
Spain	1,37	25	+1,12	1,41	21	+1,20	1,88	24	+1,14	1,77	22	+1,55
Russia	84	86	-2	8	1,64	-1,56	8	1,57	-1,49	26	1,61	-1,35
Netherlands	3,21	1,69	+1,52	4,21	1,32	+2,89	3,88	1,30	+2,08	2,76	1,34	+1,42
Belgium	3,93	3,42	+2,37	4,43	2,67	+1,82	4,39	2,16	+2,23	5,27	2,44	+2,83
Germany	3,00	10,37	-64	9,34	383	+96	7,17	10,10	-2,93	3,69	12,36	-8,67
Austria ... ..	...	64	-71	...	32	-52	1	53	-82	4,00	43	+3,57
Other Countries	11,49	10,64	-35	13,42	9,02	+4,40	14,70	13,00	+1,70	14,21	12,51	+1,70
Total Foreign Countries	71,97	73,22	-1,25	78,17	57,65	+20,52	82,80	66,94	+15,86	87,23	68,90	+18,33
GRAND TOTAL	1,32,43	1,33,08	-15	1,46,31	1,15,35	+30,96	1,51,67	1,32,29	+19,38	1,60,49	1,34,39	+26,10

N.B.—In this Table the figures of re-exports are not taken into account.

Index Numbers of wholesale Prices of some principal Countries.
(Adapted from League of Nations' Bulletin)

COUNTRY			INDIA (CALCUTTA)	UNITED KINGDOM	UNITED STATES OF AMERICA	JAPAN	FRANCE	GERMANY
Basis Year and Date			(1929=100)	(1929=100)	(1929=100)	(1929=100)	(1929=100)	(1929=100)
1926	...	...	105.0	112.6	104.9	107.7	110.8	98.0
1927	...	...	105.0	108.2	100.1	102.2	102.4	100.8
1928	...	...	102.8	106.2	101.5	102.8	102.9	102.0
1929	...	...	100.0	100.0	100.0	100.0	100.0	100.0
1930	...	...	82.3	84.0	90.7	82.4	88.4	90.8
1931	...	...	68.1	70.2	76.6	69.6	80.0	80.8
1932	...	...	64.5	67.7	68.0	73.8	68.2	70.8
1933	...	...	61.7	68.2	69.8	81.6	68.6	68.0
1934	...	...	68.1(e)	71.0(e)	78.7(a)	80.8(a)	60.6(a)	71.7(a)
1935								
January	...	...	66.7	72.0	82.7	82.5	55.8	78.7
February	...	...	68.8	71.8	88.4	88.7	54.7	78.5
March	...	...	61.7	71.5	88.2	88.5	58.4	78.4
April	...	...	62.4	72.2	84.1	88.0	58.6	78.5
May	...	...	64.5	74.1	84.2	88.0	59.2	78.5
June	...	...	64.5	78.7	88.7	82.0	52.6	78.8
July	...	...	64.5	78.7	88.8	82.0	51.4	74.2
August	...	...	68.1	78.2	84.5	82.0	52.6	74.6
September	...	...	68.1	75.7	84.7	85.9	58.0	74.6
October	...	...	66.0	77.4	84.5	88.8	54.5	74.9
November	...	...	65.2	77.2	84.6	88.1	55.5	75.1
December	...	...	66.0	77.8	84.9	87.8	56.5	75.4
1936								
January	...	...	65.0	77.2	84.6	87.8	57.8	75.5
February	...	...	64.5	76.7	84.6	86.9	59.8	75.5
March	...	...	64.5	76.7	88.5	86.8	60.0	75.6

(a) Monthly average

(e) Last week on end of month

Cost of living Index Numbers for India and Foreign Countries.

NAME OF COUNTRY			INDIA (BOMBAY)	UNITED KINGDOM	UNITED STATES OF AMERICA	FRANCE (PARIS)	GERMANY	JAPAN (TOKIO)
Composition Base Period			A-D 1929	A-E 1929	A-E 1929	A-E 1929	A-E 1929	A-C, E 1929
1926	...	...	104'0	104'9	108'0	90'8	92'3	109'7
1927	...	...	103'4	102'4	101'8	92'4	96'1	108'9
1928	...	...	98'7	101'2	99'0	93'8	98'5	101'5
1929	...	...	100'0	100'0	100'0	100'0	100'0	100'0
1930	...	...	91'9	96'8	96'4	104'5	96'2	85'5
1931	...	...	73'8	89'6	87'2	102'8	88'4	74'7
1932	...	...	73'2	87'8	78'7	94'6	78'8	75'4
1933	...	...	68'5	85'4	76'4	93'5	76'6	80'8
1934	...	...	65'1	86'0	79'2	92'8	78'6	82'0
1935	...	...	67'8	87'2	81'1	86'9	80'0	88'6
April	1935	...	67'1	84'8	81'0	—	79'4	82'4
May	"	...	67'8	85'4	—	88'1	79'8	82'4
June	"	...	67'8	87'2	—	—	79'9	81'8
July	"	...	69'1	87'2	80'9	—	80'7	82'4
August	"	...	69'1	87'2	—	84'4	80'8	88'7
September	"	...	69'1	88'4	—	—	80'2	85'1
October	"	...	69'8	89'6	81'2	—	79'8	85'0
November	"	...	70'5	89'6	—	86'0	79'9	85'4
December	"	...	69'1	89'6	—	—	80'2	85'8
January	1936	...	68'5	89'6	81'8	—	80'7	86'4
February	"	...	68'5	89'0	—	87'4	80'6	87'7
March	"	...	67'1	87'8	—	—	80'6	83'2

Composition of the cost of living indices : A, foodstuffs ; B, heating and lighting ; C, clothing ; D, rent ; E, miscellaneous and other expenses.

Tonnage of vessels engaged in the foreign sea-borne trade of British India
(In Thousands of tons)

20

Nationality	1926-27		1927-28		1928-29		1929-30		1930-31	
	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared
British	5,745	6,051	6,185	6,050	6,605	6,521	6,433	6,553	5,852	5,651
British Indian	114	127	128	181	122	116	92	85	82	95
Native	57	56	61	61	51	57	50	61	54	63
Foreign—										
American	268	244	249	202	338	276	283	264	159	157
German	394	371	529	510	601	558	678	708	666	680
Italian	461	486	404	479	472	503	590	564	473	475
Japanese	638	725	542	570	558	552	662	639	771	772
Other nationalities	678	634	724	699	775	772	915	862	49	412
TOTAL	8,845	8,694	8,877	8,702	9,517	9,355	9,646	9,786	9,006	8,785

Nationality	1931-32		1932-33		1933-34		1934-35		1935-36	
	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared
British	5,593	5,383	5,349	5,225	4,792	5,044	5,120	5,387	5,429	5,534
British Indian	80	82	52	62	17	33	17	43	5	79
Native	54	53	49	54	26	49	35	61	33	59
Foreign—										
American	198	184	225	235	223	253	260	262	314	284
German	553	594	420	419	352	435	379	444	456	545
Italian	524	551	598	604	710	722	679	750	490	505
Japanese	599	582	563	591	533	525	654	621	777	679
Other nationalities	766	746	647	615	537	516	643	604	667	535
TOTAL	8,307	8,185	7,908	7,805	7,360	7,717	7,794	8,172	8,172	8,320

Rail-borne Trade at Stations adjacent to land frontier routes of India proper.

(All Quantities in Thousands of Maunds except Treasure)

Articles	IMPORTS									
	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Grain and Pulse—Wheat	346	365	294	276	158	125	364	338	176	233
Gram and Pulse	476	281	311	256	284	197	422	619	162	290
Rice, husked and unhusked	1,953	2,012	2,569	1,907	2,249	2,238	2,447	1,687	1,988	1,986
Other Grains and Pulse	704	787	1,176	1,258	587	778	729	379	298	537
Hides and Skins	174	189	209	171	184	106	97	125	184	141
Ghi	106	87	93	80	70	57	60	56	61	57
Tobacco	133	138	137	139	119	112	137	93	70	117
Wool, raw	292	318	314	214	103	180	71	174	151	191
Carpets and Rugs	29	32	33	31	22	17	20	14	11	12
Borax (a)	20	25	20	14	15	10	7	9	9	7
Charas (b)	1.4	1.9	2.0	2.3	3.0	2.7	2.3	2	2	2
Jute, raw	222	390	333	303	233	300	203	271	349	337
Oilseeds—Linseed	530	663	393	533	497	409	446	429	263	339
Mustard and Rape	390	331	324	232	260	304	356	236	343	294
Treasure (in 1,000 ounces)										
Gold	...	...	...	...	1.8	...	36	66	78	13
Silver	2,327	3,513	5,903	4,943	3,275	4,393	6,347	9,796	9,712	1,601

(a) Imported in appreciable quantities from Tibet.

(b) Charas imported mainly from Central Asia and Turkistan.

Rail-borne Trade at Stations adjacent to land frontier routes of India proper.

(All Quantities in Thousands of Maunds except Treasure)

Articles	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Cotton—Twist and Yarn	94	66	62	76	79	72	78	66	59	67
Piecegoods, foreign	379	340	350	258	181	215	200	211	218	244
" Indian	286	251	287	246	257	294	295	287	249	307
Dyes and dyeing materials, Indigo	...	1.2	.9	.9	.7	1.6	1.7	6.7	8.7	8
" others	...	10	28	12	11	27	82	18	10	10
Grain and pulse—Wheat	1,196	892	1,181	1,544	1,417	1,186	885	1,116	920	753
Rice, husked	511	480	580	701	649	670	663	697	717	618
Others	1,298	1,488	1,474	1,858	1,164	1,720	1,580	1,404	1,427	1,211
Iron and Steel—Unwrought	87	57	84	53	58	57	26	30	15	8
Sections	889	403	853	288	848	291	198	307	382	269
Machinery and Millwork	58	56	65	40	43	52	30	19	37	65
Others, including Hardware and Cutlery	52	43	54	30	54	29	31	24	26	35
Petroleum	278	866	831	376	370	892	811	357	392	327
Salt	1,640	1,742	1,844	1,706	1,599	1,740	1,706	1,501	1,526	1,558
Sugar—Unrefined	152	109	102	93	97	72	83	166	108	110
Refined	852	922	989	999	1,075	771	741	888	910	688
Tea	146	104	100	105	98	102	104	174	267	191
Tobacco	108	139	141	131	126	134	112	107	111	118
Brass and copper (a)	12	13	15	11	8	14	29	16	21	17
Betelnuts (a)	29	35	37	37	30	39	32	24	35	26
Treasure (in 1,000 ounces)—										
Gold	8.1	0.9	2.0	3.0	25.5	16	2.5	...	117	...
Silver	6,222	3,571	3,878	6,185	8,238	15,151	3,976	2,031	397	454

(a) Sent in appreciable quantities to Nepal.

Total tonnage of vessels employed in the Trade of India
(*In thousands of Tons*)

Year	Foreign trade	Coasting trade
1924-25	17,656	41,584
1925-26	17,186	43,112
1926-27	17,089	43,481
1927-28	17,579	47,873
1928-29	18,672	49,800
1929-30	19,884	52,181
1930-31	17,791	42,026 (Not accurate as Madras figures are not available)
1931-32	16,552	Not available
1932-33	15,708	51, 06
1933-34	15,077	91,625
1934-35	16,167	54,838
1935-36	16,549	53,536

TRADE SECTION :

INTERNAL TRADE

The importance of internal trade has generally been overlooked in all countries for a variety of reasons. There was in the first place, the survival of the old mercantalist notion that the wealth of a country is increased only through its foreign trade. The *laissez faire* economics of the nineteenth and twentieth centuries did little to help a more correct appreciation of the importance of internal trade activity, though it gave a corrective to the crudities of mercantalism. The exaggeration of the importance of foreign trade may be seen from the fact that international trade has been regarded widely as identical with world trade and as the sole index of economic prosperity. With the formulation of national economic policies and the growth of protectionism, internal trade is bound to grow both in volume and in importance. In India foreign trade monopolised the attention of economists for two reasons. Firstly, Government was more interested in foreign trade than internal trade and, therefore, provided more statistics in regard to the former. Secondly, the state of the national economy and the country's indebtedness invested the favourable balance of trade and balance of payments with a unique importance. Now that India, in common with the rest of the world, has taken to the policy of protectionism with a view probably to ultimate economic self-sufficiency, the course of internal trade has to be studied with at least as much care and attention as the foreign trade. It is with a view to facilitate such an important study that we have included the statistics of internal trade in the *Indian Finance Year-Book*.

It will be easily seen that internal trade falls into two divisions—coasting trade and rail and river-borne traffic. The statistical data furnished in this section of the *Year Book* require an explanatory note about the basis of compilation.

COASTAL TRADE

The "coastal trade" dealt with in these tables is the trade registered at the British Indian ports, that is to say, the trade of these ports with one another and with Indian ports not British. The figures show generally the trade as declared in the shipping documents duly scrutinised with reports of notices of short arrivals or shipments and passed through the Customs Houses up to the last working day of the month or as near to that date as is practicable. The term "Indian merchandise" comprises all goods that are of the growth, produce or manufacture of India. Indian merchandise is distinguished from Foreign merchandise in the declaration of importers or exporters made in the Bills of Entry or Shipping Bills from which the trade statistics are compiled.

The registration of the coasting trade is done separately (from the foreign sea-borne trade) in the six maritime provinces namely, Bengal, Bihar and Orissa, Bombay, Sind, Madras and Burma. The total imports into, and the total exports from, each province are divided as follows:—

1. Internal trade, i.e., trade among ports within the same province.

(This includes the trade between a Customs and a non-Customs Provincial port which is registered at a Customs port).

2. External trade, i.e., the trade, between one province on the one side and all other provinces plus non-British ports in India (e.g., Kathiawar ports, French ports, etc.) on the other.

Passengers' baggage, postal transactions and merchandise transhipped at Customs ports are excluded from the accounts of both imports and exports. Imports and exports of gold and silver coin and bullion on private or Government account, are recorded separately and are not included in the figures of merchandise. Merchandise

imported or exported on Government account, however, is outside the scope of these statistics.

Figures of quantities and values are given as declared by importers and exporters in Bills of Entry and Shipping Bills, as subsequently checked by the Customs officials. The weight recorded is the net weight, i.e., it does not include the weight of the covers or packing. According to the provisions of the Indian Sea Customs Act, VIII of 1878 (Section 30), the values of goods imported or exported represent:—

(a) the wholesale cash price, less trade discount for which goods of the like kind and quality are sold or are capable of being sold at the time and place of importation or exportation, as the case may be, without any abatement or deduction whatever, except (in the case of goods imported) of the amount of the duties payable on the importation thereof; or

(b) where such price is not ascertainable, the cost at which goods of the like kind and quality could be delivered at such place without any abatement or deduction, except as

In the foreign sea-borne trade, import or export duties are not included in the values recorded, but in the values of articles imported or exported as recorded in the coasting trade, customs and excise duties previously paid are included.

RAIL AND RIVER-BORNE TRADE

The statistics of rail and river-borne trade were published upto the year 1922 but were then discontinued on grounds of economy. The information collected prior to 1922 used to be compiled from quarterly returns furnished by the local governments and they were published in a consolidated form in an annual publication. The publication of these statistics was resumed from the year 1933-34; and it is now essentially on the same basis; but the figures are published monthly and purport to be a summary view of the inland trade of India during each month together with running totals from the beginning of the official year.

The statistics relate to the inland trade of India, carried by the railways and the steamer services, and represent the movement of the trade into and from a province taken as a whole, or a chief port or ports, the trade of which is registered separately from that of the trade of the province in

which such port or ports may be situated. The trade dealt with in these accounts would, therefore, fall into one or other of the following categories:—

(i) the trade of a province with other provinces,

(ii) the trade of a chief port with the province in which it is situated, and

(iii) the trade of a chief port with other provinces.

Goods carried from one station to another within the same province or principal trade block are not registered for purposes of these accounts.

Classification of the trade by blocks.— For the purposes of registration of these statistics the country is divided into 18 principal blocks, namely—

(i) 9 blocks representing the British provinces—Assam, Bengal, Bihar and Orissa, the United Provinces of Agra and Oudh, the Punjab (including the North-West Frontier Province and the Delhi Province), Sind and British Baluchistan, the Central Provinces and Berar, Bombay and Madras;

(ii) 4 representing the principal port towns—Calcutta, Bombay, the Madras seaports, and Karachi; and

(iii) 5 representing Indian States—Rajputana, Central India, the Nizam's Territory, Mysore, and Kashmir.

Thus, the trade shown against "Bengal" is the trade of the province of Bengal, excluding Calcutta, the trade of which is shown separately; similarly, the trade credited to "Bombay," to "Sind and British Baluchistan," or to "Madras" exclude the trade of Bombay port, Karachi or the Madras seaports for which separate figures are given. The rail-borne trade is not registered in Burma. The trade of the Indian States which lie within the external boundaries of a British province is included in the trade of that province.

The table gives a concurrent view of the imports into, and exports from, each of the 18 principal trade blocks of the commodities selected for specification in these accounts. As in inland trade the same commodity would figure once as imports into one trade block and again as exports from another, the necessity for separate tables to show the imports and exports has been dispensed with.

The plan on which the system of registration in force is based is that each of the railways should register its own imports (i.e., such traffic as is received at stations on its line within a particular province or

principal trade block from other provinces or blocks) without taking any account of the traffic which is received at such station *en route* to a destination on a different system, or to a station on the same system situated outside the province or trade block. In order to minimise the number of returns it has been arranged with the major railways that the statistics of import into stations on the minor railways with which they connect should also be registered by them. In the case of river-borne trade, the traffic is registered by the agents of the different steamer services concerned :—

- (a) between Calcutta and
 - (1) Assam,
 - (2) Bengal, excluding Calcutta,
 - (3) Bihar and Orissa,
 - (4) the United Provinces ;
- (b) between Assam and
 - (1) Bihar and Orissa,
 - (2) the United Provinces ;
- (c) between Bengal, excluding Calcutta and
 - (1) Assam,
 - (2) Bihar and Orissa,
 - (3) the United Provinces ; and
- (d) between Bihar and Orissa and the United Provinces.

The trade carried partly by rail and partly by river, when booked through and carried by steamers running on connection with railways, is to be recorded generally

by the railway administration concerned. The Inter-provincial trade borne in country boats is not so large as to justify separate arrangements for its registration, and the registration of such traffic would in any case offer serious administrative difficulties.

As the railway and steamer invoices show only the figures of quantity, the statistics offered in these accounts also relate to quantities only. Owing to the great disparity between prices for the same commodity in different parts of the country it is impossible for purposes of these accounts to work out the corresponding figures of value and experience in the past has shown that on whatever basis values are assigned to the quantity figures recorded, these are in most cases liable to make only a very vague approximation to the truth and should more often than not afford no basis for working out a true and correct balance of trade for the different provinces involved. The quantity figures entered in these accounts represent net weights, i.e., the gross actual weights recorded in the invoices less certain percentages (varying according to the class of goods involved) which have been taken to represent the weight of packing material, etc. The net weights so given are in all cases based on figures of quantity which are recorded in the invoices uniformly in standard maunds of 82 $\frac{2}{7}$ lbs.

Coasting Trade of India
Imports of Indian Merchandise
(Value in Thousands of Rs.)

	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Coal, Coke and Patent Fuel	2,47,82	2,78,72	3,21,80	2,65,83	3,02,09	...	...	1,88,16	1,45,70	1,58,84	1,89,65
Drugs and Medicines	28,58	28,17	19,85	20,06	19,17	...	...	28,88	28,90	28,37	25,00
Dyeing and Tanning substances	58,81	89,28	40,77	41,04	36,71	...	...	51,43	21,56	21,04	20,62
Fruits and Vegetables	2,02,78	2,12,64	2,51,40	2,57,75	2,48,79	...	...	1,97,12	1,61,44	1,89,74	1,70,26
Grain, Pulse and Flour—Rice	20,19,04	14,76,46	19,88,85	23,06,46	14,88,80	...	...	8,59,38	11,94,01	16,12,19	13,10,24
Wheat	1,70,88	2,13,09	2,18,67	2,49,08	2,08,56	...	...	2,37,23	1,18,49	1,78,68	98,59
Oils, Mineral ...	10,55,86	10,48,81	11,04,96	9,28,12	11,76,16	...	...	11,82,78	8,89,65	9,94,24	9,51,44
Salt ...	51,26	67,67	69,96	55,75	70,95	...	...	1,05,14	1,08,89	64,46	68,18
Seeds—Essential ...	41,74	47,02	55,82	44,87	40,55	...	...	85,81	83,80	46,28	87,08
Non-essential—Castor	4,18	8,89	24,25	15,95	9,49	...	...	5,38	5,80	4,96	9,27
Groundnut ...	16,87	34,12	55,59	36,11	50,91	...	...	22,55	18,79	57,34	31,80
Rape and Mustard	18,89	17,08	24,16	22,46	17,76	...	...	18,20	11,86	21,27	38,08
Sesamum ...	62,75	68,94	68,66	64,49	53,44	...	...	56,82	30,78	56,96	87,98
Copra ...	2,12,98	1,79,24	1,72,86	1,79,10	2,09,19	...	...	93,55	88,82	73,74	61,18
Spices ...	2,96,57	3,95,41	2,26,50	3,17,21	3,12,28	...	...	2,18,57	1,78,06	1,93,29	1,95,23
Sugar ...	87,61	84,89	26,97	19,41	28,98	...	...	16,74	25,61	31,70	87,81
Cotton—Raw ...	14,89,94	11,11,08	9,66,50	9,72,46	7,85,88	...	...	4,72,64	5,45,62	5,85,31	6,09,37
Manufactures	12,47,78	6,53,14	12,12,41	9,90,02	9,26,93	...	...	15,56,92	12,80,55	14,41,40	13,89,91
Jute Manufactures ...	6,09,83	3,83,23	5,21,80	5,74,07	4,82,42	...	...	2,37,65	2,61,71	3,24,83	2,60,91
Tobacco ...	1,45,10	1,43,51	1,49,15	1,66,83	2,05,11	...	...	1,82,02	1,36,72	1,49,72	1,21,86
Teakwood ...	3,41,17	3,33,37	3,80,03	2,83,31	3,07,79	...	...	1,64,88	1,53,32	1,81,90	1,81,14
All others ...	19,67,93	27,50,51	22,73,73	20,69,07	22,67,41	...	...	15,15,95	10,92,86	15,63,53	16,89,15
Total ...	99,63,96	1,08,11,27	95,05,17	1,01,18,69	98,78,90	91,8377	80,49,00	79,77,69	67,21,89	79,79,79	73,74,70

Details not available

Coasting Trade of India
Exports of Indian Merchandise
(Value in Thousands of Rs.)

Articles	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Coal, Coke and Patent fuel	1,79,24	2,02,19	2,41,68	1,93,28	2,18,94			1,72,90	1,25,91	1,54,95	1,34,00
Drugs and Medicines	15,70	14,92	17,54	19,55	17,85			21,56	21,03	20,52	22,49
Dyeing and Tanning substances	45,69	30,40	29,36	23,96	26,91			20,97	20,88	22,27	21,71
Fruits and Vegetables	1,69,44	1,60,11	2,14,43	2,11,63	2,10,18			1,66,79	1,32,23	1,29,15	1,37,82
Grain, Pulse and Flour—Rice	18,78,05	14,78,99	19,05,76	19,99,67	16,74,57			10,55,07	12,37,53	14,44,40	14,62,17
Wheat	1,84,24	2,38,40	2,25,34	2,53,13	2,16,56			2,33,56	1,17,17	1,68,08	87,86
Oils, Mineral	7,98,54	8,94,30	10,80,12	9,03,88	9,18,14			14,33,09	14,44,75	15,67,80	15,49,66
Salt	52,44	64,58	65,04	56,11	57,86			48,99	43,65	49,77	48,91
Seeds—Essential	47,13	46,67	63,85	43,14	41,35			84,95	36,73	37,36	39,73
Non-essential—Castor	5	3	25	15	9			81	68	41	44
Groundnut	7,37	13,00	12,97	7,30	17,37			11,39	8,36	60,44	26,72
Rape and Mustard	11,91	17,63	19,53	19,41	13,37			14,35	11,93	23,33	34,31
Sesamum	63,33	72,56	70,76	64,30	56,60			57,53	27,11	46,73	35,41
Copra	72,19	92,05	64,21	67,43	1,12,93			43,33	46,79	49,13	47,43
Spices	2,74,50	3,06,52	2,46,50	2,63,71	2,76,50			1,74,32	1,40,50	1,72,23	1,51,72
Sugar	37,05	34,52	30,15	20,23	24,27			17,31	26,41	34,11	33,30
Cotton—Raw	5,01,21	4,31,03	4,32,73	2,35,32	2,90,35			2,35,60	4,30,36	4,26,51	5,13,79
Manufactures	17,32,47	14,52,57	13,04,76	12,94,64	14,45,57			17,35,31	14,73,03	15,62,35	15,50,15
Jute manufactures	6,02,69	5,03,37	4,39,05	5,76,42	4,32,53			2,53,01	2,34,73	2,94,33	2,53,37
Tobacco ...	1,47,99	1,59,37	1,63,33	1,73,32	1,99,17			1,46,26	1,02,33	1,49,60	1,13,13
Teak Wood ...	3,17,66	3,16,33	3,25,30	2,31,95	2,92,90			1,31,29	1,31,02	2,01,42	2,26,63
All others ...	16,43,27	13,32,37	13,53,17	17,91,36	17,23,44			13,55,04	12,37,41	15,12,23	17,52,94
Total ...	87,35,57	87,37,21	33,63,01	92,55,93	35,20,94	32,63,50	71,32,00	69,72,92	71,51,04	31,23,17	32,59,24

Details not available

Ditto.

Coasting Trade of India
Imports of Foreign Merchandise
(Value in Thousands of Rs.)

	1925-26	1926-27	1927-28	1928-29	1929-30	1932-33	1933-34	1934-35	1935-36
Hardware ...	50,95	52,17	62,01	59,99	62,70	37,83	37,77	38,73	34,35
Kerosene ...	17,86	12,45	13,78	9,88	11,18	23,38	21,01	14,99	8,50
Cotton Manufactures	2,32,11	2,54,37	3,01,04	2,74,56	3,81,34	1,78,03	1,44,02	1,80,71	1,58,24
Tobacco ...	11,70	11,87	11,84	15,02	8,99	20,30	2,43	2,54	5,80
All others ...	5,65,05	5,43,52	4,94,33	4,69,83	5,68,64	4,37,12	4,58,24	4,57,38	4,65,02
Total ...	8,77,17	8,74,38	8,88,00	8,29,28	10,32,80	6,96,66	6,63,52	6,44,35	6,72,00

The details for the years 1930-31 and 1931-32 are not available. The totals are respectively Rs. 7,35,00,000 and Rs. 6,93,90,000.

Coasting Trade of India
Exports of Foreign Merchandise
(Value in Thousands of Rs.)

Articles	1925-26	1926-27	1927-28	1928-29	1929-30	1932-33	1933-34	1934-35	1935-36
Hardware ...	56,07	59,96	66,64	55,05	56,64	44,87	38,01	34,98	35,40
Kerosene ...	61,31	35,38	31,32	25,71	27,96	29,41	23,53	30,73	25,65
Cotton Manufactures	3,77,16	3,74,11	5,26,28	5,17,25	5,66,94	2,35,45	1,68,50	1,60,63	4,09,22
Tobacco ...	9,42	7,17	9,93	8,52	11,64	8,97	5,00	4,43	6,40
All others ...	6,55,73	5,85,79	6,21,42	5,18,61	6,01,54	4,31,43	5,22,74	5,43,43	5,60,22
Total ...	11,59,69	10,62,41	12,55,59	11,20,14	12,64,72	8,00,13	7,62,73	7,74,25	8,86,89

Details for the years 1930-31 and 1931-32 are not available. The totals are Rs. 9,41,00,000 and Rs. 8,41,75,000 respectively.

Coasting Trade of India

Total Trade

(Value in Lakhs of Rs.)

	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Imports of private merchandise—											
Indian ...	1,03,11	95,05	1,01,14	98,79	92,07	80,49	79,78	73,82	68,15	79,79	78,75
Foreign ...	8,77	8,74	8,88	8,29	10,09	7,85	6,94	6,97	6,68	6,46	6,71
Government Stores	1,08	1,40	1,34	1,27	1,27	1,17	1,14	(b)	(b)	(b)	(b)
Total Merchandise ...	1,12,96	1,05,19	1,11,81	1,08,35	1,03,43	89,01	87,86	80,79	74,78	86,25	80,46
Imports of Treasure	1,87	3,60	1,48	1,69	1,79	1,52	1,38	1,97	70	1,16	86
Total Imports	1,14,83	1,08,79	1,12,79	1,10,04	1,05,22	90,53	89,24	82,76	75,48	87,41	81,82
Exports of private Merchandise—											
Indian ...	87,87	83,68	92,56	85,21	82,69	71,82	69,78	74,75	72,45	81,28	82,59
Foreign ...	11,60	10,62	12,56	11,20	12,65	9,41	8,42	8,00	7,62	7,74	8,87
Govt. Stores ...	1,89	1,23	1,04	99	1,15	97	78	(b)	(b)	(b)	(b)
Total Merchandise ...	1,00,86	95,53	1,06,16	97,40	96,40	82,20	78,88	82,75	80,07	89,02	90,96
Treasure ...	2,87	2,27	1,51	1,86	1,54	1,48	2,18	1,18	78	1,10	99
Total Exports	1,03,73	97,80	1,07,67	99,26	97,94	83,68	81,01	83,93	80,80	90,12	91,95
Total Trade	2,18,06	2,06,59	2,20,46	2,09,80	2,03,25	1,74,16	1,70,49(a)	1,66,69	1,56,28	1,77,53	178,27

(a) Includes total trade of 24 lakhs under Government treasure details for which are not available under 'Bengal.'

(b) Figures not available.

Coasting Trade
Total Trade as between Provinces
(Value in Lakhs of Rupees)

Trade between	1926-27						1927-28						1928-29					
	Madras	Bombay	Burma	Bengal	Sind	Non-British	Madras	Bombay	Burma	Bengal	Sind	Non-British	Madras	Bombay	Burma	Bengal	Sind	Non-British
Madras ...	2,78	10,07	10,86	5,14	2,09	75	8,05	10,80	12,80	5,84	2,19	88	2,68	10,05	12,27	5,82	1,75	70
Bombay ...	9,52	4,29	11,98	5,91	11,46	14,51	10,47	4,84	12,66	7,48	12,28	14,75	9,06	8,68	11,77	5,69	8,91	16,08
Burma ...	10,17	9,94	5,06	19,40	1,15	87	12,82	10,20	4,26	28,25	1,55	1,18	11,85	8,97	4,18	24,62	1,01	1,68
Bengal ...	5,07	5,44	18,48	48	81	81	5,12	6,06	19,28	41	87	61	4,87	5,60	28,87	26	1,81	82
Sind ...	2,24	10,48	1,40	97	4	1,97	2,85	10,08	1,77	99	8	1,67	1,75	7,72	1,88	1,85	5	1,68
	1929-30						1930-31						1931-32					
Madras ...	2,87	11,49	12,82	5,64	2,19	72	1,78	9,57	11,15	4,98	2,17	62	1,18	8,56	10,40	4,44	2,00	58
Bombay ...	10,07	8,56	11,14	6,44	10,20	18,46	8,69	8,10	9,24	5,79	10,28	10,70	8,84	8,65	9,86	8,80	12,65	9,16
Burma ...	12,04	9,49	4,88	20,15	69	1,70	9,95	7,08	4,04	15,18	97	1,42	9,24	7,48	2,78	18,46	1,26	1,18
Bengal ...	5,84	5,67	18,60	40	74	1,14	5,20	5,81	18,96	40	74	88	4,61	6,97	18,75	88	1,55	68
Sind ...	2,27	8,78	1,02	82	8	1,57	2,18	9,00	1,69	75	12	1,78	2,87	10,45	1,97	1,60	1	1,44
	1932-33						1933-34						1934-35					
Madras ...	1,86	8,81	9,43	4,74	2,88	54	1,04	8,90	9,62	8,97	1,86	1,24	1,60	9,70	12,51	5,09	2,54	70
Bombay ...	7,80	8,91	8,67	9,68	7,02	7,27	7,75	5,10	8,68	5,48	7,81	8,44	7,91	8,18	9,25	7,09	8,88	8,20
Burma ...	9,81	9,69	8,54	18,52	2,04	1,61	10,18	9,82	8,85	14,86	2,18	1,82	12,00	10,27	8,66	17,21	2,48	2,01
Bengal ...	4,52	8,80	11,75	41	1,81	1,06	8,29	4,19	9,59	26	1,26	1,08	4,87	5,97	11,88	25	2,14	92
Sind ...	2,11	7,15	2,01	1,76	1	1,49	2,00	7,48	1,48	1,26	1	1,58	7,82	2,57	1,78	2,86	1	1,78

Trade between India and Burma—Chief Imports from Burma into India

(Value in Lakhs of Rupees)

Name of Articles	Pre-War Average	War Average	Post-War Average	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Rice in the husk ...	1,54	1,12	86	1,90	1,62	1,17	94	55	66	1,00	96
Rice not in the husk ...	4,18	7,96	10,98	14,75	12,10	8,28	8,88	6,87	9,98	11,96	11,78
Pulse ...	17	19	64	48	50	27	28	32	28	37	61
Oils, mineral—											
Kerosene ...	8,32	3,72	4,10	4,10	5,29	4,98	5,27	8,42	8,49	9,25	8,14
Lubricating ...	(a)	21†	21	34	35	46	50	70	65	69	79
Benzine and petrol ...	(a)	46‡	2,01	4,60	3,27	3,21	2,84	5,34	5,42	5,74	6,77
Candles ...	12	15	18	11	9	8	8	8	7	7	7
Lac ...	8	6	43	52	37	4	5	2	9	10	5
Wood and Timber—											
Teak Wood ...	1,17	1,32	2,39	2,53	2,65	1,93	1,52	1,63	1,64	1,82	2,09
Other Timbers ...	18	14	28	41	41	22	14	16	18	22	32
Total ...	10,71	15,38	22,08	29,69	26,65	20,64	20,00	23,59	27,47	31,22	31,58

(Quantity in Thousands)

Rice in the husk ... (tons)	214	168	98	188	173	175	269	110	161	222	174
Rice not in the husk ... (,,)	383	806	709	1,060	909	811	1,086	986	1,628	1,978	1,578
Pulse ... (,,)	19	19	46	32	35	23	33	42	44	50	74
Oils, mineral—											
Kerosene ... (gals)	97,570	110,321	119,290	110,761	120,571	118,429	120,414	126,897	122,588	127,775	114,728
Lubricating ... (,,)	(a)	2,967†	2,160	3,623	3,698	6,515	7,841	7,465	6,525	6,779	7,264
Benzine and Petrol ... (,,)	(a)	4,215‡	14,371	48,061	52,108	51,101	45,856	46,650	48,082	55,339	95,473
Candles ... (lbs.)	4,403	5,455	6,287	3,746	3,159	2,878	2,847	2,752	...	...	...
Lac ... (cwt.)	...	...	...	...	...	...	...	...	63	47	32
Wood and Timber—											
Teak Wood (C. tons)	128	110	166	160	169	125	104	126	132	154	180
Other Timbers (,,)	28	20	25	31	36	21	16	17	23	30	41

(a) Included with "Oils—Mineral—other kinds" prior to April, 1915.

† Average of 4 years.

‡ Average of 4 years representing "Petrol" only.

Trade between India and Burma—Chief Exports to Burma from India.

(Quantity in Thousands.)

Articles	Pre-War Average	War Average	Post-War Average	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Coal (tons) ..	418	842	370	615	708	654	427	341	274	381	311
Cotton Twist and Yarn (lbs.) ...	10,895	12,636	18,944	10,284	13,493	12,480	12,915	12,616	12,616	11,482	10,100
Cotton piecegoods—											
<i>Grey</i> (unbleached,—											
Indian (yds.) ...	7,859	8,570	8,649	7,286	7,905	6,797	17,757	14,664	19,651	9,978	17,638
Foreign (,,) ...	3,009	3,116	5,496	4,541	2,856	1,811	2,857	1,629	1,848	1,072	14,69
<i>White</i> (bleached)											
Indian (yds.) ...	3,707	5,895	4,485	3,024	3,625	4,984	5,849	5,595	15,671	30,194	21,574
Foreign (,,) ...	2,586	3,741	2,003	527	810	524	1,293	1,176	819	2,302	1,058
<i>Coloured, printed or dyed—</i>											
Indian (yds.) ...	12,199	21,312	18,122	15,895	13,591	11,249	20,433	22,913	36,029	44,746	29,626
Foreign (,,) ...	2,333	4,434	3,342	1,094	756	1,857	2,411	1,985	2,485	1,040	1,555
Jute bags (No.) ...	33,943	39,822	40,123	51,962	43,856	49,030	53,292	41,181	57,196	56,951	53,241
Betelnuts (cwts) ...	311	279	294	251	246	372	243	225	231	213	203
Tobacco, unmanufactured (lbs.) ...	21,160	16,432	16,637	14,477	12,614	10,225	14,014	13,399	11,115	11,466	11,441
Pulse (tons.) ...	14	12	15	12	12	13	12	13	6	6	5
Wheat flour (tons.) ...	16	12	13	23	26	23	13	19	20	22	24

(Value in Lakhs of Rupees.)

Articles	Pre-War Average	War Average	Post-War Average	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Coal ...	51	65	1.09	1.00	1.08	96	68	55	45	50	46
Cotton, Twist and Yarn ...	56	97	2.35	79	1.01	70	63	65	52	55	43
Cotton, piecegoods—											
<i>Grey</i> (unbleached)—											
Indian ...	14	22	37	19	20	17	34	23	36	33	32
Foreign ...	5	9	24	12	6	4	6	3	4	2	3
<i>White</i> (bleached)											
Indian ...	3	13	25	11	12	15	15	14	29	55	45
Foreign ...	5	13	11	2	1	1	4	3	2	5	2
<i>Coloured, printed or dyed—</i>											
Indian ...	27	60	95	53	53	43	64	70	90	106	73
Foreign ...	6	20	25	5	3	4	10	7	7	3	4
Jute bags ...	1.19	1.66	1.33	2.57	2.40	1.36	1.66	1.11	1.53	1.52	1.23
Betelnuts ...	60	56	64	60	59	43	43	34	30	27	27
Tobacco, unmanufactured ...	53	43	51	44	45	33	29	23	22	22	19
Pulse ...	20	20	36	23	26	30	13	20	9	9	3
Wheat flour ...	29	27	32	69	61	44	26	30	23	29	33
Total ...	4.53	6.16	9.52	7.44	7.35	5.91	5.51	4.63	5.07	5.23	4.63

Tonnage of vessels engaged in the Coasting Trade of India

(In thousands of Tons)

Provinces	1926-27		1927-28		1928-29		1929-30		1930-31		1931-32		1932-33		1933-34		1934-35		1935-36	
	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared
Madras ...	7,969	8,135	8,819	9,047	9,143	9,414	9,848	9,786	10,300	(a)	...	(a)	10,551	10,894	11,196	11,562	12,023	12,836	11,676	12,123
Bombay ...	8,856	4,464	4,084	4,690	4,246	4,556	4,191	4,642	4,184	4,568	...	(a)	4,471	4,504	4,568	4,876	4,709	4,954	4,885	5,052
Burma ...	5,816	5,296	5,543	5,645	6,216	6,188	6,482	6,426	6,447	6,387	6,712	6,757	6,042	6,033	4,872	4,757	4,916	4,766	4,675	4,620
Bengal ...	8,111	2,476	8,639	8,380	8,784	8,117	4,098	8,592	8,689	8,856	(c) 8,016	(c) 2,709	8,450	8,092	8,558	8,044	8,856	8,272	8,889	8,074
Sind ...	1,484	1,884	1,552	1,474	1,566	1,620	1,605	1,611	1,598	1,547	1,533	1,634	1,889	1,480	1,478	1,719	1,702	1,800	1,674	1,916
TOTAL ...	21,707	21,405	21,786	21,755	23,687	32,236	24,955	24,845	26,174	26,007	26,168	15,858	...	...	25,903	26,008	25,667	25,958	26,749	26,787

(a) Figures not available separately.

(b) Exclusive of figures for Madras.

(c) Figures for Calcutta Port only.

Volume of Inland Trade of India (1934-35 and 1935-36)
River and Rail-borne
(Volume in Thousands of Maunds).

Names of Articles	Eleven months April to February		Names of Articles	Eleven months April to February	
	1934-35	1935-36		1934-35	1935-36
Bones	2,136	2,909	Lac and Shellac	990	649
Cement	13,598	16,149	Manganese Ore	16,520	25,209
Coal and Coke	848,225	854,442	Mica	118	218
Coffee	150	158	Oilcakes	8,984	7,275
Cotton, raw	19,004	19,614	Oils—Kerosene	14,898	18,666
Twist and Yarn—(a) Indian ...	2,462	2,426	Vegetable Oils	4,480	4,289
(b) Foreign	246	318	Oilseeds—Castor	2,800	1,438
Piecegoods—Indian	7,993	8,002	Groundnuts	12,569	9,490
Foreign	1,185	1,802	Linseed	6,280	6,700
Dyes and Tans—Myrobalams ...	1,481	1,592	Rape and Mustard	7,130	5,812
Fruits, dried	7,770	6,518	Gingili or Til	2,021	2,028
Glass	863	8,77	Cotton	6,722	6,151
Grain and pulse—Rice	49,529	42,506	Ghee	626	688
Wheat	20,828	20,788	Salt	25,956	25,501
Wheat flour	5,499	5,465	Saltpetre	442	482
Others	41,068	85,900	Sugar—Refined and Unrefined ...	14,484	15,618
Hemp, Indian and other fibres (excluding Jute)	1,880	1,411	Gur, rab, etc.	9,776	11,121
Hides, raw	1,288	1,215	Tea	3,881	3,808
Skins, raw	907	1,010	Tobacco, raw	2,928	2,889
Hides and Skins, tanned and leather	609	569	Wood and Timber	18,046	14,330
Jute, raw	24,001	27,180	Wool, raw	429	644
Gunny Bags and cloth	8,931	4,049			
Iron and Steel Bars, Sheets, etc. ...	30,878	37,314			

AGRICULTURAL SECTION

JUTE

India holds the world monopoly for the cultivation of jute on a commercial scale. The growing of the plant is confined almost entirely to the Gangetic delta and the Brahmaputra valley. Jute is a fibre extracted from the bark of the plant by retting in water, and then washed and drying it. Bengal produces about 90 per cent. of the total yield, and the remaining quantity is grown in the adjacent provinces of Bihar, Orissa and Assam. The importance of jute to the world does not arise from its being a pre-eminent commercial product alone; its bearing on the entire economic structure of the province itself, is unique. Though, in respect of the total acreage sown in Bengal, jute is only second to rice,

covering 10 per cent. as compared with 72.5 per cent. under rice, (mean percentage for the decade 1921-30) the jute trade is in sharp contrast with that of rice, inasmuch as the former brings in money from outside the country. The value of the annual exports of jute and jute manufactures accounts for a remarkably high percentage, not only of the total value of the provincial exports, but also of the entire Indian exports. While jute and jute manufactures account for about 50 per cent. of the total value of exports from Bengal, these two items alone contribute more than 25 per cent. of the total value of exports from India.

The following table shows the comparative value of the jute crop to the cultivators, as compared with other crops of Bengal:—

**VALUE OF MARKETABLE CROPS OBTAINED BY CULTIVATORS
(ACCORDING TO HARVEST PRICES)**

(In crores of rupees.)

PRINCIPAL CROPS	Average for ten years 1920-21 to 1929-30	1930-31	1931-32	1932-33
Food Grains (in excess of consumption by cultivators)	20.88	21.22	17.04	18.64
Tobacco	4.57	3.30	2.44	2.18
Rape and mustard	2.96	2.01	2.42	1.07
Sesamum	0.65	0.43	0.20	0.84
Linseed	0.38	0.27	0.19	0.16
Other Oil Seeds	0.09	0.10	0.06	0.24
Cotton	0.37	0.21	0.21	0.20
Jute	85.72	17.60	10.29	8.62

While the figures given in the above table prove the immense importance of jute to the agricultural interests of Bengal, its superiority as the most remunerative crop from the point of view of agricultural economy is equally commendable. Of the four important agricultural products in India, viz., rice, wheat, jute and cotton, as far as the market value of the produce per acre is concerned, jute occupies distinctly the

highest price, as illustrated by the following table:—

(AVERAGE FIGURES FOR 10 YEARS,
1904-13 INCLUSIVE)

Crops	Area in 1,000 acres	Yield 000's omitted	Yield per acre	Market value	
				Wholesale price per Md.	of produce per acre
		Tons	Mds.	Rs.	Rs.
Rice ...	569,895	24,025	11.5	4.75	54.62
Wheat	28,145	8,752	8.4	3.78	81.88
		Bales			
Cotton	20,980	8,887	0.88	28.30	25.04
Jute ...	3,114	3,299	12.9	9.68	128.79

From the above table, it can be ascertained that, while the value per acre of jute produced amounts to about Rs. 129, the value of rice, the chief food crop of India, amounts to only Rs. 55, whereas the cotton crop yields Rs. 25 per acre.

Though Bengal possesses the world monopoly for the most remunerative agricultural product in India, it cannot boast of having utilized the unique position to its best advantage. For, the cultivation of jute is not regulated according to the requirements of the world. It is this maladjustment between production and demand that made jute the worst victim to the recent world trade depression. The average price of jute realised during the decade before the depression and the depression period would give an idea of the steep fall in the price of jute.

	Average yearly production	Average harvest price per md.	Annual values (In crores Rs.)
1919-29	470 mds.	Rs. 9-6-0	44.06
1930-34	419 "	Rs. 8-10-0	15.20

The average income from the crop during the depression period has fallen to Rs. 15 crores from Rs. 44 crores during the decade immediately preceding the depression. Such a terrible loss to the income of the people threatened, in turn, to have great repercussions on the income of the Government. The Government of India and the Provincial Governments were urged from all quarters for immediate assistance to the cultivators. But the Government appeared to be half-hearted taking any immediate measures. At last, the Bengal Legislative Council appointed a Jute Enquiry Commit-

tee, which, after about two years of enquiry, submitted a report. Meanwhile, the country had been caught in the grip of depression, and suffering from its effects. After great deliberation, and much leisurely consideration of the Jute Enquiry Committee Report, what the Government of Bengal decided was to launch a campaign amongst the cultivators for the voluntary restriction of the acreage under jute in the 1934-35 season. The very announcement of the Government resulted in a substantial improvement in the price of jute, though the bulk of the trade was sceptical of any success. The propaganda was not considered a great success at the end of the season; for, though the production showed a small reduction over the previous season, it was partly due to adverse weather conditions. Again, in the 1935-36 season, the Government stuck to the same policy and started voluntary restriction propaganda; but, so far as the market is concerned, it has taken a very bearish view of the crop.

The area under jute is normally between 20 to 25 lakhs of acres (its maximum was reached in 1907-08 with 38.8 lakhs of acres, and minimum in 1921-22 with 15.4 lakhs of acres). The average holding of the jute growing ryots is 3 acres, of which they put 1 acre under jute. The normal outturn of jute per acre is 3.7 bales in Dacca and Chittagong Divisions, 3.5 bales in Rajshahi Division, 3.2 in the Presidency and Burdwan Divisions, 3.3 in Bihar and Orissa and 3.5 in Assam. The sowing period extends from March to May, and harvesting is carried on in June and July.

The following table gives the area under jute in the three provinces of India for the last six years and 1920:—

Year	BENGAL		BIHAR & ORISSA		ASSAM		TOTAL	
	Acres	Bales of 400 lbs.	Acres	Bales of 400 lbs.	Acres	Bales of 400 lbs.	Acres	Bales of 400 lbs.
1920	2,169,000	5,247,000	179,000	380,000	125,000	275,000	2,509,000	5,915,000
1930	3,062,800	9,966,000*	238,000	670,000†	185,800	595,000	3,485,600	11,281,000
1931	1,613,700	5,002,700*	148,800	367,200†	99,800	106,600	1,861,800	5,565,500
1932	1,845,700	6,218,500*	170,000	518,500†	127,400	840,100	2,148,100	7,097,100
1933	2,168,700	7,092,100*	192,100	478,200†	180,200	367,900	2,491,000	8,012,000
1934	2,347,700	7,749,500*	178,800	472,000†	148,600	308,900	2,670,100	8,525,400
1935	1,689,000	5,759,500*	145,600	380,700†	112,400	256,500	1,947,000	6,896,700

* includes Cooch Behar & Tripura States
†including imports from Nepal

The above figures are taken from the forecast issued by the Government. But private estimates of the trade have proved

to be more reliable. The following table shows the actual production of jute and the distribution of the same from 1930-31:—

(IN LAKHS OF BALES)

Year	Yield	Indian Mills purchases	Export of raw jute	Domestic consumption
1930-31	101.53	62.26	34.27	5
1931-32	65.57	30.04	30.53	5
1932-33	87.96	47.29	35.67	5
1933-34	79.90	32.90	42.00	5
1934-35	90.00	...	42.11	5

Indian mills are buyers of Jat, District and Northern jute mostly, but they also buy small quantities of the Tossa and Desi varieties. The United Kingdom and Germany are our largest buyers of jute. Dundee purchases high class jute of all grades, and particularly Desi and Tossa. The Continent purchases white jute of Northern and Western grades, and also ordinary quality of Desi and Tossa.

Calcutta is the chief centre of the jute trade. Around the city on the banks of the Hooghly are situated many jute mills. Jute is purchased from cultivators in the mofussil markets, and sent to Calcutta and mill stations in kutchha bales by boats and rail. In Calcutta, it is assorted and pressed into pucca bales of 400 lbs. each by the balers. The jute balers have got an organisation of their own called the Calcutta Jute Balers' Association, who practically control the sales of ready jute. There is also a futures market for jute in Calcutta managed by the East India Jute Association, which is an organisation limited by guarantee and holding a membership of about 300. The futures market is controlled by a Board consisting of members of the various organisations of the trade. The futures market has got an important bearing in the fluctuations of jute prices.

COTTON.

In India's agriculture, cotton is second only to rice. Its importance may, in a view, be said to be even greater than that of rice, in as much as, unlike rice, cotton is a money crop. It is the raw material for a staple industry. Besides a very considerable internal market, it enjoys a wide export trade which, even in these days of very severe international competition, shows

promise of considerable expansion. In the world market, Indian cotton is second only to that of American, with which it accounts for more than half of the total world production. It is significant that the spread of cotton cultivation in certain new areas of the world has been mainly at the expense of the American and not of the Indian product. The world's cotton trade is today in a much disturbed condition, the distribution of cotton production and of mill activity being subjected to more or less radical changes. But one would still be justified in saying that the position of Indian cotton, given a reasonable degree of vigilance on the part of the Government and the trade in India, will be found to be unassailable. From the standpoint of the national economy, too, the importance of cotton growing in India can hardly be under-rated. For, in somewhat strange contrast to the position of the Indian cotton in the world markets, cotton growing in this country is still, like the rest of our agriculture, on primitive lines. The backwardness of cotton cultivation can be easily understood if it is mentioned that, while in Egypt the average yield per acre is about 400 lbs. and in the United States 160 lbs, in India it is only about 80 lbs. per acre, which is slightly more than half the world average of 150 lbs. Cotton cultivation thus offers not a little scope for the activities of the Imperial Council of Agricultural Research; and much has been done in recent times to encourage the hope that, with more favourable conditions, much will be done in the coming years to improve the yield and, therefore, the cost of production and the competitive capacity of Indian cotton. Another important aspect of cotton in India is that its production is well spread over nearly all parts of India

and that measures for improving its position and prospects will shower their benefits on all the provinces, unlike most economic measures, which may be represented to be partial to one province or two at the expense of the others. It is also noteworthy that the cotton textile industry in India is not merely on large scale and capitalist lines, but it also embraces a hand-loom industry, which is run as a cottage industry and which, with encouragement, is capable of becoming a very

valuable support for the rural masses. Cotton may, therefore, be said to run through the gamut of India's economic life and has, therefore, a far greater claim on state policy than any other single economic factor.

As mentioned already, India and the United States together account for very much more than half the total of the world production of cotton. The following table gives the figures of production for the various producers of cotton in the world:—

WORLD'S COTTON CROPS

(In Thousands of bales of 500 lbs.)

Country	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United States—						
Lint	14,825	13,982	17,096	13,002	18,047	9,686
Linters	1,241	986	1,067	912	982	975
Total	16,066	14,918	18,163	13,914	14,029	10,611
Mexico	240	174	208	99	255	209
Brazil	564	460	554	396	989	1,412
Peru	266	249	228	281	298	280
Argentina	188	136	165	146	195	200
Other South American	66	57	46	89	64	70
India*	5,243	5,224	4,007	4,657	5,068	4,807
China	2,055	2,317	1,788	2,195	2,683	3,115
Japan and Korea	187	147	99	129	218	255
East Indies, etc.	18	18	15	14	14	14
U. S. S. R.	1,279	1,589	1,846	1,757	1,846	1,987
Persia	78	64	107	79	100	100
Iraq, Ceylon, etc.	4	8	1	†	†	2
Asia Minor etc.	143	120	131	68	189	174
Egypt ...	1,706	1,655	1,271	991	1,715	1,511
Sudan ...	127	96	188	110	126	212
East Africa (British)	181	166	182	269	268	286
South Africa (British)	14	8	8	2	8	8
West Africa (British)	85	15	5	20	22	40
Non-British Africa	121	125	96	121	158	150
West Indies (British)	4	4	2	2	8	8
West Indies (Others)	25	21	31	26	23	29
Australia, etc.	10	12	4	11	18	18
World's Total	23,467	27,576	29,080	25,330	28,169	25,888
World's (excl. U. S. A.)	12,401	12,658	10,917	11,466	14,140	14,777
Percentage of Total	48.6	46.0	37.5	45.2	50.2	58.2

*Government estimate, 400 lb. bales.

†Less than 500 bales.

It is interesting to note that while, during the last few years, America's share of the total output of cotton has been increasing, she has also been losing ground in the world markets not only to her old rivals but also to certain new countries which have increased their output and are now planning for further expansion of the acreage under cotton. This development must be attributed to the comparatively higher price of cotton, which has resulted from the special measures taken by the

Roosevelt Administration to maintain the price of cotton at a certain level without reference to world prices. The American Government has, during recent times, made loans at 12 cents. per lb. of cotton. The American Government has also large stocks of cotton on hand, the disposal of which is one of the more anxious problems of the Administration. In the middle of 1935, however, proposals have been under consideration by the American legislature for lowering the rate at which

loans are made to cotton growers. Towards the close of August the Government announced a loan of 10 cents. per lb. only. According to the new scheme the A. A. A. has to pay the cotton farmers amounts equal to such difference, if any, as may exist between 12 cent. and the average price for 7/8th inch middling spot on the markets from 1st September to 1st January, 1936 and payment being limited to the Bankhead allotment of each farmer. The scheme was considered to be a constructive one by the cotton trade in general, in view of the fact that it would rejuvenate the export trade in American cotton. The reduction in the loan was brought about by the American Administration after careful consideration as the high artificial price level of American cotton was taken advantage of by foreign growers, who steadily increased their production of cotton, which consequently reduced the foreign demand for Americans.

It is in consideration of this difficult position that at the beginning of 1935 Mr. Roosevelt endeavoured to bring an international agreement in respect of the restriction of cotton production and the regulation

of the export trade. The proposals were addressed to the British Government not only because Lancashire is far and out the biggest consumer of American cotton, but also because the British Government are obviously in a position to regulate the conditions in India. But, so far, Mr. Roosevelt's efforts have not met with any success. The British Government is not in a position to enter into negotiations with the United States on this subject. For, under the terms of what is known as the Mody-Lees Pact Great Britain is under obligation to encourage the use of Indian cotton in Lancashire; and much has been done already by way of enlisting the support of the British cotton mill industry for this object. The British Government have, therefore, expressed their inability to negotiate for any understanding which has expansion of America's export trade in cotton as one of its objects.

This takes us to a consideration of India's exports of cotton. The following table gives the volume and value of our cotton exports during the last six years and the pre-war average.

EXPORTS OF RAW COTTON

Country to which Exported	<i>(Quantity in Thousands Bales of 400 lbs.)</i>								<i>(Value in Lakhs of Rupees)</i>						
	Pre-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	Pre-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	
United Kingdom	122	281	168	168	342	347	455	172	3.00	1.54	161	3.87	3.32	4.50	
Other parts of British Empire	80	6	8	2	8	8	8	41	11	5	3	...	3	5	
Japan	...	1,012	1,636	1,080	1,085	1,105	2,053	1,759	14.51	20.99	11.05	11.12	11.38	21.08	17.94
Italy	...	233	362	134	151	261	273	155	3.13	3.77	1.62	1.44	2.39	2.55	1.42
France	...	109	232	81	123	161	143	165	1.51	2.59	79	1.17	1.53	1.85	1.62
China (exclusive of Hongkong, etc.)	...	81	606	436	134	345	142	100	4.8	7.41	4.52	1.33	3.30	1.29	1.05
Belgium	...	277	217	121	123	144	153	2.31	3.63	2.64	1.13	1.30	1.4	1.43	2.25
Spain	...	50	106	45	50	55	60	68	7.8	1.16	42	49	63	55	64
Germany	...	351	309	166	151	246	153	253	4.45	3.29	143	1.33	2.09	1.35	2.56
Other Countries...	...	192	121	85	71	159	153	193	2.66	1.37	80	55	1.40	1.40	1.72
Total British Empire	...	152	237	171	170	345	350	453	213	3.11	1.59	1.64	3.37	3.45	4.55
Total Foreign Countries	...	2,255	3,639	2,193	1,893	2,476	3,140	2,933	31.15	43.22	21.36	13.73	23.22	31.05	33.20
GRAND TOTAL	...	2,407	3,926	2,369	2,043	2,821	3,490	3,386	33.28	46.33	23.45	26.59	34.50	38.77	

It will be found that, in the years of the depression, the cotton trade was subject to vicissitudes of which the slump in India's exports in the year 1932-33 is the most noteworthy. As is well-known, this slump was due to the boycott of the Indian cotton carried out by Japan in answer to India's treatment of Japanese piecegoods. During the period Indian cotton was subjected to the boycott, the price of cotton slumped heavily leading to serious distress among the cotton growers. The Japanese cotton textile industry also was hard pressed; and, in these conditions, it was found comparatively easy for Japan and India to come to an agreement laying down somewhat variable quotas for the export of India's raw cotton to Japan and Japan's export of piecegoods to this country. It will be seen from the figures of our exports of cotton during the last two years that Japan has kept her part of the agreement in regard to her off-take of Indian cotton, though, it may be added, here and there, there are complaints of Japan's attempts to evade the Pact in respect of her exports of piecegoods by resorting to various questionable devices. The principal market for Indian cotton is the United Kingdom. But, one serious impediment in the way of increasing exports to Lancashire is that the Indian product is a short-staple for the products of Lancashire than the American. It is in consideration of this fact that the Mody-Less Pact, to which reference has already been made, contemplated the pursuit of propaganda both in Lancashire and in India with a view to improve the quality of cotton in this country and, at the same time, to bring about those technical refinements and adjustments which will enable Lancashire to consume more and more of Indian cotton. We have been repeatedly assured by the British Government as well as the British cotton mill industry that the propaganda in that country is progressing satisfactorily and that before long, India will be able to reap the tangible benefits thereof.

The foregoing account is designed to sketch in broad outlines the position and prospects of India's cotton in the world markets. Though, at the moment, the greater part of India's production is exported for foreign consumption, it should not be forgotten that India has a large cotton mill industry of her own, which has expanded in the past and which is far from having grown to the fullest extent demanded by the internal consumption. Though the efforts to increase the exports to the United

Kingdom and Japan have met with success in the recent past, the country can hardly afford to lull itself into a false sense of security as the principal Continental markets may well have a tendency to restrict imports. Such has, at any rate, been the case with Germany, where the imports of Indian raw cotton have been temporarily prohibited from the end of March, 1934. Apart from this, the export of raw material, which can be utilized for internal production, is obviously an instance of national waste, and the sooner it is stopped the better.

The following table furnishes the acreage under cotton in the principal cotton producing countries of the world:—

	Area in 1,000 Acres		Yield in 1,000 Bales of 400 lbs.	
	1933-34	1934-35	1933-34	1934-35
U.S. A. ...	30 144	26,987	16,471	12,045
India ...	28,561	24,028	46,88	4,858
China ...	6,023	6,828	82,78	8,908
Egypt ...	1,878	1,798	2,174	1,957
Uganda ...	1,091	1,171	260	256
Korea ...	429	474	175	170
Anglo-Egyptian Sudan ...	832	865	...	284

As has been already hinted, while the acreage under cotton in India is more than 75 per cent. of the area in the United States, the output is only about a fourth of the American production. But, this production is spread over nearly all parts of India, and the following table furnishes the figures of acreage and yield for the principal cotton-producing provinces of India.

	1934-35	1934-35
	(Area in 1,000 Acres)	(Yield in 1,000 Bales of 400 lbs.)
Bombay ...	6,812	1,885
C. P. & Berar ...	4,240	611
Punjab ...	2,878	1,241
Madras ...	2,272	455
U. Provinces ...	715	194
Hyderabad ...	8,101	448
Central India ...	1,178	181
Baroda ...	800	69
Gwalior ...	688	58
Other Provinces ...	1,206	220
Total ...	28,880	4,807

It may be easily guessed from a glance at the above table that, as cotton production is spread over a wide variety of climatic conditions, there is no uniformity in respect of the season for sowing and planting. Another circumstance tending to aggravate

this lack of uniformity is that in certain areas, the cotton lands are not irrigated but rain-fed. The Bombay presidency occupies a pre-eminent position in the production of cotton, and in the other provinces, its place in the provincial economy can hardly be under-rated. There is a wide range of Indian cottons, the chief of which are Broach, Khandesh, Kumta-Dharwar and Sind in Bombay; Oomras in Centra Provinces and Berar; Cocanada, Kambodia, Karungani and Tinnevellys in Madras Presidency, Sind-Punjab and Punjab-American in the Punjab; Bengals in United Provinces and Comilla of Bengal and the other north eastern provinces. Under the Indian Cotton Cess Act, a cess of As. 2 per Standard bale of cotton is levied on the Indian cotton exported to foreign countries. On cotton consumed in the Indian mills, a cess of six pies per lb. is levied. This cess forms the funds of the Indian Central Cotton Committee, which devotes it to improvements in cotton-growing, marketing and for carrying on research work in this connection. The cotton trade, however, is regulated in the Bombay presidency by the East India Cotton Association, which is a statutory body with power to control transactions in raw cotton. It was in 1918 that provision was made for a unitary control of the dealings in raw cotton, which, before that year, were conducted under the rules of the Bombay Cotton Trade Association or of the Bombay Cotton Exchange. The East India Cotton Association came into being in 1932 and, since then, the cotton trade has functioned smoothly and efficiently. In other parts of India, the cotton trade is not so organised as in Bombay, but the ready marketability of this commodity and the busy export trade have brought about close links between the cotton-grower and the exporting houses through a series of middlemen, who may be said to be common to almost all the principal agricultural staples. There is a general movement in favour of brining the marketing of cotton within the scope of the co-operative movement. But, this, as most other reforms in India's rural economy, would seem to be a slow progress.

Apart from these problems connected with the improvement in methods of cultivation and of marketing, the question of enabling the area under cotton and the total production to regain the levels of the pre-depression period was to be tackled by the Central Cotton Committee. For, it is to be remembered the area under cotton underwent a steady decline from 1929-30

up to 1932-33 and that thereafter there was a slight rise in 1933-34. 1934-35, however, according to the revised figures, failed to keep up the upward trend. The position may be better appreciated by a glance at the following table:—

	Acreage (In 1,000's)	Production bales (In 1,000's)
1929-30 ...	25,922	5,248
1930-31 ...	23,812	5,224
1931-32 ...	23,522	4,064
1932-33 ...	22,433	4,656
1933-34 ...	24,136	5,068
1934-35 ...	24,423	4,858
1935-36 ...	25,138	5,728

It will be seen that, though the production in 1934-35 was only 4.8 million bales, in 1935-36 the production of cotton improved substantially to 5.7 million bales. The Indian Central Cotton Committee has also achieved considerable success in other directions also. It is through its efforts that several legislative measures designed to improve the growing and marketing of Indian cotton have been introduced in British India and in Indian States. Under its direction scientific investigations are carried on into the causes and prevention of cotton pests and the Committee also finances large-scale operations for the rapid extension of improved types of cotton. Valuable and accurate statistics are also maintained by the Committee and on the research side the Committee's Technological Laboratory at Matunga is proving to be of immense benefit to the agriculturists and the trade.

RICE

Rice is, in many respects, the most important of India's agricultural products. Its cultivation, like that of cotton, is spread over nearly all parts of India. And the total acreage under rice was in 1931-32, for instance, as much as 84 millions, which is far in excess of the acreage under any three of the other crops. It contrasts, for instance, with 33.8 million acres under wheat in 1931-32 and 23.5 million acres under cotton. But the position of rice in each province is somewhat different in that the proportion between the exports and internal consumption in each province is not the same. But nearly every province, excepting Burma, consumes the major portion of its production. Bengal and South India are unique in that they enjoy an export trade in the better quality rice and import a part of their requirements of low grade rice from Burma. India's export trade in rice has been subject to severe fluctuations in recent years and her

Rice Forecast

PROVINCES AND STATES	AREA IN ACRES		Increase (+) or Decrease (-)		YIELD IN TONS		Increase (+) or Decrease (-)	
	Current year	Previous year	Actual	Per cent	Current year	Previous year	Actual	Per cent.
Bengal :—	1935-36	1934-35			1935-36	1934-35		
Autumn crop ...	5,851,000	5,572,000	+ 279,000	+ 5.0	2,015,000	1,842,000	+ 173,000	+ 9.4
Winter ,, ...	14,887,000	14,760,000	+ 77,000	+ 0.5	5,003,000	6,222,000	- 1,219,000	- 19.6
Summer ,, ...	895,000	408,000	- 18,000	- 3.2	183,000	209,000	- 26,000	- 12.4
Bihar & Orissa :—								
Autumn crop ...	3,185,000	3,381,000	- 246,000	- 7.3	792,000	924,000	- 132,000	- 14.3
Winter ,, ...	10,016,000	10,813,000	- 297,000	- 2.6	2,612,000	3,751,000	- 1,139,000	- 30.4
Summer ,, ...	41,000	40,000	+ 1,000	+ 2.5	15,000	13,000	+ 2,000	+ 15.4
Assam :—								
Autumn crop ...	1,019,000	901,000	+ 118,000	+ 13.1	267,000	219,000	+ 48,000	+ 21.9
Winter ,, ...	3,694,000	3,676,000	+ 18,000	+ 0.5	1,197,000	1,235,000	- 38,000	- 3.1
Summer ,, ...	188,000	193,000	- 5,000	- 2.6	88,000	87,000	+ 1,000	+ 1.1
Bombay :—(a)								
Autumn crop ...	8,805,000	8,524,000	- 281,000	- 3.2	1,297,000	1,587,000	- 290,000	- 18.3
Spring ,, ...	18,000	18,000	...	...	6,000	8,000	- 2,000	- 25.0
Burma ...	12,494,000	12,688,000	- 194,000	- 1.5	5,018,000	4,532,000	+ 486,000	+ 10.7
Madras ...	11,000,000	11,056,000	- 56,000	- 0.5	4,904,000	4,981,000	- 77,000	- 1.5
United Provinces (b) ...	6,690,000	6,489,000	+ 201,000	+ 3.1	1,990,000	1,946,000	+ 44,000	+ 2.3
Central Provinces and Berar (c) ...	6,801,000	6,762,000	+ 39,000	+ 0.6	1,780,000	2,059,000	- 279,000	- 13.5
Coorg ...	83,000	83,000	...	...	54,000	38,000	+ 16,000	+ 42.1
Hyderabad ...	922,000	1,184,000	- 262,000	- 22.1	283,000	355,000	- 72,000	- 20.3
Mysore ...	733,000	680,000	+ 53,000	+ 7.8	210,000	178,000	+ 32,000	+ 18.0
Baroda ...	206,000	228,000	- 22,000	- 9.6	52,000	67,000	- 15,000	- 22.4
Bhopal (Central India) ...	26,000	24,000	+ 2,000	+ 8.3	8,000	8,000	...	...
Total	81,454,000	81,980,000	- 526,000	- 0.6	27,719,000	30,261,000	- 2,542,000	- 8.4

(a) Including Sind and Indian States (b) Include autumn, winter and summer and Rampur State
(c) Includes Indian States

position in the export markets has proved to be more vulnerable than one would have suspected a few years ago. But it is doubtful if, at any time, her predominant position as a producer of rice can be challenged. The disparity between India's output of rice and that of other principal rice-growing countries may be seen from the following table:—

PRODUCTION OF RICE.
(In Quintals 000's omitted)

	1929-30	1931-32	1932-33	1933-34
British India	474,949	508,264	471,462	460,301
Japan ...	107,703	99,850	109,208	128,119
Dutch East Indies ...	54,792	55,708	54,041	...
Siam ...	39,058	41,011	51,164	48,285
Korea ...	24,778	28,704	29,559	32,811
Formosa ...	11,720	13,526	16,184	15,130
Madagascar	6,150	7,150	6,783	...
U. S. A. ...	8,288	9,160	8,248	7,271
Italy ...	6,737	6,662	6,566	6,078
Asia ...	805,810	803,300	824,100	832,000
Africa ...	16,980	15,600	19,560	...
Euorpe (excluding U. S. S.R.)	10,215	9,700	10,170	9,500
S. America ...	13,660	13,660	13,200	...
World ...	856,000	883,000	877,000	880,000

India thus produces nearly half the total world output. But while, during this period, India's production has fallen from 474 million Quintals to 460 million Quintals, 110 millions to 131 millions in 1933-34 (the decrease in 1934-35 being due to failure

of crops); Siam from 43 to 52 millions, Korea from 28 to 31 million, and Formosa from 12 million to 16 million quintals. In this decrease of India's production and the increase of the production of foreign countries, lies the most important problem relating to rice. For, they show the extent to which India is losing the foreign markets for her rice and the rate at which India's customers are fast becoming her competitors in the rice trade. This process began with Japan's attempt to retaliate against India for the preference which she accorded to British steel at the time the first scheme of preferential duties was brought in in the Iron and Steel Protection Act of 1926. This Act deprived India of the Japanese market; and Japan has since changed herself rapidly from an importer of rice into an exporter the self-same product. But though in the case of Japan a political factor may be said to have been in operation, in the case of the European countries, the change must be attributed to what may well be called the discovery that large tracts in Western and Southern Europe are capable of producing rice in large quantities. The Mediterranean sea board has proved particularly fertile in this respect; and a recent trade agreement between Germany and Italy provides for Germany deriving a large part of her requirements of rice from Italy. The changes in India's export trade of rice may be epitomised in the following table:—

RICE NOT IN HUSK

(In Tons)

	1929-29	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom ...	89,587	57,876	131,083	75,210	71,415	88,875	49,687
Germany ...	270,821	162,238	226,676	223,106	246,118	157,934	79,174
Netherlands ...	124,989	100,364	112,412	95,641	80,835	62,408	34,898
Ceylon ...	426,345	444,737	409,869	394,314	403,829	391,501	423,706
Straits Settlements	229,057	265,835	289,757	156,479	153,971	185,436	183,418
Sumatra ...	184,291	129,307	95,843	62,491	69,805	70,018	74,741
China ...	260,049	467,246	416,309	233,323	170,613	173,425	71,747
Egypt ...	44,319	21,921	111,502	86,235	24,102	29,333	13,556
Cuba ...	83,371	91,392	70,173	89,043	46,190	16,715	25,399
Other countries	679,950	513,363	437,291	506,304	466,086	466,347	432,334
Total	2,298,229	2,253,784	2,301,415	1,828,196	1,782,539	1,592,537	1,398,610

While the decrease in the India's export of rice constitutes in itself a perplexing problem, we have also had during the last two years a far more serious menace in the shape of imports of cheap rice from Siam and Indo-China. The Southern Presidency has been more exposed to this attack than other parts of India, and as the conditions of the rice trade had already been depressed, partly on account of the world economic crisis and partly on account of certain local factors, the imports of Siamese rice created a very

acute situation, in which the rice-growers had of necessity to organise themselves for the purpose of agitating against such imports and demanding from the Government of India an import duty on rice. As in most other popular demands, the Government evinced the utmost reluctance to afford this relief to Indian rice and finally conceded a grudging and inadequate relief in the shape of a duty of As. 12 on every maund of broken rice. It is yet too early to say whether this has afforded any relief, but it

seems certain that a levy of a small duty on broken rice alone gives the Siamese exporter more than one easy means of evading this obstacle.

The loss of the foreign markets and the advent of foreign competitors even at home make it fairly clear that our national policy in regard to rice must concentrate more and more on the internal demand. There can be no question that, in consideration of the increase in the total population and the extent to which the masses are under-fed in this country, there is a large scope for increasing consumption and thus ensuring a balance between internal production and consumption. In this context, it is noteworthy that, when the reforms come into being, Burma will have been constituted into a separate unit of the Empire. Considering that the imports of rice from Burma into the mainland amounted to 2,311,003 tons in the calendar year, 1934, it is worth while examining whether, in consideration of the plight of the rice-growers, India may not levy a duty on Burmese rice and thus endeavour to stabilise the rice trade in this country. Such a course would be necessary, if only because an expansion of internal wealth by means of reclaiming more lands for rice cultivation would not otherwise be possible.

In spite of the very pessimistic view we have taken of the prospects of Indian rice in foreign markets, it is necessary to refer to the preference accorded to Indian rice in Britain and a few other countries of the Empire under the Ottawa Pact. But so far, the preference has not been very effective. It has been said that Indian rice is not sufficiently polished or otherwise well prepared for the market so as to attract the British consumers; and it is significant that the British spokesman have emphasised the importance of India giving more attention

to the finish of the product in order that she may gain the full benefit of the preference granted to her. India is assured, at the same time, that the intrinsic quality of her rice is in no way inferior to that of the Spanish product, which is very much in demand in Great Britain.

SUGARCANE

With the rapid development of the sugar industry in India during the past decade, sugarcane has gained the importance of a prominent and paying crop. Till ten years ago, India had been importing sugar worth about Rs. 15 crores annually. The development of the sugar industry not only brought down the value of total imports to about Rs. 2 crores in 1934-35, but helped, at the same time, the growth of sugarcane cultivation. And, to-day, India occupies the first place among the producers of cane sugar in the world. The annual value of the crop is estimated at Rs. 60 crores. The amazing progress in sugarcane cultivation can be seen from the following table:—

Year	Area in 1,000 acres	Gross production of Gur in 1,000 tons	Calculated production of sugarcane in 1,000 tons
1925-26	2,806	8,148	84,882
1931-32	3,076	4,116	43,816
1932-33	3,485	4,859	51,129
1933-34	3,488	5,055	52,455
1934-35	3,596	5,268	54,846

Sugarcane grows in almost all the provinces of India. United Provinces is the largest producer of sugarcane, her share of the total production amounting to about 54 per cent. The second place is held by Bihar and Orissa, though the Punjab claims to be the second as regards the acreage sown. The following table shows the total acreage and yield of sugarcane in the various provinces of India:—

Provinces and States	Area (1,000 acres)		Yield (1,000 tons)		Yield per acre lbs.	
	1935-36	1934-35	1935-36	1934-35	1935-36	1934-35
United Provinces (a)	2,249	1,840	8,886	2,758	8,828	8,858
Punjab	478	462	858	826	1,695	1,581
Bihar and Orissa	465	445	668	678	8,218	8,888
Bengal	825	276	560	492	8,860	8,998
Madras	181	122	860	821	6,156	5,894
Bombay (b)	121	114	818	266	5,794	5,227
N. W. F. Province	58	48	68	41	2,488	2,186
Assam	85	85	85	84	2,240	2,176
C. P. and Berar	80	29	49	47	8,659	8,680
Delhi	8	8	8	8	2,240	2,240
Mysore	50	46	58	48	2,874	2,094
Hyderabad	59	51	99	98	8,739	4,085
Baroda	8	2	8	8	2,240	8,860
Bhopal	5	4	5	4	2,240	2,240
Total	4,007	3,479	5,905	5,109	8,801	8,291
(a) Including Rampur State.						
(b) Including Sind and Indian States.						

It will be seen from the above table that Madras, with 6,156 lbs. per acre, leads in respect of yield per acre; Bombay with 5,794 lbs., comes second; and the United Provinces, third, with 3,323 lbs. per acre.

Out of the above total area, about 67 per cent. was under improved varieties. The Imperial Council of Agricultural Research has been doing good work in recent years for the propagation of improved varieties of cane among the cultivators. In this connection, the research work carried on by the Imperial Sugarcane Station at Coimbatore on cane-breeding technique has been of immense benefit to cultivators. The Sugar Committee of the Imperial Council recom-

mended, in July 1935, a grant of 2 annas per rupee out of the proceeds of the Excise duty on sugar for research, while the Tariff Board recommended a grant of Rs. 10 lakhs per year for this purpose. The total amount of grant, made or promised, to the Imperial Council, for expenditure on Sugar Research up till now, approximately amounts to Rs. 35 lakhs. This shows the great value placed on the importance of research work in sugarcane. Indeed, skilful research work would be of great value to the prosperity of the industry, as well as of the agriculturists, as the percentage of recovery of sugar in factories in India is far below the average recovery in Java, which fact is evident from the following table:—

AVERAGE PERCENTAGE OF RECOVERY OF SUGAR IN INDIAN AND JAVA FACTORIES

Year	India	U. P.	Bihar	Bombay	Java
1931-32 ...	8'89%	8'59%	9'06%	...	11'92%
1932-33 ...	8'66%	8'55%	8'60%	10'00%	11'16%
1933-34 ...	8'80%	9'08%	8'82%	10'00%	12'64%
1934-35 ...	8'66%	8'56%	8'79%	10'37%	12'85%
1935-36 (Estimated)	8'87%	8'90%	8'80%	10'00%	...

Unlike the Java factories, which cultivate sugarcane around their factories by using modern appliances, the factories in India are mostly dependent, for their supply of cane, on a large number of cultivators. It is to be hoped that the united efforts of the Government authorities in the various provinces to fix a improved methods of cultivation in future, and benefit the industry greatly.

Apart from Government's help in the matter of improvement of sugarcane, another direction in which the cultivator can be benefitted, is by means of the efforts of authorities in the various provinces to fix a minimum price for sugarcane. The United Provinces and Bihar have made rules under the Sugarcane Act of 1934 regulating the purchase of cane and fixing the basic price of cane at 5 annas a maund. Though the Governments of these Provinces were confronted with many difficulties on their way, they are successfully combating them all, one by one. In October 1935, the Government of Madras issued draft notifications declaring certain areas in the presidency as "controlled areas", and fixing the minimum price for the purchase of cane in those areas. The Bengal Government are also considering the application of the provisions of the Sugarcane Act in Bengal. The Mysore Government are also reported to have decided to fix minimum prices for cane in Mysore.

India holds the first place among the producers of cane sugar in the world. Ten years ago, the first place in production belonged to Cuba which produced 161 per cent. more than India, but to-day the position is heading to be the reverse. While the total production of sugar in India in 1934-35 amounted to 31 million quintals, that of Cuba has amounted to only 22 million tons. The following table gives the world production of cane sugar for 1934-35 with comparative figures:—

WORLD PRODUCTION OF CANE SUGAR

(In Quintals : 000's omitted)

Countries	1925-26	1932-33	1933-34	1934-35
India ...	18,100	28,600	29,700	31,000
Cuba ...	46,900	19,000	21,600	22,080
Formosa ...	4,999	6,837	6,470	9,285
Hawaii ...	6,680	8,790	8,740	8,700
Phillippines ...	5,510	12,182	14,880	7,600
Australia ..	5,263	5,899	6,513	6,700
Brazil ...	9,040	9,700	6,500	7,000
Java ...	19,416	18,726	6,171	4,786
Puerto Rico ...	5,140	7,110	9,410	6,840
South Africa ...	2,176	8,256	8,549	3,254
World ...	150,200	145,900	144,700	186,000

Europe, America and Russia are producers of beet sugar. The total production of beet sugar in the world in 1934-35 amounted to 87.5 million quintals, as compared with 80.6 millions in the previous year, and 70.5 in 1925-26. Germany is the largest producer of beet sugar, her share of the total production in 1934-35 amounting to 14.9 million quintals. Russia produced 14 million quintals, United States 10.5 millions, France 10.6 millions, and the United Kingdom 6.1 millions.

WHEAT

Wheat is one of the few agricultural commodities of India which has no large international importance, for India's annual output of wheat is only a tenth of the total world production and during recent years her exports have dwindled to practically nothing after having figured even as

a positive importer of wheat from Australia. It is possible that on the completion of the Sukkur Barrage the export surplus now available, which may be estimated at 20 per cent. of the total production, may show a considerable expansion. But with the vast expansion effected by Russia and the tendency of the wheat importing countries to attain self-sufficiency in respect of their requirements, it seems more or less certain that India will never again figure as a large-scale exporter of wheat. It must be mentioned, however, that 1934-35 has shown a small improvement in export and the import duty has been reduced in the Budget of 1935 in order to restore price parities. The following table shows the output of wheat in the principal wheat-producing countries of the world:—

PRODUCTION OF WHEAT

(In Quintals 000's omitted)

Countries	1925-29	1931-32	1932-33	1933-34	1934-35
British India	87,218	94,558	91,668	95,914	95,082
U. S. A.	228,855	258,718	202,508	148,966	185,119
Canada	117,220	87,452	120,588	76,720	75,075
Argentine	66,142	59,792	65,560	77,870	64,860
Australia	37,015	51,877	58,222	47,729	36,742
U. S. S. R.	215,240	205,000	202,500	277,800	304,100
France	70,295	71,882	90,771	98,611	90,000
Germany	32,595	42,883	50,081	56,043	45,325
Roumania	28,721	36,828	15,116	32,406	20,835
Europe (Excluding U. S. S. R.)	886,677	419,469	424,855	502,729	438,500
Asia (Excluding U. S. S. R.)	115,820	127,100	118,330	128,820	128,000
World (Excluding U. S. S. R.)	997,500	1,054,100	1,046,700	1,084,500	987,500

A glance at the above table will show that the principal wheat producing countries *viz.*, Canada and United States of America have considerably restricted their production. Canada now holds a huge stock of surplus wheat, the distribution of which in the world markets, presents a great problem for her. For this purpose the Government have created a Grain Marketing Board which is entrusted with powers to regulate the production and marketing of the surplus stocks. Argentine and Australia figure as the prominent exporters of wheat, but during the recent years continuous failure of crops has reduced the total production. It is remarkable that Russia has enormously increased her production in the past few years. Her produce is now freely offered in the world markets and in another year Russia is expected to come out as a prominent exporter of wheat.

The production of wheat in India has been on the increase of late. The total production of wheat in 1934-35 was estimated by the Government at 97 lakh tons, as compared with 94 lakhs in the

previous year and 90 lakhs in 1931-32. Punjab occupies the first place among the provinces, being responsible for about 35 per cent. of the total production. United Provinces comes second, her share amount-

ing to about 25 per cent. of the total production. The following table gives the

area and the output of wheat of the various provinces of India:—

Provinces and States	Area in thousand acres.				Yield in thousand tons.			
	1931-32	1932-33	1933-34	1934-35	1931-32	1932-33	1933-34	1934-35
Punjab (a) ...	10,892	9,927	11,292	10,488	8,152	8,255	8,258	8,498
United Provinces (a)	7,864	7,789	8,580	7,671	2,688	2,744	2,572	2,554
Central Provinces and Berar (a) ...	8,628	8,558	8,541	8,718	698	670	785	781
Bombay (b) ...	2,886	3,161	3,744	3,884	592	782	844	706
Bihar and Orissa ...	1,221	1,285	1,222	1,197	469	492	476	505
N.W.F. Province ...	1,014	1,012	1,041	998	250	287	239	239
Bengal ...	145	145	145	155	84	41	41	51
Delhi ...	41	42	46	84	9	11	18	12
Ajmer Merwar ...	81	22	29	80	9	6	7	9
Central India ...	2,189	2,068	2,082	2,319	339	340	407	419
Gwalior ...	1,492	1,884	1,507	1,646	297	319	302	394
Rajputana ...	1,508	1,268	1,488	1,520	364	355	353	383
Hyderabad ...	1,367	1,801	1,201	1,259	161	168	149	156
Baroda ...	72	74	72	74	81	81	17	17
Mysore ...	8	8	2	2	1	1	...	1
Total ...	38,808	32,992	35,992	34,485	9,024	9,452	9,414	9,724

(a) Includes Indian States (b) Includes Sind and Indian States.

The third forecast for 1935-36 places the total acreage at 33,646,000 acres and the yield at 19,698,000 tons. It will be seen from the above table that the Punjab is the largest producer of wheat, her share being about 35 per cent. of the total production. United Provinces accounts for about 26 per cent., but as regards the yield per acre it occupies the first place.

GROUNDNUTS

India occupies the first place among the

producers of groundnuts in the world. She accounts for about half of the total world production. In 1933-34 the total production in India amounted to about 34,000 quintals, out of the world production of 61,000 quintals. From the following table giving the world production of groundnuts it will be seen that, though it is an important commercial crop, it is not cultivated on a commercial scale outside India, except to some extent in French West Africa.

WORLD PRODUCTION OR EXPORTS OF GROUNDNUTS

(In Thousand Quintals)

Countries	1925-26	1932-33	1933-34	1934-35
India ...	19,000	32,400	33,884	18,990
United States ...	8,168	4,708	4,108	4,822
French West Africa ...	5,800	6,900	8,000	...
Nigeria* ...	1,847	2,781	2,970	3,555
China* ...	4,192	4,242	3,558	2,977
Java & Madura ...	1,988	2,809	2,299	2,000
World ...	4,06,000	59,000	60,700	...

*Exports.

In India, most of the groundnuts produced, is grown in the Madras Presidency. In 1935-36, according to the final forecast of

the Government, out of a total acreage of 5,752,000, Madras Presidency alone has sown about 3,700,000 acres, while the area

under groundnuts in Bombay was 1,240,000 acres. The following table shows the acre-

age, total yield and yield per acre of groundnuts in the various provinces of India:—

Provinces and States	Area in 1,000 Acres		Yield in 1,000 tons (of nuts in shell)		Yield per Acre (lbs.)	
	1935-36	1934-35	1935-36	1934-35	1935-36	1934-35
Madras	2,498	2,351	1,143	920	1,027	877
Bombay	1,240	1,516	529	580	956	783
Burma	638	625	148	144	502	516
C. P. & Berar	185	149	87	88	614	571
Hyderabad	1,059	962	287	214	607	522
Mysore	187	168	28	27	385	371
Total	5,752	5,766	2,107	1,883	344	732

About a fourth of this production is exported from India to the European countries. The most important customer for Indian groundnuts is France. The Netherlands, Germany and the United Kingdom

are other important customers. The following table gives the total exports of groundnuts from India for the official year, 1935-36, with previous comparisons:—

Countries	(Quantity in 1,000 Tons)			(Value in lakhs of Rupees)				
	1929-30	1933-34	1934-35	1935-36	1929-30	1933-34	1934-35	1935-36
U. K.	58	58	134	58	124	67	170	86
France	211	188	99	145	485	233	117	285
Netherlands	154	101	115	77	351	122	127	124
Germany	210	97	65	68	430	118	78	100
Italy	55	72	54	18	128	84	59	80
Belgium	8	18	14	24	18	14	15	38
Other Countries	28	22	29	38	57	26	32	52
Total	714	547	511	418	16.89	6.68	5.98	6.65
Share of:—								
Madras	588	455	436	332	18.39	5.45	5.00	5.39
Bombay	181	91	75	80	2.99	1.18	.93	1.26
Others	...	1	...	1	1	...	...	...

India's export trade in groundnuts suffered a severe set-back during the depression period, from which it has not yet fully recovered. As will be seen from the above table in 1929-30, which was the year just preceding the world depression, the total exports of groundnuts from India amounted to about 714,000 tons, from which level it has been steadily decreasing every year and

in 1935-36 it has reached the low level of 413,000 tons, or a fall of about 42 per cent. But it will be interesting to note that the fall in the total value in the above period has been about 90 per cent. The fall in trade in the case of Germany is most severe, while France and Netherlands have also reduced their takings from India to an appreciable extent.

While the exports of groundnuts have been decreasing every year the trade in

groundnut cake has been growing as will be seen from the following table:—

EXPORT OF GROUNDNUT CAKE

(Quantity in 1,000 tons)

(Value in Lakhs of Rupees)

Countries	1929-30	1933-34	1934-35	1935-36	1929-30	1933-34	1934-35	1935-36
U. K. ...	77	110	171	148	78	56	90	88
Germany ...	28	25	82	18	86	15	20	8
Netherlands ...	26	27	11	5	85	20	7	8
Belgium ...	18	11	21	19	18	8	14	12
Ceylon ...	25	10	9	6	27	6	6	4
Other Countries ...	4	6	16	8	4	8	7	5
Total ...	172	190	226	194	1,97	1,08	1,44	1,16

LINSEED

Linseed first gained the attention of the lay public when it came in for frequent reference in the discussions on the value or otherwise of the Ottawa Pact. But as an item in India's export trade, its importance was never negligible. Though its production was originally undertaken in India solely for the foreign market, a considerable internal consumption has developed during these years. This, together with a value of between one to five crores in our export trade, has increased the importance of linseed. And latterly, the preference granted to Indian linseed in the British market and the increase in India's export during 1933-34 have given for it an important place in the discussions on the Ottawa Pact. The Crop Planning Conference, which met last year, has specifically recommended an increase in the acreage under linseed, which the Conference recommended such a course. In regard to linseed, India does not, as in the case of rice or cotton, enjoy an important position as a producer. But she is a factor to reckon with in the export markets, inasmuch as the United States, which is one of the principal producers of linseed, does not figure as an exporter and utilises almost her entire production in internal consumption. Thus, Argentina and India are left in a straight fight in the export markets and their fortunes have undergone some vicissitudes.

It will be useful first to know the relative importance of the chief producers of linseed

and the following table furnishes the necessary figures:—

(In Quintals : 000's omitted)

	1931-32	1932-33	1933-34	1934-35
British India ...	8,831	4,226	4,125	3,880
Argentina ...	22,624	15,750	15,900	19,580
U. S. S. R. ...	8,400	8,000	7,800	...
U. S. A. ...	2,997	2,965	1,765	1,894
Asia ...	3,910	4,270	4,800	4,150
Canada ...	685	700	170	240
S. America ...	28,860	16,140	16,650	20,800
World ...	41,600	88,800	82,100	*28,200

* Excluding U. S. S. R.

It will be seen that Argentina produces more than half the total world output of linseed and the importance of India in the export markets is derived from the fact that Indian linseed is superior in its oil-content; and it must be added that the higher price resulting from this quality sometimes acts as an obstacle to an increase in the demand.

The distribution of areage under linseed in India may be seen from the following table which gives the figures for the last four seasons:—

(Area in thousand acres)

	1932-33	1933-34	1934-35	1935-36
C. P. & Berar ...	1,116	1,061	1,125	1,215
United Provinces ...	852	806	862	845
Bihar and Orissa (a) ...	641	631	599	542
Bombay (a) ...	181	180	184	117
Bengal ...	125	124	126	98
Punjab ...	28	82	26	28
Hyderabad ...	269	867	899	416
Kotah (Rajputana) ...	98	78	92	94
Bhopal ...	44	87	47	47
Total ...	8,299	8,261	8,410	8,402

(a) including Indian States.

The table shows at a glance that the Central Provinces and Berar occupy the pre-eminent position among the provinces of India as a producer of linseed and United Provinces, excepting Bihar and Orissa are responsible only for very inconsiderable quantities. Though the United provinces occupies the second place as far as the extent of sowings are concerned it leads in respect of the total yield.

Bengal occupies the first place as regards average yield per acre as her 480 lbs. com-

PROVINCES AND STATES	Yield (1,000 tons)		Yield per acre (lbs.)	
	1933-34	1934-35	1933-34	1934-35
Central Provin- ces and Berar (a) ...	90	97	190	196
United Provin- ces ...	116	189	822	861
Bihar and Orissa ...	92	98	327	348
Bombay (a) ...	14	12	241	220
Bengal ...	24	27	484	480
Punjab ...	8	8	210	249
Hyderabad ...	26	34	159	191
Kotah ... (Rajputana)	7	8	215	195
Buopal ...	4	5	242	231
Total	376	418	258	277
(a) Including Indian States				

pares with 361 lbs. in the United Provinces and 348 lbs. in Bihar and Orissa. The table in column 1, gives the total yield and yield per acre in the various provinces for 1934-35 and 1933-34.

Linseed may be said to furnish one of the numerous examples of India's incapacity to take full advantage of an expanding world market. In the pre-war period, the total world export trade in linseed amounted to 1.4 million tons, of which Argentina exported 676,000 tons and only 367,000 tons fell to the share of India. During the last five years, the world exports of linseed have increased by 50 per cent., but Argentina captured the entire increase, and in 1931 India had only 5 per cent. of the total trade against 85 per cent. of Argentina. But, latterly, during the last two years, India's share has increased. The apparent decrease in Argentina's share, it must be said, is due largely to the failure of the linseed crop in that country in 1932-33 and 1933-34. And, one cannot, therefore, be certain that India has acquired an increase in competitive capacity. The distribution of India's exports of linseed among her principal foreign customers may be seen from the following table:—

EXPORT OF LINSEED

Name of Countries	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
U. Kingdom ...	79,586	57,605	14,088	14,270	176,425	103,784	77,120
Germany ...	10,474	10,649	9,844	9,480	10,816	5,421	5,460
France ...	50,711	24,980	33,738	21,611	42,603	13,714	6,500
Italy ...	28,429	82,929	14,619	10,578	21,690	10,118	6,696
Australia ...	22,775	10,970	10,088	9,413	11,958	21,442	9,780
Other countries ...	56,287	119,666	38,011	6,796	114,836	38,886	58,286
Total	248,162	256,799	120,288	72,190	378,868	238,865	153,742

Linseed suffered from the trade depression equally with other export commodities. The total value of India's exports of linseed came down from Rs. 572 lakhs in 1929-30 to Rs. 91 lakhs in 1932-33. But in the year 1933-34, India's exports rose to Rs. 458 lakhs. As will be seen from the above table, by far the largest increase has been in the case of Great Britain. It will be remembered that under the Ottawa Pact, Britain accorded a preference of 10 per cent. to Indian linseed. And those who plead for the continuance of the Ottawa Pact or at least seek to establish its benefits to India in the past content that but for this fact the advantage of such a marked increase in the value of our linseed exports would not have otherwise accrued to India. But it is significant in this context that not only Great Britain but nearly all her foreign cus-

tomers increased their off-take of Indian linseed, and that, in the face of this alround increase, it would be unscientific to set it down to the credit of Ottawa. The increase in India's exports of linseed must, therefore, be set down more to the failure of the Argentina crop than to the effect of the 10 per cent. preference in the British market. This fact has been clearly proved by the figures of exports for the subsequent two years when the Ottawa Pact was current. In 1934-35 and 1935-36 the total value of linseed exports from India came down to Rs. 300 lakhs and Rs. 219 lakhs respectively. The share of the United Kingdom dropped to Rs. 128 lakhs and Rs. 103 lakhs respectively in the two years, as compared with Rs. 201 lakhs in 1933-34. The takings by other countries have also fallen proportionately.

Though there has been a decline in linseed exports a corresponding increase in the exports of linseed cakes and linseed oils was noticed in 1935-36. This has been naturally the effect of an expansion in the internal consumption of linseed. The following table gives the volume and value of India's export of linseed cakes during the last three years:—

EXPORTS OF LINSEED CAKES

Volume in Tons.

Name of countries	1933-34	1934-35	1935-36
U. Kingdom ...	39,821	33,627	67,794
Netherlands ...	6,060	2,205	809
Belgium ...	4,105	3,610	1,867
Other countries ...	1,858	1,090	1,804
Total ...	50,844	40,582	71,774

Value in Rupees.

Name of countries	1933-34	1934-35	1935-36
U. Kingdom ...	25,88,875	23,05,822	41,58,556
Netherlands ...	4,49,060	1,60,477	46,410
Belgium ...	2,85,038	2,67,182	86,615
Other countries ...	91,817	71,218	1,02,245
Total ...	34,14,790	28,04,149	43,93,826

IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH

Constitution & Functions

The Imperial Council of Agricultural Research was created in 1929 in pursuance of the recommendations of the Royal Commission on Agriculture, presided over by Lord Linlithgow, the present Viceroy.

As envisaged by the Commission, the aims and objects of the Imperial Council were as follows:

(a) The promotion, guidance and co-ordination of agricultural and veterinary research throughout India. The Council was not, however, to maintain research institutions directly under its control, nor to employ its own staff of experts. It was merely to determine whether a particular scheme of research was of all-India or of local importance, and whether it could best be carried out at an Imperial or provincial research institution, or by some other agency such as a university or a private individual; and then, after subjecting the scheme to examination by its expert advisers, make such grant as it considered suitable.

(b) The training of research workers under a scheme of research scholarships, or in other ways.

(c) The collection and dissemination of information in regard to research, not only to research, but to agricultural and veterinary matters generally.

(d) The publication of scientific papers, etc.

The Royal Commission recommended that the Council of Agricultural Research should consist of 39 members; that it should be constituted by an Act of the Imperial Legislature; and be provided with the nucleus of an agricultural research fund with an initial grant of Rs. 50 lakhs from central revenues, to which additions were to be made from time to time, as financial conditions permitted.

After giving careful consideration to the proposals of the Royal Commission, the Government of India decided to make some important changes in the scheme for the constitution of the Council, as formulated by the Commission. To begin with, they felt that a Council of 39 members would be too large to be really effective, and thought it would be better to divide the central organisation into two parts, one with executive, and the other with advisory, functions.

The executive part, called the Governing Body, was, therefore, composed as follows: The Member of the Governor-General's Executive Council in charge of the portfolio of Agriculture, who was to be also *ex-officio* Chairman, the principal administrative officer of the Council who was to be appointed by the Government of India and be *ex-officio* Vice-Chairman, one representative of the Council of State; two representatives of the Legislative Assembly; one representative of the European business community, elected by the Associated Chambers of Commerce of India and Ceylon; one representative of the Indian business community, elected by the Federation of Indian Chambers of Commerce and Industry; one representative nominated by the Government of each major province; two representatives elected by the Advisory Board; and such other persons as His Excellency to Governor-General in Council may, from time to time, appoint.

It was decided that the Advisory Board should be composed of all those whose inclusion in the Council was recommended by the Royal Commission, with the exception of the representative of the Central Legislature and of the representatives of the European and Indian commercial committees, who were given a place on the Governing Body. In view of the exclu-

sion of the latter from the Advisory Board, the Government of India considered it desirable that the scientific and university representation on the Board should be increased. The Advisory Board, as constituted by Government, consisted of:

(1) The Vice-Chairman of the Council.
(2) and (3) Two whole-time expert advisers appointed by the Government of India.

(4) Director of the Pusa Research Institute.

(5) Director of the Imperial Veterinary Institute at Muktesar.

(6—24) Director of the Indian Institute of Science, Bangalore.

Directors of Agriculture and representatives of the Veterinary Department of the various provinces.

(25) A representative of minor administrations under the Government of India nominated by the Government of India.

(26) A representative of the Forest Research Institute, Dehra Dun, nominated by the Government of India.

(27) A representative of the Co-operative movement nominated by the Government of India.

(28) A representative elected by the Indian Research Fund Association

(29) to (32) Four representatives of Indian Universities elected by the Inter-University Board.

(33) A representative elected jointly by the Indian Tea Association and the United Planters' Association of Southern India.

(34) A representative elected by the Indian Central Cotton Committee.

(35) to (39) Five non-official members nominated by the Government of India on the recommendation of the Council on the ground of scientific knowledge or other special qualifications.

And such other persons as His Excellency the Governor-General in Council may, from time to time, appoint.

The principal administrative officer to

the Council was to be, *ex-officio*, Chairman of the Advisory Board.

The Advisory Board was to examine all proposals in connection with the scientific objects of the Council, which may be submitted to the Governing Body, to report on their feasibility, and to advise on any other questions referred to it by the Governing Body.

For the lump grant of Rs. 50 lakhs recommended by the Royal Commission, the Government of India decided to substitute an initial lump grant, supplemented by a fixed minimum grant annually. They fixed the initial grant at Rs. 25 lakhs, of which Rs. 15 lakhs was provided in the budget for 1929-30. Commencing from 1930-31, the annual recurring grant was fixed at Rs. 7.25 lakhs per annum, of which Rs. 5 lakhs was set apart for the furtherance of the scientific objects of the Council, and the remaining Rs. 2.25 lakhs towards the cost of its staff and secretariat.

Grants made to the Council of Agricultural Research are subject to the approval of the Legislative Assembly; but the Council has an entirely free hand in regard to the expenditure of the grants made to it for research purposes, subject to the condition that it incurs no liability in respect of such matters as leave or pension contributions, after the research for which the grant is given, has been completed. In regard to the grant made to it to meet the cost of staff, establishment, etc., the Government of India decided that, for reasons of administrative convenience, it should be in the same position as a Department of the Government of India Secretariat.

The Government of India further decided that the Council should not be constituted under an Act of the Imperial Legislature as recommended by the Royal Commission, but should be registered under the Registration of Societies Act XXI of 1860.

HYDRO-ELECTRIC DEVELOPMENT IN INDIA

The importance of Power development for any country eager for economic progress cannot be over-emphasised. And India, with her backwardness in industries, and the eagerness of the people for removing this defect fulfils all the conditions for a well laid programme of power-development. It is well known that industrialization in other countries was possible and admitted of rapid development only after the means of developing and controlling power in large scale were perfected and those countries, which had an abundant supply of sources of power (of which coal has been the most important), were able to develop their industries in a much greater degree than less fortunate countries.

In the beginning of the industrial revolution, the science of Electrical Engineering was not well-developed; and hence the earlier forms of industrial enterprise depended for their working on the direct utilization of mechanical energy. Although the bulk of industrial enterprises is still worked in the old-fashioned way, due, in the main, to previous commitments in associated machinery, the day is not far off when these cumbersome methods will give place to the more facile and cheaper methods of electric working. Electric power is fascinating both to the layman and the technician, the cleanliness and the comparative quietness of the working apparatus appealing to the former, while the technician is attracted by the ease of long distance transmission and distribution in howsoever small a quantity and the readiness with which such electrical energy is convertible into various forms, such as light, heat, mechanical energy, electro-magnetic waves etc. It is these outstanding merits of this form of energy whose technique has been highly developed, that have made all new industrial enterprises use this form of Power; and it is singularly fortunate that the industrial development of India has to take place in what may be called the era of electricity.

It will be seen from the foregoing analysis how vital to India is the development of

Electric Power. As in all other countries, the first electrical undertakings were confined to the more important cities, aiming at the provision of the amenities of civilized life to the citizens more than at the quickening of the pace of industrial development. Such undertakings took the form of thermo-electric stations. Though sponsored with the idea of catering to the comforts of the more advantageously placed of the citizens, it is remarkable that such electrical enterprises have been instrumental in stimulating industrial activities in such areas, with the result that all these undertakings have thrived very much beyond the expectations of their first promoters and have been the only ones to weather the storm of economic depression very successfully.

However useful such isolated activities may have been in the past, they are no longer adequate to the needs of the nation, mainly because the prime source of power, coal, has to be imported in various centres at a cost which will not admit of industries being developed economically enough to stand outside competition. Being so poorly endowed with either coal or oil, attention has, no doubt, to be turned to other sources of power which India has in plenty and, naturally, the water power or the white power, as it is called, suggests itself as the only solution to the problem. Whether or not in a country richly endowed with both these sources of power, it is more advantageous to develop the water power, is beyond the scope of this article, although a passing reference to this question may be made, namely that in advanced countries, the trend of opinion is towards the development of water power as being a perennial source. India, however, has no choice in the matter. Nature has bestowed her with a relief which admirably lends itself to the promotion of Hydro-electric Schemes.

The development of Hydro-electric Power in India on any comprehensive scale requires a vast capital and the objective being the

creation of a favourable atmosphere for the development of industries, the market is of a nebulous character rendering an immediate return a matter of mere speculation. Such conditions are not sufficiently safe to attract joint stock enterprise. Although past experience has shown that the expectations with which a few of these schemes were launched were more than fulfilled, still, until recently, progress has been tardy. Under such circumstances, it is only left to the Government to make headway with such schemes, and it is a matter for congratulation that the Governments of the various provinces have recognised all these factors and are proceeding apace with these schemes.

HYDRO-ELECTRIC DEVELOPMENTS IN MYSORE

The credit of pioneering in the Hydro-electric development of India goes to the State of Mysore which has harnessed the Cauvery falls for the purpose of generating electric energy for domestic and industrial consumption in the State. As far back as 1894, the idea of harnessing the Cauvery falls was first mooted, and the main load that the State had in contemplation was the Kolar Gold Mines works. As the distance of Kolar Gold Fields was over 90 miles from the site of the proposed Power Station and as there was not sufficient experience in long distance transmission, doubts were entertained as to whether the scheme would be successful. Further investigations followed and proved the feasibility of the scheme and under the bold and wise guidance of the famous Dewan Sir K. Seshadri Iyer, the Scheme was brought to fruition, despite numerous obstacles. The Scheme in general is the conversion into electric energy of all the available Power of the falls occurring in the River Cauvery which at this point forms the boundary between Madras and the Mysore State. The river has a sheer drop of about 300 ft. at this point. The preliminary work was to acquire the right to utilization of all the water-Power from the Madras Government by agreement to pay a royalty. The head works consist of a masonry weir at a short distance above the famous Sivasamudram bridge, which was washed by the floods of 1923 and which has recently been rebuilt. Two channels conduct the water to a forebay about 2 miles below the falls. The channels themselves are about 3 miles in length and supply 1,200 cusecs. The flow of water in the channel can be controlled from where it takes off from the river by means of sluices. From

the forebay through screens and regulating apparatus the water is led through three feet diameter Penstocks to the generating Station below at a vertical depth of about 350 feet. The generating sets consist of pelton wheels supplied by Escher Wyss & Co., of Zurich, coupled to Alternators manufactured by the General Electric Company. The generation voltage is 2000 with part of the energy at 25 cycles and part at 60 cycles. The energy is stepped up to high tension by means of transformers and transmitted to Kolar Gold Fields, Mysore and Bangalore. This system supplied current to Mettur during the construction of the Dam. The whole of the energy available is not developed, but provision has been made to increase the units as the demand increases. The absolute success of this scheme would not have been assured, but for the assistance derived from the Krishnaraja Sagara Storage reservoir, formed by damming the Cauvery higher up. The normal dry weather flow of the Cauvery is not more than 100 cusecs, which is very inadequate for a Scheme of this magnitude. The reservoir enables the enormous flood waters of the rainy season, which normally would go to waste, to be impounded and regulated according to the needs of the situation. The reservoir was constructed primarily for irrigation purposes and has incidentally conferred this boon to the Hydro-electric project. It is made up by means of a dam, which is 8,600' long and 124' high above the river bed. The catchment area is 4,100 sq. miles and the Storage Capacity is 44,827 million cubic feet. Penstock pipes have been provided in the dam to enable further generation of electric Power should demand arise.

To meet the requirements of the Northern Parts of Mysore, which are too distant from Sivasamudram for economic transmission of Power, there is a proposal to harness the grand falls at Gersoppa which are situated in the borderland of Mysore State and Bombay Presidency. Negotiations are going on between the Mysore State and the Government of Bombay to settle satisfactorily questions of right for the use of the water, and ere long this project will also see the light of day.

The effect of Hydro-electric development is visible in every part of Mysore. The all round development of industries, the availability of the amenities of civilized life in the most obscure parts of the State at a cheap rate are a few of the advantages. More than these, there is a growing demand for pumping loads for the purposes of irrigation of isolated farms which will bring

under cultivation a very large acreage of waste lands. The State itself has initiated a number of industrial enterprises yielding an annual revenue of Rs. 30 lacs.

HYDRO-ELECTRIC DEVELOPMENTS IN BOMBAY

Next to the Mysore Project in the order of chronology, but far more spectacular from every point of view, are the Hydro-electric projects of the Tatas in Bombay Presidency. The whole Scheme embraces three companies, namely the Tata Hydro-electric, The Andhra Valley and Tata Power Company. The three systems are interlinked and supply power to most of the cotton mills of Bombay. Part of the Power required by the G. I. P. and the B. B. C. I. Railways for their electrification and part of the Power required by the Bombay Electric Supply Corporation, which has the monopoly of retail supply to the city, are also drawn from this source. The total output of the Scheme is so great that even after meeting these demands, the Plants are worked only to their partial capacity. The Kalyan Power House of the G. I. P. Railway electrification, is a needless outlay, as without it, the Railway could have obtained the necessary Power from these Hydro-electric Schemes at a lower cost than that at which it is able to generate at Kalyan.

These Projects, the biggest in India, have no rival in the boldness of their conception, in the magnitude of their Engineering works, in the capacity of their plant and in the tremendous success that have attended them. Compared to the rest of the projects, they strike one by their gigantic stature. A brief description of one of the Projects will serve to bring out the magnitude of the system. The Tata Hydro-electric project utilizes the waters of three lakes, all artificially formed by the construction of dams across the water courses surrounded on three sides by rapidly rising ground. The first lake, called the Shirola lake, has a water spread of 9 square miles and is connected by means of a long tunnel driven through rock to the next but smaller lake, the Vulwan. These two lakes are storage reservoirs and supply the necessary water during the dry season. The third lake, called the Lonavala lake, is the monsoon lake and supplies the necessary water only during the monsoon. A masonry-lined channel conducts the water from the Vulwan lake to the Forebay at Kandala and is joined during its course by a similar channel from the Lonavala lake. The main channel from the Vulwan is closed by means of a temporary dam before its confluence with the other

channel during the monsoon and *vice versa* during the other seasons. From the forebay at Kandala water is led through sluice valves and screens by means of one 7' dia. pipe to the valve house below, from where the main Pipe branches off into 5 smaller ones of 3' dia. each. These five pipes take the water to the generating sets at Khopoli. The vertical height between the Forebay at Kandala and the Generating Station at Khopoli is 1728 ft. which was the record for India till the Pykara Scheme was executed. It should be noted that, unlike similar schemes, there has not been any waterfall at this place. The collection of the waters of the various rivulets taking their course in the various valleys and directing them to the forebay has been the most notable engineering achievement.

From the economical point of view, these schemes have been a tremendous success. The Capital cost of the three Schemes is Rs. 16½ crores and the first two of the Schemes, Tata Hydro and the Andhra Valley Schemes have been paying a dividend of 7 per cent. and the third Company is just beginning to pay dividend. This is a remarkable achievement, especially when it is realised that the plants are being worked only to their partial capacity and with the growing demand on the system these will be one of the most paying concerns.

HYDRO-ELECTRIC DEVELOPMENTS IN MADRAS

While its sister province of Bombay and its immediate neighbour the Mysore State have been going ahead with the development of their water Power, Madras until recently has been lagging behind, although her natural resources have in many respects been even greater for the prosecution of such schemes. But the Post-war fever for industrialisation of the country caused by various factors has brought about a condition very favourable to the development of such Schemes. This has been recognised by the Government and a systematic survey of the various sources of Power was made and a comprehensive scheme for the eventual electrification of the whole of the Province has been evolved under the great lead given by Sir C. P. Ramaswami Iyer. An electricity department was formed with Major Howard as Chief Engineer, who recently has worked at the details of the whole Scheme. The Province of Madras has been divided into Nine Power areas *viz.*, Mettur, Madras, Ananthapur, Periyar, Papanasam, Pykara, Vizagapatam, Bezwada and Chettipet. Certain of these power areas will operate

together and the Scheme contemplates the creation of big South Indian Grid connecting up the Madras, Pykara, Mettur, Periyar and the Papanasam Power Stations. The object is an interchange of Power between the various stations to conform with the load and water conditions. Of these, the Madras area has been existing for a long time but has to be further developed. The Pykara area has been recently brought into existence and is in the course of development. The Mettur area has just been started and proposals for the starting of other areas within the next five years have been made. The Papanasam scheme is being actively considered; and it is likely that a start will be made within the next year.

The Madras area is supplied with Power mainly from the Thermo-electric Station situated within the city of Madras.

The Pykara area is to be supplied by the Pykara and the Moyar Hydro-electric Power Stations, of which the former is in existence. This project utilizes the waters of the Pykara river, which rises on the slopes of the Mukurthi peak and flows along the Nilgiri plateau at an elevation of between 8,000 and 6,500 ft. After a winding course of 15 miles it plunges into the eastern valleys in two falls and a series of cataracts with a total drop of 4,000 ft., of which $\frac{2}{3}$ is being utilized for this Scheme. This is the highest head so far adopted for Hydro-electric projects in either America or Europe. At the point when the river is tapped for this project, it has a catchment area of 42 sq. miles. The annual rainfall is 110 inches, the maximum flow of the river is 20,000 cusecs, and the minimum flow 15 cusecs. This necessitates storages, and sites admirably suited for Reservoirs are available in this area for a total storage of 3,000,000,000 c. ft. With this storage the scheme is capable of developing 90,000 H. P. with another 30,000 H. P. available by utilizing the tail water of this Scheme and the balance of 1,000 ft. of head available below. This latter Scheme is called the Moyar Scheme and will be developed at some future date. The first stage of this Scheme utilizes 3000 ft. head to develop 22,000 H. P. with part storage while additional storage will be added on as demand arises. Water is picked up at an intake on the river and is led by a flume to the forebay which is formed by damming each end of a flat valley by earthen bunds. It is supplemented by an independent supply from a storage reservoir formed by damming the Glen-Morgan River. The total storage capacity of the forebay and the reservoir is

84,000,000 c. ft. From the forebay the water is led through a pipe 78" in diameter which lower down branches off into pipes varying from 27" to 21" diameter leading the water into the turbines. The great head has necessitated extra precautions in the design of the pipe line at the lower portion due to the high pressure involved. The cost of the pipes alone is 18 lacs. The generating units consist of 3 alternators of 7,800 k.w. each driven by pelton wheels. The current is generated at 11 k.v. 50 cycles and transmitted to Coimbatore by a double circuit 66 k.v. line. This line is designed for 110 k.v. to which pressure it is eventually intended to transform when the full scheme matures. From Coimbatore a number of 22 k. v. lines radiate supplying Power to the various cotton mills in the Coimbatore area, the Tea Estates of Anamalais, the lighting of various towns. It is also expected that the S. I. Railway will electrify a portion of their line in this area. Since the inauguration of this Scheme in the year 1933, the demand for Power has been very great and has far exceeded the sanguine expectations of the Government when this stage was first laid out. The project was designed for a continuous output of 6,000 k. w. and maximum possible demand of 15,000 k. w.; and it was assumed that at the tenth year of operation additional water storage would be necessary in order to utilize the full capacity of the machinery installed. The demand, however, has been so great and the situation was such that it compelled immediate action and the Government had to commence work of further storage immediately. This is the construction of a reservoir by damming the Mukurti river. This river has an altitude of 6,795 ft. above sea level at the site of the proposed reservoir and the natural configuration of the country offers an excellent site for a storage reservoir. The dam as designed will be 90' high above the river bed and the reservoir will have an effective capacity of 1,600 million c. ft. It will give a continuous flow of 185 cusecs for 100 days. The cost of the work is estimated at Rs. 21,25,000. The first stage of the construction programme is to store 500 million c. ft. of water. This work will be completed in two years at a cost of about Rs. 16,00,000. As soon as this is completed, it will increase the output of the Pykara Scheme by at least 12,500,000 units annually, representing a gross revenue of at least Rs. 4,00,000. The operation and maintenance expenses on the dam are negligible; and taking the Scheme by itself it will be highly remunerative with a net revenue of 2.75 lacs.

Regarding the financial aspects of the Pykara Scheme a glance at the following figures available after the first year of its working, will show how remunerative the Scheme is:—

	Capital	K. W. H. Distributed	Opera- tion. Costs.	Nett Revenue
	Rs.	Rs.	Rs.	Rs.
Estimated	1,33,36,000	65,34,000	2,62,000	76,160
Actuals	1,09,80,000	96,69,203	2,40,000	1,35,500

This represents an approximate yield of about 13 per cent. On the industrial side, the demand for power has been growing steadily. Over 5,200 k.w. are being consumed by the cotton mills. The demand for pumping has alone been 1,000 k. w. The availability of Power has stimulated new enterprises, the most notable of which is the Madukarai Cement Factory.

The next Scheme that has been recently started is the Mettur Hydro-electric Scheme. The following extracts from the Government's publication regarding this scheme fully bring out all the features.

The Mettur Dam, one of the largest structures of its kind in the world, is 176 feet high and can impound a total of 93,500 m.c.ft. of water. This storage is primarily for irrigation purposes, but the water let down for irrigation is also to be utilized to the best advantage for the generation of hydro-electric power. During the construction of the dam, 4 pipes 8.5 feet in diameter were built into the structure and equipped with the necessary valves, gates, screens, and other fittings. The function of these pipes was for surplusing from the reservoir during the latter part of the construction period, and for power generation afterwards.

The operating head will vary from 160 feet at full reservoir level to a normal minimum of 80 feet. Under such water conditions a minimum demand of 19,200 horse-power, or 7,680 horse-power continuous, may be met without the assistance of other plants. It is under these conditions that the commercial prospects of the scheme are judged. By operating Mettur in conjunction with Pykara or an auxiliary steam plant, higher demands for power may be met. Short-time assistance from Pykara or an auxiliary steam plant is necessitated for greater outputs by the fact that the storage is essentially for irrigation purposes and the power plant can use only the water let down for irrigation, which is an enormously varying quantity ; whereas for power purposes, continuity of supply is essential. Not more than 1,000 cusecs will be available during the irrigation closure season. When the possibility of

generating hydro-electric power was first considered—and pipes provided in the dam—it was the intention of the authorities responsible to change the crop season in the new area to be supplied, so that among other advantages a continuous supply may be available for power purposes. This, however, was not finally accepted by the Government and the scheme as now designed assumes that the same seasons will be adhered to in the new as well as the old area. The following figures give an approximate idea of the maximum output under varying conditions:—

Mettur alone with no restriction in irrigation ...	19,000	7,700
Mettur alone with limited restriction in irrigation about twice in 15 years	19,000	13,000
Mettur with Pykara (present installation only). No restriction of irrigation ...	23,000	9,500 to 12,000
Mettur with Madras and/or an auxiliary Steam Plant ...	45,000	24,000

In an emergency, as much as 60,000 horse-power might be generated under certain water conditions.

A normal feature of the scheme will be the availability of what is called secondary and tertiary power as contrasted with the primary power which should be available for all time. The secondary power will be restricted only in the dry years and tertiary power will be available for eight months in the year.

The restriction on irrigation is explained in the Mettur hydro-electric project report. For a comparatively small restriction of irrigation flow of a few weeks twice in 15 years, the reservoir working tables could be so modified as to increase, appreciably, the potential power output and the earning power of the project. The present scheme does not, however, contemplate any restriction in the irrigation flow for power purposes, but is based upon the minimum output and least favourable conditions.

Power Plant

It is proposed to install four double horizontal Francis turbo-generator sets of 15,000 horse-power each, one of which will be spare. Only two units are to be provided at first, the third will be added in the third year and the fourth in the seventh year of operation, should load conditions justify the additional generating capacity.

The plant, when completed, will thus be capable of a maximum output of 60,000 horse-power.

The generators will operate at 11,000 volts, 50 cycles, having a normal rating of 12,500 K. V. A. each. They will be specially designed for transmitting power eventually to Madras and will be equipped with a modern "quick response excitation" system.

The power-house building will be about 375 feet long of simple design, and will harmonize with the dam structure.

The transformer station is to be of the outdoor type similar to that at Pykara, and will be designed to operate at 66,000 volts initially, and 110,000 volts eventually. The transformer units will be of the same capacity as the generators.

Transmission System

Two 110/66 K. V. circuits on steel towers will be constructed to a point near Singarappet 66 miles from Mettur, and will form a section of the future trunk lines connecting Mettur and Madras.

From this point various transmission lines will be built to serve the districts of Salem, North Arcot, South Arcot, Tanjore and Trichinopoly.

A summary of the approximate mileage of transmission and distribution lines included in the project is—

	Miles.
110,000 volts lines double circuit	66
66,000 " " " "	148
66,000 " " single circuit	200
33,000 " " " "	160
22,000 " " " "	90
11,000 " " " "	200

Sub-Stations

One of the features of this scheme is the rural distribution system at 66,000 and 33,000 volts mainly in the North Arcot area. In many cases distribution is to be effected direct from the high voltage lines. For this purpose an economical and standard type of transformer station has been designed.

The sub-stations contemplated in the scheme are as follows: Receiving and transforming stations at Erode, Singarappet, Trichinopoly and Negapatam with stations of lesser importance at Tiruvarur, Tanjore, Papanasam, Karur, Villupuram, Vellore and Tiruvannamalai. Smaller transformer stations are to be located at Polur, Tirupattur, Ambur, Vaniyambadi, Jalarpet, etc.

The districts to be served are North Arcot, South Arcot, Chittoor, Salem, Trichinopoly, Tanjore and, later Chingleput and Madras. Generally speaking, all towns and villages in

these districts will be given electric supply, whenever the demand is sufficient to justify the investment in lines and transformers.

Demand for Power

The estimates of load and revenue are based on the actual requirements of the various licensees who have agreed to take power-supply, on the results already achieved in the Pykara area, and on the experience of the Mysore and the United Provinces Hydro-Electric undertakings.

Particular attention is to be paid to agricultural requirements, for which the area to be served holds out great promise. In the Coimbatore district alone, in less than two years, over 1,000 horse-power, in pumps are already connected or agreements have been signed. The development of this class of load is, as yet, only in its preliminary stage.

Boring for water in a systematic manner, as in the United Provinces, is being advocated for those areas where water is scarce.

In order to speed up development beyond that contemplated in the estimates, proposals for starting certain specialized industries, at or near Mettur, have been suggested in the project report.

Generally speaking, the load situation is even more favourable to-day than when the estimates were prepared.

There have been important inquiries for future power services from various parts of the area included in the scheme. New sugar factories are to be established and textile mills of various types are projected at Salem, Karur, Trichinopoly and Tanjore, so that, taken in all, the commercial outlook is promising.

The scheme is attractive, being both technically and economically sound. It possesses greater revenue potentialities than can be judged by the financial forecast, since the latter is not based on the maximum power output.

Commencement of Work

The work on the foundations of the power plant and surveys of transmission lines are scheduled to commence in April, and it is hoped that the whole scheme will be in commercial operation within 2½ years.

Products of Indian origin will be used wherever possible, and it is proposed to start the manufacture of certain equipment and fittings for transmission lines and sub-stations at the Mettur Workshops.

The scheme when completed is expected to yield a net return of 7.9%.

Finances.

The total expenditure on the scheme is estimated to be Rs. 192.600 lakhs, Rs. 138.648 lakhs initially and Rs. 53.952 lakhs in ten years.

With the ultimate development of the whole scheme, Madras will be the foremost province in the possession of a big electricity grid.

H. E. DEVELOPMENT IN TRAVANCORE STATE

Another important project which is under construction is the Pallivasal Scheme of the Travancore Government.

The scheme is to harness a waterfall on the Mudrapuzha river, a tributary of the Periyar, at Pallivasal.

The harnessing of some of the important waterfalls of the State has been engaging the attention of Government for some time. A preliminary survey of the hydro-electric possibilities of the State was carried out in 1919 by Mr. F. J. Jacob, the then Chief Engineer of the Public Works Department. The present project was investigated and an estimate submitted to Government in 1932. An estimate for Rs. 70.8 lakhs was sanctioned in February 1933. The execution of the work was taken up in the following May, when the present Electricity Department of the State was created.

Tunnel and Forebay

The total head available at the site where the power house is to be located is 989 ft., which is distributed over three miles of the water course. Water will be diverted from the existing Government weir at Munnar at a level of 4,750 ft. above sea-level and taken through a tunnel cut through the mountains approximately 10,130 ft. in length and led to forebay where the level is 4,715 ft. From the forebay water will be let down through two penstock lines each 7,447 ft. in length to the power house, where the level is 2,760 ft.

Each penstock is designed for the discharge of 32 cusecs at 109 ft. loss of head so that the net head available at the power house will be approximately 1,880 ft. There are to be installed in the generating station two machines of 4,500 k.w. each, to be led from the two pipe lines and these are so interconnected that at a future date one more machine of the same size could be installed to be worked from either of the pipes. The minimum dry weather flow of the river is about 64 cusecs and the total power that could be generated from this quantity of

water, without any storage, is 12,000 b.h.p. continuous. With increased demand for power, it will be possible to augment the dry weather flow by providing suitable storages in the Lockhart and Kundale valleys by which it is expected to increase the capacity of the station ultimately to 30,000 k.w. or roughly 40,000 b.h.p. The construction of these storages is not included in the present programme of work. But detailed investigations are now in progress, so that when the demand for power increases and the installation of more generating sets becomes necessary, it will be possible to take up the construction of these storage lakes at that time.

The Generating Station

The two electric machines in the Power House will generate at 11,000 volts and will be direct-coupled to pelton wheels controlled by oil-pressure governors. Each generator will be connected to its own transformer through isolating links and duplicate busbar so that in case of any emergency arrangements could be made to change over from one set to the other. The transformers will have two secondary windings, one for 11 k.v. for local distribution and the other for 66 k.v. for transmission. The transformer equipment is of the outdoor type and arranged as a double busbar system. All oil circuit breakers are electrically operated from a control board located in the power house.

The 66,000 volt lines from Pallivasal will go across the hills to Kothamangalam, 31 miles from Pallivasal, will branch off from there, one set of lines going to Alwaye, 19 miles away, and the other to Pallam, 40 miles from Kothamangalam. At Alwaye and Pallam the two main receiving stations are to be located. The transmission line throughout consists of two independent circuits, carried on galvanized steel towers, spaced approximately 1,000 ft. apart in the hilly section, and 750 ft. in the plains section.

In the hilly section, the conductors will be steel-cored aluminium, while for the plains it will be stranded copper. At the Pallam receiving station, the transformers are provided with two secondary windings, one for 33 k.v. and the other for 11 k.v., the 33 k.v. being used for transmission to Alleppey, while the 11 k.v. is for local distribution to Kottayam, Changanacherry, Thiruvella and the Punja fields.

In the Pallam sub-station provision is made for the extension of the 66 k.v. lines to Peermade and to Quilon, the line going to Peermade being ultimately taken back to Pallivasal to form a loop.

The total length of the 66 k.v. transmission line will be approximately 90 miles and the length of the 33 k. v. line from Pallam to Alleppey will be 12 miles across the back-water along the embankments of the paddy fields.

Local Distribution

Suitable sub-stations for stepping down the voltage from 11,000 to 400 for distribution to the consumers are being provided at Kothamangalam, Alleppey, Pallam, Changanacherry, Thiruvella, Shertallay, Kuthithodu, Thycautseri, Alwaye, Mudikal and Manjummel.

All the 11 k. v. lines will consist of copper conductors and will be carried on local teak wood poles, which will be seasoned and treated by Mr. Kamesam's Ascu process of impregnation. The total length of the 11 k.v. distribution in accordance with the present programme, will be about 70 miles.

Supply for Industries

The load anticipated in the early stages of the operation of the project will be purely for industries already existing and for which more expensive forms of energy are used at present. One of the main loads to be connected up immediately after the scheme comes into operation is in the immediate vicinity of the power house site, where a maximum demand of 1,200 k. w. with an annual consumption of 5 million units for the tea industry, will be required.

It is also expected that about 800 k. w. will be utilised at Alleppey and the neighbouring places for coconut oil milling with an annual consumption of a million units. In addition to these a consumption of 6 million units for Punja cultivation is expected. The domestic and municipal loads in the early stages may reach about 500 k.w., with an annual consumption of one million units.

Negotiations are now in progress with several industrial concerns for the sale of power at specially attractive rates for new industries to be initiated in the State.

One of these industries will be connected with the paper manufacture, for which there is an abundant supply of raw materials available in the State. Investigations have already been carried out by the Forest Department, to ascertain the amount of raw material that will be available for this industry and the results of the investigation have definitely established that there is ample scope for running a large-size mill with an annual output of about 6,000 tons of paper manufactured out of local reeds

(Ochlandra Travancorica). In view of the fact that the load factor in a paper mill using electric current for the manufacture of bleach and other chemicals will be very high, it will be possible to offer a specially attractive rate for such an industry.

Another matter which is now being seriously considered is the utilising of hydro-electric power for electro-chemical processes for the manufacture of artificial manure.

Low Cost of Works

The fact that the capital expenditure on this project is likely to be on the lowest scale reached in India gives the hope that the power produced by the scheme will also be on the cheapest rate available in India. For this reason it is confidently hoped that industries already existing in the State will be able to work more economically.

This source of power will also be one of the chief inducements for new industries, for which there is an abundant supply of raw materials in the State.

Investigations are now going on to find out the possibility of utilising power for lift irrigation in the paddy fields of Kun-nathunad and Alangad taluqs and the sugarcane fields of Thiruvella and the neighbouring places. It is anticipated that about 40,000 acres of land could be brought under irrigation by this process, which will enable cultivators to be entirely independent of the river conditions brought about by vagaries of the monsoon.

HYDRO-ELECTRIC PROJECT IN THE UNITED PROVINCES

The Hydro-electric Project of the U. P. differs in many respects from that of the other provinces. The ultimate scheme is the development of all the power available in the falls of the Upper Ganges Canal. This Canal, the longest in India, starts from Hardwar and traverses a fairly flat country for a distance of about 300 miles and irrigates a vast area of the fertile lands of the Gangetic valley. The average slope of the country in the upper reaches is about eight feet per mile and the canal has a gradient of one foot per mile. The cumulated differences of elevation of the country and the canal bed are absorbed by a number of artificial falls varying in height from 15' to 6'. The greatest falls are concentrated at the upper reaches, as the slope of the country is a gradually diminishing factor from the upper to the tail end.

The ultimate proposal provides for the development of all the power available at

these falls and utilises it for supplying domestic, industrial and agricultural purposes, spread over a course of 10 years. The total power available is 34,000 k. w., and the programme drawn up for the construction of the various power houses is tabulated below:—

Station	Power available in K. W.	Year of Construction.
Bahadurabad	5,400	Already completed.
Bhola	... 2,700	" "
Palra	... 600	" "
Sumera	... 1,200	" "
Chitora	... 4,000	Under construction.
Salawa	... 4,000	" "
Mohamedpur	5,000	1937-38
Pathri	... 3,000	1938-39.
Nirgajni	... 5,000	1936-37.
Ranipur	... 3,000	1940-41.

The total cost of the whole scheme is estimated to be Rs. 2,82,38,923, the total annual revenues are anticipated to be Rs. 45,82,591, the annual charges are estimated to be Rs. 15,03,448 thus yielding a net revenue of 30,79,143 representing an yield of 10.9% on capital outlay. Doubts were at first expressed as to whether this scheme could be successfully completed without impairing the Canal's usefulness for irrigation, consequent on there being no respite to the canal flow for annual repairs. There was considerable deliberation, as the canal is in the main for irrigation purposes and has been bringing to the exchequer Rs. 62 lakhs annually, and, as the electrical power can be looked upon only as a by-product, to whose development the major interests cannot be subordinated. It was eventually concluded that many of these repairs could be undertaken while the canal is discharging to its partial capacity and the project was commenced. It will be seen from the above table that up to now plants have been installed at Bahadurabad, Bhola, Palra and Sumera developing 10,000 k.w.

This scheme is attractive from various points of view, amongst which the most important are the low capital cost, due to there being no need for any extensive hydraulic works which are already there in the shape of a canal, and the flexibility of the scheme in the possibility of the development of each individual project as and when the demands arise, without over-capitalization. The development of the load has been carried on by the Government in a unique way. Besides supplying in bulk to the various licensees for retail distribution, to the railway and to a few of the mills, the major portion of the power is ear-

marked for agricultural purposes, of which irrigation is the most important. Having no mineral resources the province has to depend only on agriculture for its development and hence the importance of irrigation cannot be over-emphasized. The major irrigation project, *viz.*, the Ramganga, that has recently been completed, would not have been possible but for its relation to hydro-electric power.

Attempts have been made to utilise the waters of this capricious stream for irrigation purposes but without success. The necessary gradient for the country to ensure the success of a gravitation canal was not available. Since the advent of the hydro-electric scheme the Ramganga project has been brought to a successful issue. This project is to pump water from the river into a channel and thus artificially give a head necessary for the gravitational flow of water. A weir was constructed across the Ramganga River with high flood banks on either side and on the right flank the canal takes off, water being pumped from here into the canal. The pumping is done in two stages, once at the headworks and further a mile down below. This irrigation channel is designed to pass 200 cusecs; and the whole system consists of 62 miles of distributories and 34 miles of minor channels. The total commandable area on the system is 96,398 acres. This scheme by itself is highly remunerative as may be seen from the following figures:—

	Rs.
Capital cost	... 23,69,163
Gross revenue	... 3,73,460
Working expenses	... 2,26,356
Net revenue	... 1,47,104
Percentage return on capital outlay	... 6.2%

Next in importance to this scheme is the Kali-Nadi scheme. This scheme is the pumping by means of electric power of 100 cusecs of water from the Kali-Nadi river in a channel which discharges into the Upper Ganges Canal thus adding to the latter's flow. To utilise this water various extensions in the Ganges canal irrigation system have been made.

More important than all these schemes there is now a systematic move to tap all the subsoil water for the purpose of irrigating land. Sir William Stampe, the Chief Engineer, has proved beyond all question the economic feasibility of this scheme and the development of tube well pumping schemes is rapidly going on. The scheme, broadly, seeks to provide a number of tube wells in the areas at present not enjoying the benefits

of canal irrigation and pump water from these tube wells by means of electric power. Out of the 28,000 k.w. of energy ultimately available, 12,000 has been allotted for this scheme; and this at the rate of 8 k.w. per tube well will suffice for 1,500 tube wells. Each well is expected to yield 1.5 cusecs and will irrigate approximately 130 acres of cane and 250 acres of wheat annually. This gives the total of the cultivated area an increase of 400,000 acres of wheat, and 200,000 acres of cane.

The standard well yielding 1.5 cusecs (33,000 gallons per hour) is approximately located $1\frac{1}{2}$ miles apart in cultivated country. Distribution consists of one or two miles of radiating gulş or channels per well. The cultivator buys the water on a volumetric basis at the well at the specified rate of 7 pies per k.w. of electricity. With water priced at Rs. 2 per acre for wheat and cotton and at Rs. 3 per acre for sugar, there exists a ready demand for irrigation. With the current rates for machinery and labour, the cost of a standardized well is Rs. 5,000. In the current year 130 wells are being sunk and the programme for the next year is 230 wells.

To provide water in the Southern area where it would not be economical to pump water from great depths, a scheme of substitution by conversion has been evolved. The idea is to pump from shallow wells into canal-fed distributories in the areas which are at present in the canal area and release this water for carriage to other tracts where tube wells are not feasible for geological reasons. This scheme is still in the experimental stage, although the Daurala distributory of the Meerut district, which was originally fed by the Ganges Canal, is now entirely fed by the pumped water of the tube wells. The 88 cusecs of water that was originally flowing in the distributory is now taken down the main canal and Mat Branch to the Muttra District.

Another major project, which is now engaging the attention of the Government, is that of irrigation of the eastern tracts of the U. P. from the river Goomti by developing the electric power of the fall in the river near Sultanpur and pumping the waters of this river into canals with the help of the developed power.

With the development of the hydro-electric schemes, an era of prosperity has been ushered in the U. P. ; and ere long the great experiment of systematic utilization of electric power for large-scale irrigation, which is unique in the world, will

be brought to a successful issue and will provide a model for other provinces to follow. Already Madras is turning its attention to the lines of development in the U. P.

THE PUNJAB HYDRO-ELECTRIC SCHEME

Situated in the midst of the lofty Himalayan ranges, where nature is as savage as it is picturesque and beautiful, the Uhl River project is one of the most remarkable achievements of the human race in its attempts to harness to its needs the latent potentialities of nature. Before work was commenced, this spot, removed from civilisation, inaccessible except by foot, was the home of the panther and the black bear. The rugged relief of land covered over with a profusion of the red and pink Rhododendron trees and the sheltered nooks exhibiting a luxuriant growth of the primrose and a variety of such other wild flowers imparts a pleasing variety of colours to the surface and fills a casual observer from civilisation with an idea of nature's might and beauty. The quietness and seclusion of this spot was never disturbed except by a casual procession of rustic people bearing an image of their God to the accompaniment of cymbals and horns. It is in such a spot as this that the Uhl River project has its headworks and power stations.

For a long time, since the report of the Industrial Commission recommending the development of water power in the Punjab and U. P., systematic prospecting has gone on for the selection of a suitable site for hydro-electric power and out of eighty possible sites the present one was chosen as the best. It was first suggested by Mr. Meares, Hydro-Electric Adviser to the Government of India. The Government of the Punjab resolved on the execution of this scheme and appointed Colonel Battyc as Chief Engineer and commenced work in the year 1925.

The aim of the project is the utilization of the waters of the Uhl river for developing electricity. The Uhl river is joined by the river Lambadog and after a long and winding course in a valley flows into the River Beas a long distance below the site of the present headworks of the project. The Beas River flows in another valley called the Kangra Valley separated from the Uhl river valley by a high range of hills. At the site selected for the project the range has an elevation of 9,000 feet above the Uhl river bed and the Beas river is 3,000

feet below the Uhl River. The Project seeks to divert the waters of the Uhl and the Lambadog just above their confluence through this lofty range by means of a tunnel $2\frac{1}{2}$ miles long and drop this water through the slopes on to the Beas and utilizing this water for generating power. The waters of the river Uhl and the Lambadog are diverted by means of two weirs, and after filtration and sedimentation led into an open flume followed by a rapid into a fore-bay. From here the water is led through the tunnel 14,202 feet long and $9\frac{1}{2}$ feet in diameter. The construction of the tunnel presented very great engineering difficulties, as after a little progress it was found that the strata inside was loose rock which could not be blasted and which had, therefore, to be removed by picks and bars, a very slow process entailing heavy cost. At one time a hollow was struck and an avalanche of rock occurred. It took four months to remove the debris and carry on the work. The tunnel is lined with reinforced concrete and strengthened so as to be earthquake proof. During the work the great difficulty experienced in the tunnel work infused nervousness in the people of the Punjab and there was a hue and cry for crying halt to this project.

A committee of enquiry was set up and reported in favour of carrying on the work and the work was proceeded with. The tunnel is designed to carry 600 Cusecs at 9' per second. At the end of the main tunnel are two pipe-lined tunnels 1,100 feet long and 6 feet in diameter. At this point there is a surge tower 357 feet high above ground provided with an overflow tunnel discharging into a natural stream. The object of the surge tower is to provide a safety valve preventing unexpectedly high pressures occurring in the tunnel due to sudden shutting down of the plant below. At the end of each pipe tunnel a penstock 4'.7" diameter at top goes down the hill-side a distance of 4,556 gradually reducing in diameter to 3'.7" ; and at this point it bifurcates into two pipes of 2'.7" diameter leading 100 Cusecs each to the pelton wheels rated at 17,000 H.P. situated at the generating station at Jogindar Nagar. The vertical drop is 1,800 feet. There are four generating sets each consisting of a pelton wheel 17,000 H.P. coupled to B.T.H. alternators of the same rating as the turbine generating current at 11 k.v. From this point the energy is transmitted by cables housed in a concrete conduit to the outdoor sub-station where it is transformed to 132 k.v. which is the highest pressure adopted

hitherto in India. From here a main double circuit transmission line conveys the current to Lahore—a distance of 173 miles and further at this pressure to Jullunder and Amritsar—a distance of 55 miles. At Lahore part of the energy with the voltage reduced from 132 k.v. to 66 k.v. is transmitted to Lyallpur—94 miles west and to Ferozepur 50 miles east. This system has the longest network of transmission lines in India. The total area served by this scheme is 46,000 square miles.

The present output of this scheme is 5,600 k.w. ; and provision has been made to increase it in the next stage by providing storage at the Uhl river for increasing the output to 72,000 K.W. by a dam 270 feet high, while the third stage provides for the utilization of the tail water and the balance of 1,200 of head available to develop another 30,000 K.W. The final scheme will be capable of a continuous output of 1,20,000 K.W.

The unexpected trouble in the work of tunnelling, the inefficiency of indigenous labour and the vagaries of the seasons have greatly enhanced the original estimated cost of the scheme, which stands at six crores. This sum includes the cost of all communications including the Kangra Valley Railway which has made this spot accessible to civilization. As originally estimated, the scheme was expected to produce electricity at $6\frac{1}{2}$ pies per unit ; but the enhanced cost of the project has had the effect of increasing the cost of production though not in the same proportion. The compensating factor has been the reduction of interest charges on the capital outlay and the cost per unit now is only 7 pies.

The development of load is as yet confined only to electrification of towns and supply in bulk to licensees. But the Government are considering the systematic irrigation of lands by electric pumping as in the U. P.

MALAKAND HYDRO-ELECTRIC SCHEME

The Government of the North-West Frontier Province has commenced the construction of an hydro-electric power station on the Upper Swat Canal, where it leaves the Berton tunnel near the Malakand Fort in the Malakand Agency and flows down a steep nullah bed and pitched channel before entering the plains of the Peshawar District. Two power sites about 4 miles apart exist on this stretch of the canal, which has a minimum flow of 1,250 cubic feet per second. At the upper site near Malakand Fort a fall of 250 feet on the turbines can be created at very low cost,

and the site, when fully developed, will be capable of a continuous output of 20,000 K.W. The lower site near Dargai can also be developed with a fall of 250 feet, from which an additional 20,000 K.W. is obtainable, but at greater cost than at the upper site. It is, therefore, possible to develop up to 40,000 K.W. continuous power on the Upper Swat Canal between Malakand and Dargai. Although very little known at present, this is one of the largest and cheapest hydro-electric power sites in India, and as it is situated only 10 miles outside the border of Peshawar District, it will play a very important part in the future development of the Province.

The scheme approved by the Government and now under construction is a partial development of the upper site with the necessary transmission and distribution works. Three 3,200 K.W. 11,000 volt, 3-phase generating sets (one a standby) will be installed in the first instance, and all works are being designed to permit of extension up to the full capacity of the site.

The generated voltage will be stepped-up at the Malakand power station to 66,000 volts for transmission to grid substations located near the towns of Mardan, Charsadda, Peshawar and Risalpur in the first stage of the scheme, and to more distant grid substations in later stages. From these grid substations 11,000 volt mains will be constructed to supply the Military Authorities with energy for the Cantonments of Peshawar, Risalpur, Nowshera and Mardan.

The main object of the scheme, however, is to supply electricity to the public generally throughout all districts within range of transmission, and in the first stage of the scheme now in hand 11,000 volt mains will be constructed from the above grid substations to the nearer towns and villages, such as Charsadda, Prang, Mardan, Hoti, Nowshera (city), Chamkani, Utmanzai, etc., in which distribution systems will be installed and operated at 400 volts, 3-phase, and 230 volts phase to neutral, with service connections to the humblest consumer.

All local distribution in connection with the scheme will be undertaken by Government, except in Cantonment areas where it will continue to be carried out by the M. E. S. In addition to meeting domestic requirements in towns and villages, the energy will be made available in lift irrigation, drainage, flour milling, chaff-cutting, sugarcane crushing, etc.

The scheme was initiated by Mr. F. H. Burkitt, C.I.E., O.B.E., late Secretary to

Government North-West Frontier Province Public Works Department. The first stage is estimated to cost Rs. 52 lakhs, and supply to the public should commence towards the end of 1937.

Among the various other schemes that are in contemplation at present are the development of power in the Nizam-Sagar of the Hyderabad State and the development of Hydro-electric project in Central Provinces for which prospecting is being done for the purpose of electrification of the north-eastern main line of the G. I. P.

Though much has been done in hydro-electric development in India, what has been so far achieved is only a small fraction of what still remains to be done. The American Committee of the World Power Conference has published a statement furnishing the figures in this regard:—

	Total power available in kw.	Power already developed in kw.	% of world power
World	...	39,257,000	...
U. S. A.	...	11,800,000	30.06
Canada	...	5,256,000	13.39
Italy	...	4,338,000	11.08
Japan	...	3,151,000	8.03
Russia	...	758,000	1.93
India	28,000,000	300,000	0.76

The vast store of power still awaiting development is obvious at a glance.

Though much has been done for rural electrification in the development of hydro-electric power in India, the projects have been conceived in a very conservative spirit and are far from catering to the needs of the rural population. The developments have been governed more by the prospects of immediate return on the capital outlay than by the needs of the rural population. The millions of India are scattered over the many villages depending for their living mainly on agriculture; and if electric power is made available to them it would not be long before many cottage industries are developed. This will enable the peasant population to supplement its income from agriculture during the periods of enforced idleness between the seasons of agricultural activity. It will be vain to suggest that the average peasant might be instructed in the use of electric power for agricultural operations and thus effect an increase in the yield of the land. The application of power for this purpose is uneconomical for individual farming, as it is at present being carried on due mainly to the average holding of the

peasant being so tiny. If they are sufficiently educated to realise the advantages of collective farming, there is a wide field for the application of electric power for ploughing and other agricultural activities. With the growth of the Co-operative movement and with the growth of education among the peasant population, a favourable atmosphere for collectivist farming with the attendant advantages of an immense increase in the produce will have been created.

Besides agriculture there are various small cottage industries for which electric power can be utilized by the rural population. Of these cottage industries, weaving suggests itself as a very attractive one. Before the advent of cotton mills, all the clothing of India and, indeed, of the whole world was woven by the hand looms in the various cottages of India. Most of these looms have disappeared due to competition from the mills, but there still exist a considerable number in many parts where they bring a pittance to the worker. If with slight improvements these are worked by electricity they can be more remunerative and will stimulate such enterprise in many other parts, and a state of affairs can be visualised in which the cotton weaving industry will be scattered over a vast area instead of being concentrated in some big cities with all the advantages of and without the attendant evils of factory working. Cotton weaving is mentioned here only as an example, and the principle may be extended to many such industries.

Rural electrification is not advocated primarily as a labour saving proposition or for scientific advancement. It has a social and an economic significance and will prove in the long run a determining factor in the progress of the human race. It is a fact that nine out of ten men living in the cities sigh for the country side and are held in the cities only by economic pressure. The land worked in the old fashioned way is not sufficiently productive to keep those born in the villages, with the scant necessities of life. The drudgery of the work in land and the little reward which it yields are known at first hand to the villagers. Little wonder that the younger generation is attracted by the social advantages of city life which make up for the congestion and less healthy surroundings. Rural electrification can change all this. The agricultural yield will be higher, the task of the peasant will be lightened, the amenities of social life will be made available to the villagers. In short it will mean a return to more natural condi-

tions of life in addition to retaining all the advantages of industrialism.

Signs of an awakening in this direction are not wanting in other parts of the world ; and it will be interesting to know the strides that rural electrification have taken in other countries. France is one of the foremost countries in rural electrification. In one year alone 3,000 Commons were given electric supply and at this rate in a short time practically every area will have obtained electrical power. Sweden is another country where, with the relaxation in the constructional regulations of the Government, it has been possible to transmit power cheaply to every rural area. England is actively engaged in the problem now. In Germany 90% of the rural areas have a supply of electricity and the annual consumption exceeds 1,000,000,000 units while in Switzerland the consumption in rural areas exceeds 400,000,000 units. In all these countries, rural electrification has been proved to be a very paying proposition. Conditions in India are ripe for a similar advance ; and let us hope the opportunities will not be neglected.

1935-36

The progress in the generation and consumption of Electrical energy in the year under review has been very great.

In Mysore state, energy from the hydro-electric project has been made available to the Badravathi Iron Works. The Government has recently reduced the rate for rural pumping loads from one anna to 6 pies per unit ; and this has stimulated the adoption of electric pumping for irrigation to a very great extent. The extensive use of electric power in all rural areas has brought into existence a number of industries for manufacture of light electrical goods. These are all more or less promoted by Government.

In Madras, the increase in the demand for power from the Pykara System has been very great. In Coimbatore town alone, the total number of cotton mills now working are 29 and many more are projected. The attention of Nattukkottai Chettiars, a very wealthy community of South India and whose main occupation hitherto had been banking in Burma and Malay States, is focussed on starting a number of cotton mills in this area, as the door is being closed against them for banking business in Burma due, firstly, to the slump in trade and secondly, to Burma being separated from India. Cotton Mills have also sprung up in Udamalpet and

Pollachi. Considerable extensions to the Pykara Distribution System have been made and shortly, a transmission line would be constructed between Coimbatore and Madura. This will still further increase the load on the Pykara plant, which stands at present in the neighbourhood of 9000 K.W.

The work in the Mettur Scheme as outlined in last year's account is being rapidly proceeded with.

A third scheme is about to be started for serving the needs of the northern districts and the necessary staff for starting work on proposed thermal stations at Vizagapatam has been appointed. Originally these districts were to have been supplied power from the Kolab Hydro-Electric Scheme; but the source of this power is situated in a country which has passed on to the new formed Orissa Province. In its place, another Hydro-Electric Project named the Lamba-Sinji Project is being surveyed. It is reported that sufficient power would be available from this source for supplying the needs of the Andhra country, although the available output is by no means comparable with that of the original Kolab Project. When the Lamba-Sinji project matures, it would replace the thermal station at Vizag, work on which is to be started this year.

The Papanasam project was to have been started this year; but it was first conceived as a combined irrigation and hydro-electric system, and as the ryots were not prepared for an enhancement of the water rates, the combination idea had to be given up, as being unremunerative; and a new scheme is being evolved with less storage of water for a purely hydro-electric project.

In the year under review the Government of Madras appointed an Electricity Committee to enquire how far the existing arrangements for generation and distribution are satisfactory, to consider the steps necessary to ensure an adequate supply to all classes of consumers, and to report whether the constitution of a statutory body like the Central Electricity Board in Great Britain is necessary. No one can deny that, in a matter of such vital importance to industry and agriculture as electric power, there should be control from the centre. But the conditions in the electrical industry are not such as to make the institution of a statutory authority urgent and imperative. If the closing down of uneconomic units and interlink-

ing of the stations are the main advantages of the grid system with its super-imposition of an all-powerful central authority, these advantages will be available to Madras even without any material change in the present conditions.

The only question that the Committee had to tackle was, therefore, the steps necessary to ensure an adequate supply to all classes of consumers in the presidency. The Committee unanimously favoured the view that an Advisory Board should be formed as early as possible and with as wide a scope as possible. Though one may remain sceptical of the value of such a Board, there is no doubt that it can lend point to the popular view and press it home whenever occasion arises. The Committee emphasised the importance of electrical development. But they pointed out that local bodies should, as a rule, be preferred to private companies as licensees, and that, in any case, the lack of licensees should not impede the extension of electric supply to promising areas.

In Bombay, the total increase in the consumption of electrical energy has been great. Further sections of the B.B. & C.I. and G.I.P. are being electrified.

In the Punjab, the demand on the Uhl River power station has nearly doubled itself. Besides this, the number of licenses, that have been issued to private agencies, has been more than, doubled with a corresponding increase in the units sold.

The U.P. Hydro-electric Grid has also registered considerable increase in the demand. In this case the load is built up by the Government by installation of tube well pump for irrigation purposes.

The Selawa Power Works is completed; and the Chitaera Powerhouse is on a fair way to completion. Orders have been placed for the machinery for the Nirjugui powerhouse also. Considerable extensions to the transmission system have been made; and it is found that it is necessary to duplicate many of the single circuits to cope with the increased demand for Power.

The Malakand Scheme as outlined in the main article is being pushed through with all expedition and Power would be available next year.

The Calcutta Electric Supply Corporation has recorded a great increase in the units sold for industrial purposes. As the result of an enquiry into its rates by a Committee a reduction of the flat rate by one pice has been effected.

INDUSTRIAL SECTION :

THE INDIAN TARIFF BOARD

HISTORICAL SKETCH

The Indian Tariff Board is the natural result of the decision of the Government of India to change the fiscal policy and adopt a policy of Protection to be applied with discrimination. This decision was based on the findings of the Fiscal Commission that the industrial development of India had not been commensurate with the size of the country, its population and its natural resources and that the fullest development must be aimed at by a policy of judicious protection. The Fiscal Commission also laid down the guiding principles of such a policy and recommended that in its application the Government of India should be advised by a Tariff Board consisting of not less than three members conducting their enquiries under conditions of the utmost publicity. The Legislative Assembly accepted these recommendations in a resolution of February 16, 1923. And the Tariff Board was appointed in March, 1923, initially for one year as a measure of cautious experiment, and later, on the basis of a biennial renewal. Though the dissenting minute of a minority of the Fiscal Commission recommended that two of the three members of the Board should be elected by the non-official members of the Legislature and there should also be two assessors chosen from the commercial and mercantile community, the constitution of the Tariff Board which consists of three members, one of whom is a Government official has been found by experience to be not unsuited to the purpose. There has so far been no demand for any change in the constitution of the Board.

✓ The procedure in the case of a Tariff Board enquiry is very simple. The industry concerned applies to the Government making a *prima facie* case for protection ; and if and when the Government think it fit the application is referred to the Tariff Board for enquiry and report. As recommended by the Fiscal Commission, conditions of the utmost publicity are ensured

though, of course, proceedings *in camera* are resorted to, when the evidence tendered is of such a nature that its publication will involve the divulging of trade secrets. The interests concerned and public bodies like the various commercial associations submit their memoranda supplemented, where necessary, by oral evidence. The report is to be submitted to the Government ; and on its acceptance by Government, the desired changes are effected by the normal processes of legislation. The Tariff Board is of necessity an advisory body, the final decision resting with the Government and the Legislature.

The first task of the Tariff Board in reference to any application is, as required by the Fiscal Commission, to assure itself that the industry satisfies the fundamental conditions necessary for a grant of Protection, namely, (1) that the industry possesses natural advantages, (2) that without the help of protection it is not likely to develop at all or not so rapidly as is desirable and (3) that it will eventually be able to face world competition without protection.

The rationale of the above conditions is obvious. Taken together they mean that, except in the case of industries which are essential for national defence and are therefore outside the pale of ordinary economic considerations, protection should be recommended only if the Board is sure it is not an avoidable or permanent burden on the consumer. This is in consonance with the principles of Free Trade which may be regarded as the permanent economic rule with protection as a mere temporary exception. Every report of the Tariff Board may be deemed to fall into two parts one showing whether the fundamental conditions are satisfied and the other detailing the specific scheme of Protection, and the reasons why the alternative methods are ruled out.

It is appropriate to attempt a short analysis of the work of the Tariff Board during these ten years. The Board has so far undertaken and accomplished about

50 enquiries. Of these, in only four or five cases have its recommendations failed to meet with the acceptance of the Government. Wire and wire nails, which was one such, subsequently gained the protection it sought. In the other instance of the heavy chemicals industry, the publication of the report was delayed for two years after its submission to Government, after which it was granted tentatively a somewhat grudging measure of protection. In eight instances, the applications were turned down by the Tariff Board; and the Government acquiesced in its decision. In the case of magnesium chloride, coal and printers' ink, it was held that the case for protection was not established, though the latter gained a slight increase in the import duty. Cement failed to procure State help as it was found that what the industry suffered from was not the competition of foreign producers, but a state of overproduction at home, a position which it was for the industry to adjust as soon and as well as possible. The most outstanding instance in this category of rejected applications is that of oil, in which not only were the producing interests unable to establish a case for protection but a certain section of them was found to be unwilling to place the full facts before the Board.

There were four cases in which import duties on raw materials needed for Indian industries were either reduced or removed. In all the other cases, the applications have resulted in the grant of a substantial measure of protection. But the chief beneficiaries of the activities of the Tariff Board have been the cotton mill industry and the iron and steel industry. Latterly, matches, salt and sugar have come in for a substantial help by way of protection. But nearly ten enquiries have been conducted by the Tariff Board in regard to articles which are closely connected with the iron and steel industry. The cotton industry has been referred to it twice, not including the occasion in which the condition and needs of the cotton industry were the subject of an *ad hoc* enquiry by Mr. Hardy, the Collector of Customs. While the help rendered to the cotton industry has been in the shape of an increase in the duty on imported yarn and piece-goods, the iron and steel industry has had all manner of help ranging from a change in the tariff to direct bounties doled out by the State. It would be unnecessary to detail the various steps taken to strengthen the iron and steel industry, as they are given in the table appended to this article.

After the lapse of more than a decade, one feels tempted to take a comprehensive view of the work of the Tariff Board during this period, and to appraise *in toto* the benefits of the regime of discriminating protection and to enquire whether the constitution and functions of the Tariff Board leave any room for improvement. The task of estimating the value of discriminating protection has been attempted now and again both by businessmen interested in particular industries and by disinterested economists. An appreciation of the difficulties of the task and the practical value of its accomplishments to the economic policy of the future would suggest that its importance has been somewhat exaggerated. The virtual death of international trade and the passing of the age of free trade and the well-nigh universal adoption of economic nationalism preclude the possibility of India abandoning discriminating protection after a trial of more than ten years. Broadly speaking, the test of success of a protectionist policy is expansion of productive activity at home and the progress which the protected industries are able to make in the reduction of costs, and the attainments of economies which were mainly to be effected under the shelter of the protectionist duties. If these are the two principle criteria of success one can say confidently that the policy of discriminating protection has been amply justified by its results. For as mentioned already, the chief beneficiaries of the policy of discriminating protection are the cotton mill industry and the iron and steel industry. To this has now to be added sugar because of its being a prime necessity and having an equally important place both in the agricultural and industrial life of the country.

No one can deny that all these three industries have, on the whole, made good use of the advantages conferred on them by the State. The cotton mill industry is much older than the policy of discriminating protection. And one would expect that the additional advantage of protection would enable the industry to outgrow the need for these much sooner than other industries. The charge that the cotton mill industry has shown the utmost inefficiency has been repeatedly made before the Tariff Board and in the press. The 1932 report of the Tariff Board on the cotton mill industry shows clearly that there are numerous mills in the country and particularly in Ahmedabad which can produce goods of high quality

and market them successfully in un-aided competition with Lancashire. But for the rapid progress made by the Japanese mills, their low cost of production and, last but not least, their questionable methods of competition, the cotton mill industry would not have to figure as largely in our protectionist programme as it has to. As for the iron and steel industry; the poor measure of protection accorded to the industry has been practically scrapped by the 1934 report of the Tariff Board. Not only have the protective duties been withdrawn in most cases, but the Tariff Board has actually recommended the abolition of revenue duties to which advantage a national industry is entitled even under a scheme of fanatic free trade. In this instance, the Continental Steel Industry plays about the same part as Japan plays in the case of the cotton mill industry. But it is the considered opinion of the Tariff Board that if the Continental manufacturers would charge fully economic prices for their products, then the iron and steel industry would have no reason to fight shy of an open competition with them in the Indian markets. As against the British industry the Indian is now believed to be able to forego the advantage of revenue duties. Though the abolition of revenue duties effected by the Iron and Steel Duties Act is manifestly unfair to the Indian industry and is not without grave risks to the welfare of the Tata Iron and Steel Company, the findings of the Tariff Board leave no room for doubt that protection in the iron and steel industry has been hundred per cent. successful. The sugar industry has had a short period of intensive protection. Within a year of the inauguration of protection for sugar it was clear that in this instance protection had led to abnormal expansion of sugar industry in India. The sugar technologist of the Government broadcast the view that there had been an almost unhealthy expansion and it was in the interest of the industry to put a curb on such expansion. The Government of India also found that the import duty on sugar comprising as it did, both the protective duty recommended by the Tariff Board and the revenue surcharge, was so effective in checking the imports of sugar from abroad that the Government's expectations of revenue from this source were not realised. So in the last quarter of 1933-34 Sir George Schuster came to the conclusion that in the interest both of the industry and the revenue of the

Government, it would be advisable to levy an excise duty on sugar, leaving the net amount of protection at the level recommended by the Board, so that it will be seen that protection has been successful in not only bringing the sugar industry into existence but also in inducing its vast expansion within a very short period. Thus, judged by the record of the big staple industries, discriminating protection has already much to its credit.

There is then the question of the constitution and the function of the Tariff Board. It may be said that though the dissenting minute of a minority of the Fiscal Commission recommended that two of the three members should be elected by the non-officials of the legislature, and that there should also be two assessors chosen from the commercial and mercantile community, the constitution of the Tariff Board, consisting of three members one of whom is a Government official has been found by experience to be quite suited to the purpose. There has so far been no demand for any change in the constitution of the Board. And as it has functioned for a period of ten years without a break, it has come to be regarded as part of the permanent machinery of Government.

Though it is outside the scope of this *Year Book*, it may be mentioned here that in the middle of June 1936, the Government disbanded the Tariff Board on the ground that the Board could be reconstituted as and when necessary. Though it is true that there is no work for the Board for some time to come, the action of the Government has created serious disquiet in the public mind regarding the continuance of the policy of discriminating protection. And the disquiet has been enhanced by the report that Government are considering a downward revision of customs tariffs. The Fiscal Commission, it is pertinent to recall here, contemplated a Tariff Board, which between one enquiry and another would be engaged in an examination of the tariff schedule and the effects thereof on indigenous industry, and which would, from time to time, make suggestions for its revision. That the Tariff Board should have been disbanded just when Government are, according to press reports, engaged in such a task, is a circumstance which augurs ill for discriminatory protection. There is no doubt that the questions relating to the Tariff Board should be gone into afresh in the light of the experiences of the last decade.

TABULAR STATEMENT SHOWING THE WORKING OF THE TARIFF BOARD.

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board 5	Action taken by Government 6																				
1.	July 10, 1923.	<p><i>President:</i> G. Rainy.</p> <p><i>Members:</i> P. P. Ginwala, V. G. Kale.</p>	Steel Industry.	<p style="text-align: center;">ROLLED STEEL INDUSTRY</p> <p>Specific duties of varying amount were recommended on different kinds of rolled steel as under—</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: right;">Rs.</td> </tr> <tr> <td></td> <td style="text-align: right;">per ton.</td> </tr> <tr> <td>Structural shapes, <i>i.e.</i>, beams, angles, channels, etc. ...</td> <td style="text-align: right;">30</td> </tr> <tr> <td>Ship, tank and bridge plates ...</td> <td style="text-align: right;">30</td> </tr> <tr> <td>Common merchant bars and rods ...</td> <td style="text-align: right;">40</td> </tr> <tr> <td>Light rails (under 30 lbs.) ...</td> <td style="text-align: right;">40</td> </tr> <tr> <td>Black sheets, whether plain or corrugated ...</td> <td style="text-align: right;">30</td> </tr> <tr> <td>Galvanized sheets, whether plain or corrugated ...</td> <td style="text-align: right;">45</td> </tr> </table> <p style="text-align: center;">WROUGHT IRON.</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Angles, channels ...</td> <td style="text-align: right;">20</td> </tr> <tr> <td>Common bars ...</td> <td style="text-align: right;">35</td> </tr> </table> <p>A sliding scale of bounties was recommended on the manufacture of medium and heavy rails and fish-plates and the conversion of the existing <i>ad valorem</i> duty into a specific duty of Rs. 14 a ton was also advocated.</p> <p style="text-align: center;">ENGINEERING INDUSTRY.</p> <p>25 per cent. <i>ad valorem</i> duty on fabricated steel generally, but excluding (a) steamers, launches, barges, flats, boats and other vessels, and (b) all vehicles except colliery tubs and tipping wagons.</p> <p>25 per cent. <i>ad valorem</i> on switches and crossings.</p> <p>Specific duty of Rs. 40 a ton on spikes and tie bars.</p> <p style="text-align: center;">WAGON BUILDING INDUSTRY</p> <p>A sliding scale of bounties was recommended subject to a maximum cost of Rs. 7 lakhs to the State.</p>		Rs.		per ton.	Structural shapes, <i>i.e.</i> , beams, angles, channels, etc. ...	30	Ship, tank and bridge plates ...	30	Common merchant bars and rods ...	40	Light rails (under 30 lbs.) ...	40	Black sheets, whether plain or corrugated ...	30	Galvanized sheets, whether plain or corrugated ...	45	Angles, channels ...	20	Common bars ...	35	<p>The Steel Industry (Protection) Act, 1924, was passed at a special session of the Central Legislature embodying all the recommendations of the Tariff Board except the one regarding Agricultural Implements.</p> <p>The Act received the assent of the Governor-General on 19th June, 1924.</p>
	Rs.																								
	per ton.																								
Structural shapes, <i>i.e.</i> , beams, angles, channels, etc. ...	30																								
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Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board 5	Action taken by Government 6
				<p>TINPLATE INDUSTRY.</p> <p>A specific duty of Rs. 60 per ton.</p> <p>WIRE AND WIRE NAIL INDUSTRY.</p> <p>A specific duty of Rs. 60 per ton on all wire except barbed and stranded fencing wire which would continue to be subject to 10 per cent. <i>ad valorem</i>.</p> <p>A specific duty of Rs. 60 per ton on wire nails.</p> <p>AGRICULTURAL IMPLEMENTS.</p> <p>The <i>ad valorem</i> duty to be raised to 25 per cent. on picks, powrahs or kodalis and hoes.</p> <p>LOCOMOTIVE BUILDING INDUSTRY.</p> <p>Protection not recommended.</p> <p>STEEL CASTINGS.</p> <p>No specific recommendation was made.</p> <p>ENAMELLED WARE INDUSTRY.</p> <p>No recommendation was made.</p>	
2.	Oct. 5, 1923.	<p>President: G. Rainy.</p> <p>Members: P. P. Ginwala, V. G. Kale.</p>	Sulphur.	The Board recommended that the import duty on all kinds of sulphur be removed.	Duty removed with effect from 9th June, 1924.
3.	April 10, 1924.	Do.	Paper and Paper Pulp Industries.	<p>The Board recommended a specific duty of one anna a lb. on all writing paper and on all printing paper other than newsprint containing 65 per cent. or more of mechanical pulp.</p> <p>They also recommended that Government should assist the industry by an advance of capital to the extent of not more than Rs. 10 lakhs to the India Paper Pulp Company from their own resources or by the guarantee, in respect of both principal and interest, of a public issue of debentures in order that the possi-</p>	The Bamboo Paper Industry (Protection) Act, 1925, was passed in September embodying the proposals of the Board regarding the duty but not the financial assistance, in lieu of which, the period of protection recommended, by the Board was enhanced by 2 years, <i>i.e.</i> , from 5 to 7 years.

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				<p>bilities of manufacture of paper by the sulphite process might be fully explored.</p> <p>The Carnatic Paper Mills which intended to make paper from bamboo by the Soda process might also be assisted with capital in the same manner as the India Paper Pulp Company provided the technical advisers of the Government of India were satisfied that the scheme had reasonable prospects of success.</p>	
4.	April 10, 1924.	<p>President: G. Rainy. Members: P. P. Ginwala, V. G. Kale.</p>	Printer's Ink Industry.	The Board was of the opinion that an increase in the Custom's duty on imported printer's ink from 2½ to 5 per cent. <i>ad valorem</i> would meet the case.	Government accepted the proposal.
5.	April 10, 1924.	Do.	Magnesium Chloride Industry.	In the considered opinion of the Board, the claim to protection was not held to be made good.	Government agreed with the Board's conclusion.
6.	April 10, 1924.	Do.	Cement Industry.	<p>The main conclusions of the Tariff Board were—</p> <ol style="list-style-type: none"> (1) The cement industry in India possessed natural advantages in an abundant supply of all raw materials and was at no disadvantage in regard to labour. (2) Though the consumption of cement in India had grown with great rapidity, it had not kept pace with production which had increased considerably. (3) The price of cement in India was unremunerative which was due entirely to internal competition. (4) The industry was in virtual possession of the up-country market over a large part of India which was small compared to the demand in the ports. (5) Four-fifths of imports came from U. K. Consumers would not purchase Indian cement unless the price was markedly lower. 	The Governor-General-in-Council was satisfied that there was no justification for the intervention of Government and therefore did not propose to take any action on the Report.

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7.	Oct. 8, 1924.	President: G. Rainy. Members: P. P. Ginwala, V. G. Kale.	Steel Industry (urgent enquiry).	(6) Cement produced in India was generally of very good quality. (7) Notwithstanding the remoteness of the Indian cement works both from coalfields and from the ports, the industry would eventually be able to meet world competition at the ports without special assistance. (8) The difference in price at which Indian cement was likely to displace British was estimated to be Rs. 8 a ton in Bombay and Rs. 12 in Calcutta. (9) It was considered desirable that assistance should take the form of bounties which would be payable on cement consigned to and <i>via</i> the four great ports and their adjacent areas. (10) The 15 per cent. <i>ad valorem</i> duty should be converted into a specific duty of Rs. 9 and declared prohibitive. (11) Two schemes having different scales of bounties were drawn up, but whichever scheme was adopted, it should not come into force until the Government of India were satisfied that the price of Indian cement in the ports was in such a relation to the price of imported cement that the payment of bounties would not lead to a reduction in the price of Indian cement. As a result mainly of a heavy fall in the sterling prices of Continental steel and of the maintenance of exchange in the neighbourhood of 1s. 6d., the Board definitely held that the Steel Industry (Protection) Act had so far failed to achieve its purpose and recommended heavy increases on fabricated articles, which were as follows :	Government accepted the finding of the Board that the protection given by the Act had been insufficient and that further protection was necessary, but in view of the fact that the recent duties had brought in more revenue than was anticipated and also in view of the fact that the imposition of further duties would entail a burden

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.		Action taken by Government
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				Class of material.	Duty as per 1924 Act	Duty proposed.
				UNFABRICATED IRON & STEEL.		
				Steel bars	40	75
				Iron bars	35	65
				Steel structural sections	30	65
				Iron structural sections	20	50
				Plates	30	55
				Black sheet	30	52
				Galvanised sheet	45	78
				Tinplate	60	104
				Rails and fish-plates, medium and heavy	14	30
				Rails and fish-plates, light	40	75
				FABRICATED IRON AND STEEL MISCELLANEOUS.		
				Fabricated structures	25% <i>ad valorem</i> .	25% <i>ad valorem</i> , plus Rs. 60 per ton.
				Coal tubs, etc., and built up tubs	25	25% <i>ad valorem</i> , plus Rs. 47 per ton.
				Fabricated steel beams, channels, angles, etc.	25	25% <i>ad valorem</i> , plus Rs. 54 per ton.
				Fabricated iron, angles, etc.	15	15% <i>ad valorem</i> , plus Rs. 44 per ton.
				Fabricated plates	25	25% <i>ad valorem</i> , plus Rs. 41 per ton.
				Fabricated sheets	15	15% <i>ad valorem</i> , plus Rs. 40 per ton.
				Spikes and tie bars	Rs. 40 per ton	Rs. 75 per ton.
				Switches and crossings	25% <i>ad valorem</i> .	25% <i>ad valorem</i> , plus Rs. 35 per ton.
				Wire nails	Rs. 60 per ton	Rs. 90 per ton.
8.	June 18, 1925.	President: G. Rainy. Members: J. Matthai.	Steel Industry.	The main recommendations of the Board were as follows:—		A Resolution was adopted in the Legislative Assembly in September which provided:
				(1) Payment of a bounty at the rate of Rs. 18 per ton on 70 per cent. of the weight of steel ingots produced in India between 1st October, 1925, and		(1) a bounty of Rs. 12 per ton on 70 per cent. of the total weight of ingots made in each month; the total amount for the 6 months ending 31st

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27				<p>31st March 1927, subject to a limit of Rs. 90 lakhs.</p> <p>(2) Grant of rebate to the Tinsplate Company of the Customs duty paid by them on tin imported for the manufacture of tinsplate.</p> <p>(3) Raising of protective duty on imported tinsplate from Rs. 60 to Rs. 89 per ton.</p> <p>(4) Protective duty on fabricated steel other than the kinds specified under other heads from 25 to 32½ per cent. <i>ad valorem</i>.</p> <p>(5) Protective duty on such component parts of steamers, launches and other vessels for harbour and inland navigation as are made of fabricated steel to remain at 25 per cent. <i>ad valorem</i>.</p> <p>(6) Imposition of a duty of 40 per cent. <i>ad valorem</i> on tipping wagons, coal tubs, and switches and crossings.</p> <p>(7) Amendment of the Steel Industry (Protection) Act to empower the Government of India to sanction the payment of bounties on railway wagons and carriage underframes subject to a maximum limit of Rs. 24 lakhs in 1925-26 and Rs. 20 lakhs in 1926-27.</p> <p>(8) Cessation of payment under section 4 of the Steel Industry (Protection) Act of bounties on railway wagons with effect from 1st April, 1926.</p> <p>(9) A public announcement to be made of all bounties sanctioned on wagons and underframes.</p>	<p>March, 1926, to be Rs. 18½ lakhs and for the year ending 31st March, 1927, Rs. 41½ lakhs.</p> <p>(2) Bill No. 29 of 1926 amended the Steel Industry (Protection) Act of 1924 and provided for (a) bounties to the extent of Rs. 13,60,000 on iron or steel wagons ordered during the financial year commencing on 1st April 1924: (b) bounties to the extent of Rs. 19,40,000 on iron or steel wagons and on railway carriage underframes ordered after 31st March 1925 and before the 1st April 1937.</p> <p>Resolution adopted in the Legislative Assembly, 17th February, 1926, was to the effect that supplementary assistance should be given to the tinsplate industry in India (a) by increasing from Rs. 60 to Rs. 85 per ton the specific protective duty on all steel tinsplates and tinned sheets including tin taggers and (b) by reducing the duty on tin, block, from 15 per cent. <i>ad valorem</i> to a specific duty of Rs. 250 a ton.</p>
9.	March 28, 1925.	<p><i>President:</i> G. Rainy. <i>Members:</i> P. P. Ginwala, J. Matthai.</p>	<p>SHIPBUILDING INDUSTRY.</p> <p>The Board recommended that the duty on the fabricated steel parts of ships and other inland vessels should be fixed at 10 per cent. but subject to the proviso that the duty was in no case less than Rs. 85 a ton.</p>	<p>Government accepted this finding of the Tariff Board but postponed legislation in regard to import duty on ships and other vessels for inland and harbour navigation till the results of the Statutory enquiry into iron and</p>	

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
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10.	March 28, 1925.	<i>President:</i> G. Rainy. <i>Member:</i> J. Matthai.	Removal of import duty on spelter and enhancement of duty on imported galvanized hardware.	No recommendation was made for the imposition of a protective duty on imported galvanized hardware, but it was suggested that the revenue duty on imported zinc and spelter of all kinds should be removed.	steel industry were known. In the meanwhile Government gave exemption to iron and steel in ships and other vessels imported for inland and harbour navigation from so much of the protective duties as was in excess of 10 per cent. <i>ad valorem</i> or Rs. 85 per ton whichever was higher. By the Steel Industry (Protection) Act, 1927, this compensation was reduced to Rs. 23 per ton. On 3rd July, 1926, Government issued a resolution that the recommendation for removing import duty on spelter should be considered at the time of the next budget and in connection with further protection for Steel industry in 1927. Government accepted the Board's finding in regard to the non-imposition of a protective duty on imported galvanized iron ware.
11.	June 18, 1925.	<i>President:</i> G. Rainy. <i>Members:</i> P. P. Ginwala, J. Matthai.	Wire and Wire Nail Industry.	The Board had no proposals to make for the grant of supplementary protection, but thought that the handicap under which the industry suffered should be removed. Therefore they suggested that the Wire Company should be permitted to import wire rod subject only to a duty of 10 per cent. until 31st March, 1927. No case was made out for protecting the manufacture of nails as a separate industry using imported materials. Nor should any special concession be given to Messrs. Halley Brothers in respect of their manufacture of hackles.	Government accepted the findings of the Tariff Board.
12.	Sept. 30, 1925.	<i>President:</i> G. Rainy. <i>Members:</i> P. P. Ginwala, J. Matthai.	Coal Industry.	Majority and Minority Reports—both held that the case for a protective duty on all imported coal was not established. The Minority report, however, was for the imposition of a countervailing duty	The Government of India accepted the unanimous finding of the Board that the case for a protective duty on all imported coal had not been established. They also accepted the finding

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				on South African coal, which the majority did not support.	of the majority report that the imposition of a countervailing duty on South African coal was not advisable though justified on facts, reported by the Board.
ROLLED STEEL INDUSTRY.					
13.	April 3, 1928.	<i>President:</i> P. P. Ginwala, <i>Members:</i> A. E. Mathias, J. Matthal.	Steel Industry (Statutory enquiry).	After reviewing the policy of protection, the Board expressed the view that the payment of bounties should no longer form part of the scheme of protection. As competition in certain products came almost entirely from U. K. and in others from U. K. and the Continent and as it was probable that the future prices would be fairly stable in the former and not in the latter, two scales of duties were proposed (i) basic duties fixed with reference to the price of British steel and applicable to all countries and (ii) additional duties based on the margin between British and Continental prices and applicable to non-British steel on the ground that they would best serve the interests of the country from all points of view. Anti-dumping duties were considered to be impracticable. By 1933-34, it was felt that the Indian industry should be able to meet British competition without assistance but not the competition from the Continent. The basic duties should remain in force for the whole period of seven years, whereas the additional duties might be altered according to the needs and requirements of the situation. The scheme of protection was not only adequate for the existing industry but also afforded scope for expansion. The scales of duties recommended involved a distinctly smaller amount of protection, but the low level of duties was justifiable only if the Government arranged to purchase the whole of their requirements of rails so	The Steel Industry (Protection) Act, 1927, was passed extending protection to the industry till 1933-34 and giving power to the Governor-General in Council to increase the duties if protection was rendered ineffective by any change in the price of imported steel. All the Board's recommendations were accepted by Government.

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far as they could be purchased in India.

The Board were strongly of the opinion that power should be taken by the Governor-General-in-Council to ensure that proper provision for depreciation was made from time to time.

FABRICATED STEEL.

The Board considered it essential in the interest of the Indian industry that railways should encourage the use of Indian structural steel by revising the designs for bridges and other structures so as to permit of the utilization of the maximum amount of steel manufactured in India.

As a result of the recommendations to a certain extent regarding the duties required on rolled steel, it was proposed that in place of the 25 per cent. *ad valorem* duty on fabricated steel, the basic duty should be 17 per cent. *ad valorem* and that an additional duty of Rs. 18 per ton should be imposed on fabricated steel imported from elsewhere than the United Kingdom.

The duties proposed were as follows:—

Product.	Basic Duty. Rs. per ton.	Additional Duty. Rs. per ton.
Rails 30 lbs. per yd. and over ...	13	...
Fishplates for above.	Revenue duty (minimum Rs. 6 per ton)	
Structural sections (including wrought iron)	19	11

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board	Action taken by Government
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Product.	Basic Duty. Rs. per ton.	Additional Duty. Rs. per ton.
Bar and rod (including wrought iron) spikes and tiebars, rails under 30 lbs. per yard and fishplates for same ...	26	11
Plates ...	20	16
Ordinary sheets ...	35	24
Galvanised sheets ...	38	...
Steel sleepers ...	10	...
Fabricated steel structure ...	17% <i>ad valorem</i>	18
	(minimum Rs. 22 per ton.)	
Coal tubs and tipping wagons	Ditto.	13

TINPLATE INDUSTRY.

The Board recommended a reduction of the duty from Rs. 85 to Rs. 48 per ton.

They were unable to support the claim that varieties of tinsplate not manufactured in India should be exempt from the protective duty. From the economic point of view, discrimination in favour of Wales could not be made since it was with Welsh tinsplate that the Indian product had mainly to compete.

The period of protection was fixed at seven years.

AGRICULTURAL IMPLEMENTS.

No recommendation was made because the application for protection was withdrawn.

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14.	April 3, 1926.	<i>President:</i> A. E. Mathias. <i>Member:</i> J. Matthai.	Wagon Industry.	<p style="text-align: center;">WAGONS AND UNDERFRAMES.</p> <p>Under the stimulus of the bounty scheme which had been in force, the Wagon industry had made great progress and was now in a position to meet a large proportion of the normal demand. As a consequence of the reduction in the cost of raw material but largely of the decrease in costs resulting from large orders for a few standard types of wagons, the wagon manufacturers were able to meet foreign competition with the help of revenue duty only. The restriction in the demand for wagons had put the industry in a difficult position. Until the demand reached a total of 5,000 in terms of C-2 wagons, all orders should be placed in India by competitive tender from Indian manufacturers.</p> <p>COMPONENT PARTS: FORGINGS, STEEL CASTINGS AND SPRING STEEL, BOLTS AND NUTS.</p> <p style="text-align: center;">(i) Forgings.</p> <p>The manufacture of forgings should be regarded at present as merely a process incidental to the construction of wagons and not as a separate industry. When the demand became normal the same duty should be imposed on imported forgings as on wagons and underframes. During the next few years, orders for forgings should continue to be placed in India as far as possible and in comparing Indian with foreign prices an allowance of 2½ per cent. above the revenue duty should be made.</p> <p style="text-align: center;">(ii) Steel Castings and Spring Steel.</p> <p>The annual demand for steel castings was sufficient to permit of an economic output. Therefore the Board considered</p>	Government accepted the findings of the Board.

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				<p>that a good case had been made out for protection.</p> <p>The best and most economical method of extending help to the industry being by means of a bounty, the Board recommended the payment of a bounty of Rs. 2-8-0 per cwt. to the Hukumchand Electric Steel Works on all steel castings for railway wagons, underframes and locomotives, subject to a maximum of Rs. 1,80,000 during the period October 1st, 1927, to September 30th, 1930, no restriction being placed upon the amount to be paid in any one year.</p> <p>The Board had no recommendations to make in respect of spring steel.</p> <p>(iii) <i>Bolts and Nuts.</i></p> <p>The Board recommended a specific duty of Rs. 2 per cwt. on all bolts and nuts falling under Article 61 of the Statutory Tariff Schedule.</p> <p>WIRE AND WIRE NAIL.</p> <p>As wire rod for the manufacture of wire and wire nails would not be produced for another three years, the industry failed to qualify for protection. Therefore, the protective duty on wire and wire nails should be discontinued.</p>	
15.	Oct. 2, 1926.	<p><i>President:</i> P. P. Giwala.</p> <p><i>Members:</i> A. E. Mathias J. Matthai.</p>	Match Industry.	<p>Tariff Board recommended the continuance of the duty of Rs. 1-8-0 per gross without limit to the period of duration and that the duty should be made protective.</p> <p>The conditions laid down by the Fiscal Commission were fulfilled.</p>	<p>Government of India accepted the findings of the Board that the Match Industry fulfilled the conditions laid down by the Fiscal Commission. Government agreed with the recommendation of the Tariff Board and imposed by the Match Industry (Protection) Act, 1928, a protective</p>

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16.	May 26, 1927.	<i>President:</i> A. E. Mathias. <i>Member:</i> J. Matthai.	Plywood and Tea Chest Industry.	<p>The findings and proposals of the Board were as follows:—</p> <p>All the raw materials for the manufacture of plywood and of tea chests were available in India. The other conditions of the Fiscal Commission were also satisfied. It did not however appear that the manufacture of plywood products other than tea chests required any assistance.</p> <p>Owing to severe competition from imported tea chests, there was a danger of the local factories being forced to suspend manufacture unless assistance was given.</p> <p>The measure of protection considered necessary was 9 annas 10.6 pies which would be subject to slight further adjustment.</p> <p>The present import duty on all plywood articles other than tea chests and rubber boxes should remain unchanged.</p> <p>The duty on fittings of tea chests and rubber boxes and the linings of tea chests should remain unchanged.</p> <p>The import duty on plywood panels and battens of tea chests should be abolished.</p> <p>A specific export duty of 6 annas 6 pies per 100 lbs. of tea exported in foreign chests should be imposed.</p>	<p>duty of Rs. 1-8-0 per gross on imported matches without any time limit. Government also accepted the finding that in the circumstances no action was called for against the Swedish Match Company on the ground of unfair competition. Government noted the Board's recommendation that, should developments indicate that the Company was acquiring undue control to the detriment of Indian industry, they should take steps to safeguard the industry.</p> <p>Government accepted the findings of the Board, but they were unable to approve that protection should be given by an export duty. They decided to impose a duty of 30% on all forms of plywood and on the battens and corner pieces of plywood chests, and abolish the drawback.</p>

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				Of this sum 4½ annas per 100 lbs. of tea might be made over to the Indian Cess Committee and the Cess leviable be reduced by 3 annas per 100 lbs. of tea.	
				The period of protection should be fixed at 5 years.	
17.	March 26, 1928.	<i>President:</i> P. P. Ginwala. <i>Member:</i> J. Matthai.	Oil Industry.	Both the majority and minority reports held that no case for the protection of oil industry was established, and therefore no action was called for.	Government of India agreed with the Board that no action need be taken for the time being.
18.	March 28, 1925.	<i>President:</i> P. P. Ginwala, <i>Member:</i> J. Matthai.	Manufacture of electric wares and cables.	The tariff proposals of the Board were that the duty on electrolytic copper rod known as "black rod" be removed and that a duty of 5 per cent. be imposed on rubber insulated electrical wires and cables other than those specified in Article 90A.	Government accepted only the proposal regarding the duty on rubber insulated wires and cables.
19.	Do.	<i>President:</i> A. E. Mathias. <i>Member:</i> J. Matthai.	Tariff equality in respect of the manufacture of camel hair, cotton and canvas ply belting.	<p style="text-align: center;">COTTON BELTING.</p> <p>The 15 per cent. <i>ad valorem</i> duty on imported black proofing should be abolished and a duty of 5 per cent. <i>ad valorem</i> should be imposed on imported cotton belting.</p> <p style="text-align: center;">HAIR BELTING.</p> <p>The 15 per cent. <i>ad valorem</i> duty on imported black proofing should be abolished and the duty on imported camel hair yarn should be reduced from 15 per cent. to 6 per cent. <i>ad valorem</i> and a duty of 5 per cent. <i>ad valorem</i> should be imposed on imported hair belting.</p> <p style="text-align: center;">CANVAS PLY BELTING.</p> <p>A duty of 5 per cent. <i>ad valorem</i> should be imposed on imported ply belting.</p>	Government did not accept the Board's proposal to remove the duty on black proofing, but they agreed that the duty on cotton, camel hair and canvas ply belting should be increased. They also decided that the duty on imported camel hair yarn should be reduced from 15 per cent. to 5 per cent.
20.	Do.	<i>President:</i> A. E. Mathias. <i>Member:</i> J. Matthai.	Tariff equality in respect of the manufacture of printing type.	The Board recommended that a specific duty of one anna per doz. should be levied on printing type in place of the existing duty of 2½% <i>ad valorem</i> .	Government accepted the proposal and made the necessary alterations in the Act.

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21.	March 28, 1925.	<i>President:</i> P. P. Giuwala, <i>Member:</i> J. Matthai.	Tariff equality in respect of the manufacture of Manila Rope.	On grounds of principle as well as of administrative convenience, the Board thought that there was a good case for removing the duty on manilla hemp.	On 8th June, 1929, Government issued a resolution accepting the principle but proposed to give effect to it when financial conditions permitted. In July 1930, a duty of 15% on a Tariff Valuation of Rs. 30 per cwt. on raw hemp was imposed.
22.	May 19, 1927.	<i>President:</i> A. E. Mathias, <i>Member:</i> J. Matthai.	Changes in the Tariff entries regarding printing paper.	The Board's view was that the percentage of mechanical wood pulp should be calculated on the fibre content of the paper Newsprint and not on the total weight.	Government adopted the Board's view.
23.	Dec. 1, 1930.	Do.	Steel rails.	The Board considered that a price of Rs. 130 per ton of 90 lb. rails was not too high and that an addition of Rs. 7 should be made to the price of Rs. 130 for 115 lb. rails.	Government accepted the recommendations about 90 lb. rails and as regards 115 lb. rails an addition of Rs. 10 over and above the price of 90 lb. rails.
24.	May 15, 1930.	Do.	Tariff equality and protection for railway materials of 8 in number.	The recommendations were that a specific duty of Rs. 2-4-0 should be levied on fishbolts and nuts, ordinary bolts and nuts and dogspikes and a duty of Rs. 2 on rivets and gibs, cotters and keys per cwt. As regards chrome steel switches and crossings and stretcher bars, the exemption provided for in the Statutory Schedule should be removed and they should be made liable to the protective duty. But in regard to bearing plates, no action was called for.	Government accepted the recommendations.
25.	Sept. 30, 1930.	<i>President:</i> A. E. Mathias. <i>Member:</i> J. Matthai.	Additional protection for galvanized sheets.	It was the opinion of the Board that the Tata Company had made genuine effort to secure the results which were considered feasible. Lack of progress was due to causes beyond the control of the Company, <i>viz.</i> , strike and fall in rail orders on which hinged the scheme of protection. Thus the whole balance of the scheme was destroyed and it was of the utmost importance to find a fresh outlet for the ingot steel.	Government accepted the Board's finding and in Jan. 1931, the Assembly passed a resolution recommending the continuance of the duties mentioned in Government resolution up to 31st March, 1930.

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26.	March 28, 1925.	<i>President:</i> P. P. Ginwala. <i>Members:</i> A. E. Mathias, J. Matthai.	Removal of the revenue duty on pig iron.	From that point of view the maintenance of or even an increase in the output of galvanized sheets became a pressing necessity and the Board recommended that the industry should be assisted by the imposition of an additional duty of Rs. 37 per ton under section 2 (1) of the Steel Industry (Protection) Act III of 1927 for the remainder of the protective period. The Board's conclusion was that no case had been made out upon which they could base any recommendations for the removal of the revenue duty on pig iron. In their opinion, no serious harm would be done to any consumer if the duty was retained until the statutory enquiry in 1933-34.	In their resolution dated 13th June, 1930, Government accepted the Board's finding.
27.	June 10, 1926.	<i>President:</i> F. Noyce. <i>Members:</i> Rai Bahadur Harikissen Kaul, N. S. Subba Rao.	Cotton Textile Industry.	The main conclusions of both the majority and the minority reports were as follows :— The most striking feature in the history of the industry from 1899 to 1922 was the expansion in every direction, especially in weaving. Other important features to be noted are the loss of the export trade to Japan, decreasing dominance of Bombay and increasing share of Japan in the import trade. The depression was felt more in Bombay than elsewhere and therefore the demand for protection was more insistent in that centre. The altered relation between agrarian and general prices since 1920 contributed greatly to the depression. The course of American prices was also equally a contributory factor. The competition of Japanese yarn affected adversely the prices of Indian yarn. In cloths of lower counts, on the other hand, the Indian mills were able to hold their own. The same thing could not	On 7th June, 1927, the Government of India issued a Resolution disagreeing with the recommendation of both the majority and the minority reports about the additional duty. They also rejected the proposal for a bounty on the spinning of finer counts 32s. and higher. And they said they were unable to express any opinion until they had ascertained the views of the local Government and of the Cotton Mill Industry in Bombay on the proposed establishment of combined bleaching, dyeing and printing works. The removal of the import duty on machinery and raw materials of industry having been in accord with the policy of Government, they agreed with the recommendation of the Board that the import duty on cotton textile machinery and mill stores should be remitted for a period of three years. The publication of the above resolution led to strong protests and deputations

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				<p>be said of cloths of counts of 80s. and above. The depreciation of the Japanese exchange stimulated exports from Japan to India and double-shift working gave the Japanese industry an advantage of 4 per cent. Conditions of labour in Japan were inferior to those in India; and, therefore, it was held there was unfair competition between Japan and India.</p> <p>The stabilisation of the rupee at 1s. 6d. at this time rendered the problem presented by the disparity between prices and wages more pronounced. Over-capitalisation accentuated the depression. Difficulties of finance were not a negligible factor.</p> <p>Bombay was under substantial disadvantages as compared with other centres in regard to cost of fuel, power, water, labour, etc., but these appeared to be rather more than off-set by advantages in regard to cost of stores, insurance, office expenses, etc.</p> <p>It was impossible to express a definite opinion as to how far foreign competition was a permanent cause of the depression.</p> <p>Mills with only spinning departments were hit by the prevailing depression more than others.</p> <p>The Board as a whole made many recommendations for improvement in organisation, management and control. The most important unanimous recommendation was that Government should contribute towards the establishment of a combined bleaching, dyeing and printing works in Bombay.</p> <p>In the opinion of the majority though no justification existed for a differential duty against Japan on the ground of depreciated exchange, a moderate amount of protection both for yarn and cloth was necessitated by the labour conditions in Japan. Any additional</p>	<p>to the Viceroy, and the Government modified their decision. The result was the Indian Tariff (Cotton Yarn Amendment) Act 1927, under which a duty of 5% <i>ad valorem</i> or 1½ annas a pound, whichever was higher, was levied on all imported cotton yarn. The industry continued to decline and as a result of Mr. G. S. Hardy's report and Conference with Millowners the Cotton Textile Industry (Protection) Act, 1930, was passed, under which protective duties on a differential basis were imposed on cotton piece-goods for a period of three years.</p>

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				<p>duty on yarn was undesirable from the point of view of the handloom industry.</p> <p>The fact of unfair competition from Japan having been established, the best way of granting protection to the industry was by the imposition of an additional duty of 4% on all cotton manufactures. The question of a differential duty against Japan was considered undesirable.</p> <p>There was no justification for an export duty on cotton.</p> <p>The concession of free entry enjoyed by cotton mill machinery and mill stores prior to 1921 should again be granted.</p> <p>A stimulus to the production of goods of higher quality should be provided in the form of a bounty on the spinning of higher counts, 32s. and over, to the extent of 15 per cent. of the total working spindleage in a mill in British India.</p> <p>The appointment of Trade Commissioners in Basra and Mombasa was pressed.</p> <p>Before the appointment of a Trade Commissioner, a commercial mission should make a survey of the potentialities of export markets.</p> <p>No case had been made out for a special treatment of the hosiery industry.</p> <p>While agreeing with most of the recommendations of the majority, the President (Mr. Noyce) was of the opinion that there should be no bounty on the spinning of higher counts.</p> <p>He also was of the opinion that the fact of unfair competition having been proved against Japan, the additional duty of 4 per cent. which was what was required in the shape of protection should be imposed only on cotton piece-goods coming from Japan.</p>	

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28.	July 25, 1932.	<p><i>President:</i> Dr. J. Matthai.</p> <p><i>Members:</i> F. I. Rahimtoola, G. T. Boag.</p>	Cotton Industry.	<p>The Board recommended that Government should immediately examine the possibility of using their powers under Section 3 (2) of the Tariff Act in the case of piecegoods imported from a country with a depreciated exchange to raise the value of the goods for Customs purposes in such proportion as to secure the continuance of the protection intended for the Indian Industry.</p> <p>If this was not accepted, then the necessary additional assistance should be provided by raising the <i>ad valorem</i> duty on all cotton piecegoods of non-British origin from 31½ per cent. to 50 per cent. in view of the Indo-Japanese Trade Convention in existence.</p> <p>No proposal was made regarding the specific duty on plain grey goods because it was thought that Section 3 (5) of the Tariff Act restricted the power of the Governor-General.</p>	<p>Government accepted the Board's recommendation in respect of the <i>ad valorem</i> duty on cotton piecegoods not of British manufacture.</p> <p>As regards the specific duty, Government decided that the Governor-General-in-Council had power to alter the duty and raised accordingly the duty from 3½ annas to 5½ annas per lb.</p>
29.	April 9, 1932.	<p><i>President:</i> J. Matthai.</p> <p><i>Members:</i> F. I. Rahimtoola, G. T. Boag.</p>	Cotton Industry.	<p>The Tariff Board found an increase in the number of mills at work in India as also in the production of both yarn and piecegoods.</p> <p>The decline in the imports of yarn and piecegoods of all description was also noticeable.</p> <p>There was a serious falling off in the export trade in coloured goods since 1926-27.</p> <p>The claim to substantive protection of an industry must be judged both by the conditions laid down by the Fiscal Commission and by the national importance of the industry.</p> <p>India had a virtual monopoly of short staple cotton and also produced enough long staple cotton to meet the country's requirements.</p> <p>Majority of mills in India would find it impossible, without protection, to realise any return on capital or to find adequate sums for depreciation and in many cases</p>	<p>On February 10, 1934, a Bill for amending the Cotton Textile Industry (Protection) Act, 1930, was introduced. The Government of India agreed with the Board's conclusion that the Cotton Textile Industry had established a claim to substantive protection; but they found it necessary to review the measures of protection in the light of events subsequent to the submission of the report by the Board. The denunciation of the Indo-Japanese Trade Convention and the subsequent conclusion of a new trade agreement with Japan together with the unofficial agreement between representatives of the Indian and United Kingdom Textile Industry had introduced entirely new factors into the situation. The Bill was intended to give statutory effect to the aforementioned agreements. Opportunity was also taken by Government to in-</p>

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				<p>even to meet the whole of their out-of-pocket expenses.</p> <p>Continued depression of the industry in Bombay was bound to depress prices throughout the country.</p> <p>The introduction of protective duties on piecegoods in 1930 prevented a greater fall in their prices than the fall in the prices of raw cotton. The reduction of purchasing power diverted the demand from high-priced to low-priced goods. The withdrawal of protection would cause a serious set back to the industry. The only practicable method of fixing the measure of protection was to base it on the difference between the fair-selling price and the price actually realised by the Indian mill.</p> <p>Effective protection could only be given by specific duties.</p> <p>Any system of specific duties should be based on as broad a classification as possible. It would be unnecessary to have more classes than four, (1) plain grey, (2) bordered grey, (3) bleached, (4) printed, dyed and coloured woven with duties of 5 annas, 5 annas 3 pies, 6 annas and 6 annas 4 pies per lb., respectively, or the <i>ad valorem</i> rate of revenue duty whichever was higher.</p> <p>The <i>ad valorem</i> duty was intended to protect the revenue of Government.</p> <p>The specific duties proposed would be applicable to cotton goods of British and non-British manufacture.</p> <p>A reduction of the specific duty on yarn to one anna a pound and its restriction to counts 50s. and below was recommended.</p> <p>The claim to protection of subsidiary industries such as hosiery industry and braid-making industry was analogous with that of the engineering and other industries whose raw material is rolled steel.</p>	<p>corporate into the Bill their decisions on the recommendations of the Board on the Sericultural industry.</p>

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30.	Dec. 3, 1932.	President: F. I. Rahimtoola. Members: G. T. Boag, H. R. Batheja.	Sericultural Industry.	<p>The Board recommended that protection be given by (1) a specific duty of Re. 1-8-0 a dozen on underwear including knitted garments of all descriptions and underwear made from woven fabrics; (2) by a specific duty of 8 annas a dozen pairs on socks and stockings; (3) by a specific duty of 6 annas a pound on knitted fabrics in the piece and (4) by a specific duty of 6½ annas a pound on braids known as "Ghoonsis" or "Muktakesis."</p> <p>Piecegoods made entirely or in part of artificial silk should be subject to a specific duty of Re. 1-8-0 a lb. But if the proportion of artificial silk in the mixture did not exceed 15 per cent. of the total weight, the goods should be assessed as coloured cotton piecegoods or woolen manufactures.</p> <p>A duty of 15 per cent. should be imposed on all imported starch.</p> <p>It was considered desirable that the Merchandise Marks Act should be amended without delay so as to penalise dishonest practices.</p> <p>Legislation was desirable in order to define the extent and nature of the control and supervision to be exercised by the directors and shareholders over managing agents. A Committee should be appointed to report on the manner in which the Company Law should be amended.</p> <p>The Board recommended an <i>ad valorem</i> duty of 80 per cent. on silk goods and 60 per cent. on silk mixtures. They also recommended that all silk yarns including thrown silk and spun silk be liable to the duty recommended for raw silk, and that a specific duty of Re. 1 a pound be levied on artificial silk yarn.</p>	Government action was embodied in the Textile Industry (Protection) Act, 1934.

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29 31.	May 20, 1930.	<i>President:</i> A. E. Mathias. <i>Members:</i> J. Matthai, F. I. Rahimtoola.	Sugar Industry.	<p>The Board was satisfied that the three conditions laid down by the Fiscal Commission were fulfilled by the Sugar Industry and that a case for protection had been established.</p> <p>The agricultural aspect of the case for protection was the most important. In the national interests, the area under sugarcane should not diminish and a fresh outlet should be provided for cane by encouraging the expansion of the white sugar industry. Unless steps were taken to develop the white sugar industry, the Board was of opinion a disastrous slump in the gur market was probable which would seriously affect the agricultural classes, disorganise the agricultural system and involve the abandonment of better cane cultivation in large areas.</p> <p>The khandsari system of sugar manufacture was of great importance in the Rohilkhand tract. Both from the point of view of outlet for cane and from the point of view of the position of cultivators in Rohilkhand, the continuance of this branch of industry must be secured.</p> <p>The area under cane in India over a series of years had remained very steady. The main product of sugarcane in India was gur, or which between 2½ and 3 million tons were consumed annually.</p> <p>There were as many as 29 factories capable of manufacturing white sugar direct from cane and there were also 14 refineries which manufactured white sugar mainly from gur.</p> <p>There was a remarkable increase in the efficiency of extraction of Indian factories since 1920.</p> <p>Much progress was made in the last ten years at the Sugar Research Station at Coimbatore and a number of varieties had been evolved which were particularly suitable for Northern India.</p>	<p>The Government of India accepted the recommendation of the Board that a single rate of duty should apply to all classes of sugar. As the period of 15 years was considered to be unduly long, it was decided to propose that a protective duty of Rs. 7-4-0 per cwt. be imposed on all classes of sugar until 31st of March, 1938, and that provision be made in the statute for a further enquiry before the end of that period.</p> <p>The Government did not propose to accept the Board's recommendation that power should be taken to impose an additional duty in the event of the price of imported sugar falling below a certain level.</p> <p>The Board's recommendation regarding the duty on molasses was accepted. A resolution embodying the above decision of Government was issued on 30th January, 1932, and the Sugar Industry (Protection) Act received the assent of the Governor-General on 8th April, 1932.</p>

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				<p>Steps should be taken to reduce the cost of production of gur particularly in Bombay and Madras by the improvement of methods of cultivation and by the introduction of improved varieties of cane after investigation at the Research Station at Coimbatore.</p> <p>Sugarcane was the only important agricultural product, the price of which was not determined by world conditions and Government had it in their power at this time of severe agricultural depression to afford substantial assistance to the agricultural classes by protecting the sugar industry.</p> <p>Any scheme of bounties was on administrative grounds impracticable.</p> <p>The Board therefore proposed that assistance should be by way of duty. In order to enable the industry to face initial difficulties and to safeguard the position of the manufacturer of indigenous sugar by the bel method, the Board recommended that for the first seven years the duty should be fixed at Rs. 7-4-0 per cwt. and that for the next eight years at Rs. 6-4-0 per cwt., the period of protection being for 15 years.</p> <p>The Board also proposed that a single rate of duty should be applied to all classes of sugar including sugarcandy.</p> <p>They had no recommendations to make regarding the application of Messrs. Carew & Co., for the removal of tariff inequality on methylated spirit.</p> <p>Protection was unlikely to affect seriously the industries using sugar.</p> <p>Increased sums should be allotted to development and research work since without such measures the whole purpose of the protective scheme was likely to be delayed, if not defeated. They recommended a grant of not less than Rs. 10 lakhs annually to the Imperial Council of Agricultural Research.</p>	

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32.	July 25, 1929.	<p><i>President:</i> Sir P. P. Ginwala up to 26-3-30. A. E. Mathias from 27th March, 1930.</p> <p><i>Members:</i> A. E. Mathias up to 26-3-30. Dr. J. Matthai.</p>	Salt Industry.	<p>The Tariff Board considered the scale for cane payment recommended by the Indian Sugar Committee, <i>viz.</i>, a sliding scale based on price for cane equal to half the price of sugar subject to a minimum of 6 annas per maund as generally suitable, but they thought that it should be increased by one anna per maund in the first years of protection.</p> <p>Tariff Board held that it would be necessary to increase the duty from Re. 1-4-0 to Re. 1-6-0 per maund to bring the import price of Rs. 53 to the level of the fair selling price of Rs. 66 for the Indian industry.</p> <p>This would involve an additional burden of nearly Rs. 20 lakhs on the Bengal consumer.</p> <p>Considering the limited extent to which the national interests would be served by the establishment of salt industry at Okha or Karachi, to expect the Bengal consumer to shoulder a burden of this magnitude would be entirely unreasonable, but a different conclusion might be reached if there was a reasonable prospect of securing stability of price.</p> <p>On economic grounds the case for the imposition of a protective duty could not be sustained. Nor could the proposal for any remission of the excise duty be justified.</p> <p>Maintenance of quality could not be guaranteed either by the imposition of duty or by the grant of bounty.</p> <p>Their conclusion was that it was not in the national interests to encourage the production of Indian seaborne salt at anything more than a price of Rs. 66 per</p>	<p>The Government of India accepted the finding of the Board and appointed a Salt Survey Committee. After considering that report the Salt (Additional Import Duty) Act 1931 was passed and it received the assent of the Governor-General on 5th April 1931. An additional duty of 4 annas 6 pies per maund was imposed under that Act on all salt imported into British India but produced outside India.</p>

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				<p>100 maunds and the only method of encouragement which could be recommended was stabilization of prices over a long period by some form of organized control.</p>	
				<p>The Board held that India could be made self-supporting in respect of salt. Khewra and Sambher provided sources of supply of white crushed salt for the Bengal market. Therefore, they recommended that a detailed survey should be made of these possible sources.</p>	
				<p>As in the case of seaborne salt, so in the case of rail-borne salt, they thought, if the manufacture of white crushed salt was to be encouraged in India, the only ultimate solution was the introduction of some form of organised control.</p>	
				<p>The advantages of such a control were many. In the first place, the Indian manufacturer would get a reasonable price which would also be fair to the consumer. In the second place, exploitation by combines of foreign manufacturers could be stopped. In the third place, Government would have an additional source of supply to make good shortages in Upper India.</p>	
				<p>The control must ultimately be in the hands of a Marketing Board constituted on the lines of a public utility company. But Government should at once assume control of imported salt in the interests of the industry as well as the consumer and standardise the qualities of common crushed and superfine salt.</p>	

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33.	July 16, 1928.	<p><i>President:</i> Sir P. P. Ginwala.</p> <p><i>Members:</i> A. E. Mathias, J. Matthai.</p>	Heavy Chemical Industry.	<p>The Tariff Board took the sulphuric (Chamber) acid as the basis of the whole group of chemicals considered in their report.</p> <p>The heavy sea freight on acids afforded a high natural protection to the manufacture of sulphuric, hydrochloric and nitric acids locally, but as there was no freight advantage in respect of salts, their manufacture in competition with other highly developed countries was difficult.</p> <p>The market in the country was sufficiently big to warrant production on an economic scale.</p> <p>The machinery required was simple and easily handled by Indian labour.</p> <p>In respect of raw materials, though India possessed several of those required, sulphur which was the most important raw material was lacking, but its absence was not considered a bar to the grant of protection.</p> <p>The chemical industry was a key industry and one of national importance and therefore the Board considered that the industry should be protected.</p> <p>At the moment, the production being on a small scale, the costs were high and could not be accepted as a suitable basis for protection.</p> <p>The industry should reorganise itself and attain bigger production so as to bring down the cost of production.</p> <p>The protection required should be given in the form of specific duties which represented substantially the present level of revenue duties.</p> <p>The inter-connection of the various duties suggested was emphasised.</p> <p>No limit was fixed to the period of protection, but another enquiry should be made after 7 years.</p> <p>Realising the close connection between the chemical industry and the manufacture of artificial fertilisers, the Board held that the manufacture of superphosphate</p>	<p>In a resolution issued on 5th September, 1931, the Government of India proposed to give effect to the protective duties recommended by the Board for the period up to 31st March, 1933. They did not agree with the Board in the matter of railway rating policy. They also thought that the question of assisting an industry not yet in existence by means of a bounty required further consideration.</p> <p>In the same resolution the Government of India said that they were prepared to discuss with representatives of the Chemical industry the question of developing the industry.</p> <p>Again in a resolution issued on the 1st April, 1933, summarising the position of the industry, the Government of India said that there was no indication of any intention on the part of chemical manufacturers to work for more economic production by a combination of interests; that the great majority of opinions were unfavourable to any scheme of State assistance for the manufacture of superphosphate and that there was no chance at any time of the superphosphate industry, if started, being able to stand competition from other countries unassisted.</p> <p>The Government of India, therefore, finally decided not to place any proposals before the Legislature for the continuance of protection of the Heavy Chemical Industry.</p> <p>The protective duty on magnesium chloride, however, would remain unaffected till March, 1939.</p>

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				<p>was a suitable industry for the grant of protection, which should take the form of a bounty.</p> <p>On a careful examination of the question the Board found that a policy of reduction of railway freights with a view to facilitate the formation of a combine would be not merely in the national interests but also in the interests of railways themselves.</p>	
34.	July 16, 1923.	<p><i>President:</i> Sir P. P. Ginwala.</p> <p><i>Members:</i> A. E. Mathias. J. Matthal.</p>	Magnesium Chloride Industry.	The Board recommended the imposition of a specific duty of 7 annas a cwt. for 7 years.	The Government of India accepted the recommendation and imposed the duty in 1931.
35.	March 26, 1931.	<p><i>President:</i> J. Matthal.</p> <p><i>Members:</i> F. I. Rahimtoola. G. T. Boag.</p>	Paper and Paper Pulp Industries.	<p>The main recommendations made by the Board were as follows:</p> <ol style="list-style-type: none"> (1) Protection to the bamboo paper and pulp industry should be continued by means of a duty. (2) The duty on imported paper should be imposed at the same rate and on the same articles as at present. (3) A duty should be imposed on imported wood pulp at the rate of Rs. 45 per ton. (4) The protective duties on paper and pulp should remain in force for a period of seven years from the 1st April, 1932. (5) A conference should be held with representatives of the different interests to decide the proper definition of the classes of paper to be subject to the protective duty. (6) Compliance by the paper-making companies with the principles stated in para. 292 of the Fiscal Commission's report should be made a condition precedent to the grant of concessions for the exploitation of forests and to purchases of paper by Government. 	<p>Government accepted the proposals of the Board regarding the duties to be imposed on various kinds of paper and also on pulp.</p> <p>The period of protection fixed by the Board was also approved.</p> <p>The Conference proposal made by the Board for the definition of articles chargeable with protective duty did not receive the assent of Government. The conditions laid down in paragraph 292 of the Fiscal Commission's report would, it was explained by Government, apply only to new companies and not to companies already in existence at the time of the consideration of the question of granting assistance.</p> <p>The Bamboo Paper Industry (Protection) Act was passed in 1932.</p>

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
				(7) The Paper Pulp Section of the Forest Research Institute should be developed and should undertake co-ordination of experimental work on bamboo.	
86.	May 15, 1930.	<i>President:</i> A. E. Mathias, <i>Member:</i> J. Matthai.	Gold Thread Industry.	The Board considered that a case had been made out for the protection of the gold thread industry and recommended that the duty should be fixed at 50 per cent. <i>ad valorem</i> applying alike to real gold thread, lametta, manufactures from silver wire such as spirals, spangles, etc., and all colourable imitations. They also recommended the period of protection to be fixed at 10 years.	The Government accepted the findings of the Board and the Gold Thread Industry (Protection) Act came into force in 1931. The duty applicable to the various articles mentioned by the Board was 62½ per cent. <i>ad valorem</i> .
87.	May 7, 1931.	<i>President:</i> J. Matthai. <i>Members:</i> F. I. Rahimtoola, G. T. Boag.	Wire and Wire Nail Industry.	The Board recommended a specific duty of Rs. 45 per ton on wire as well as wire nails. They also considered that the existing arrangements for exempting wire rod from duty should be continued.	Government accepted the finding of the Tariff Board and imposed a duty of Rs. 45 per ton by the Wire and Wire Nail Industry (Protection) Act, 1932.
88.	May 11, 1931.	<i>President:</i> J. Matthai. <i>Members:</i> F. I. Rahimtoola. G. T. Boag.	Electric Wires and Cables Industry.	The Board found that the industry did not satisfy the conditions laid down by the Fiscal Commission and, therefore, had no recommendations to make, regarding the application for protection submitted by the Indian Cable Company.	Government accepted the finding of the Board.
89.	May 11, 1931.	<i>President:</i> J. Matthai. <i>Members:</i> F. I. Rahimtoola. G. T. Boag.	Glass Industry.	Report of the Board submitted to Government in the beginning of 1932 not yet published.	

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
40	Aug. 26, 1933.	<i>President:</i> J. Mathai. <i>Members:</i> G. Wiles, G. A. Natesan.	Steel Industry.	<p>The main conclusion of the Board was that the 1926 Scheme of protection had proved successful and that the expected reduction in past had been effected and that the stage has arrived when "on all articles sold by the Steel Company in competition with Britain imports either more protection duty is required at all, or if any one required the rates are lowered than the normal rates of revenue duty." The Board also added that, if continental steel products were sold at fair prices the Indian industry could well stand the competition and that the duties on Continental goods which were needed were more in the nature of anti-dumping than protecting duties.</p> <p>The Board recommended a duty of Rs. 43 per ton on the imports of untested structurals from the continent ; Rs. 10 per ton on British bars (tested); Rs. 39 per ton on continental untested bars; Rs. 25 per ton on untested plates from the continent. On rails, fish plates, structurals and tested plates from United Kingdom, the Board recommended no duties. On Blacksheets (tested) from U. K. the Board recommended Rs. 11 per ton and Rs. 32 per ton on untested Blacksheets from the Continent. Galvanised sheets were recommended for an import duty of Rs. 10 per ton irrespective of the country of origin. On imports of fabricated steel from countries other than Great Britain, a duty of Rs. 40 per ton was recommended. As regards tinplates, the Board</p>	<p>The Government of India accepted the conclusion of the Tariff Board but preferred equalising duties to the removal of the revenue duties on the imports.</p>

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6
30				<p>favoured a duty of Rs. 38 per ton on the British product and Rs. 57 per ton on the continental. On imports of wire nails Rs. 25 on the British goods and Rs. 60 on the foreign. A duty of Rs. 57-8 per ton is recommended on imports of cast iron pipes from foreign countries, while the British goods were to be duty free.</p> <p>The more important part of the Tariff Board Report is the recommendation that even the revenue duties on rails and tested structurals and plates should be removed or in the alternative countervailing excise duties should be levied on internal production.</p>	
41	11th May, 1931.	<p><i>President :</i> J. Matthai. <i>Members :</i> F. I. Rahim- toolah. G. T. Boag.</p>	Glass Industry.	<p>(i) Sheet and Plate glass including figured and ribbed glass—Rs. 4 per 100 sq. ft. or 25 per cent. <i>ad valorem</i> whichever is higher.</p> <p>(ii) Bangles, beads and false pearls—50 per cent. <i>ad valorem</i>.</p> <p>(iii) Glass and glassware of the kinds specified below—50 per cent. <i>ad valorem</i>.</p> <p>(a) Containers other than those containing merchandise packed according to ordinary trade usage—bottles and phials of all descriptions including soda and other aerated water bottles ; jars of all kinds including stopped jars.</p> <p>(b) Illuminating ware—Chimneys ; globes ; shades ; chandeliers ; domes lamps wholly or partly made of glass.</p>	

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government 6
				<p>(c) Table and domestic ware—Tumblers and jugs; dishes; bowls; plates, decanters; stands; vases; wine glasses; ink stands; paper weights; ash trays; pepper, salt and winegar bottles.</p> <p>(d) Miscellaneous Tables roofing and floor.</p> <p style="text-align: center;">Carbon Brushes</p> <p>The Board concluded that as carbon blocks are subject to a duty of 25% <i>ad valorem</i>, carbon brushes are charged only at the rate of 10%, Tariff inequality exists and that the duty should be reduced to 19% in order to remove such inequality. The Board recommended an even lower rate of 15% to make up for other handicap.</p> <p style="text-align: center;">Healds and Reeds</p> <p>The Board concluded that Tariff inequality exists also in the case of Healds and Reeds and recommended that the duty on healds and reeds should be raised from 10% to 15%.</p>	<p>The Government rejected the recommendations of the Board and have only allowed a rebate of duty on important soda-ash used by the glass industry if the same is imported by a British country.</p> <p>The Government accepted the conclusion of the Board and proposed to effect a reduction in duty by notification under section 23 of Sea Customs Act after discussion in the Assembly.</p> <p>The Government of India declined to accept the conclusions of the Board on the ground that the use of imported yarn for the manufacturing of healds and reeds can make up for the higher cost of other raw material.</p> <p>The Government of India accepted the recommendation of the Board generally, but considered that such of them as required to be given effect to by legislation, viz. the recommendations in respect of envelopes and coated papers, were not so important as to justify the introduction of a bill specially for that purpose. Government, therefore, have proposed to place proposals to implement them before the Legislature. Regarding other recommendations of the Board, executive instructions have been issued to the Customs Department. Government also decided to hold a departmental enquiry as to whether the continuance of the surcharge on the Paper Protective duties is any longer justifiable.</p>
42.	May 25, 1935	<p style="text-align: center;"><i>President :</i> F. I. Rahimtoolah <i>Member :</i> H. R. Batheja</p>	Classification of paper	<p>... Hard-sized duplicator, hard-sized White and Buff or Badami mechanical paper, suitable for writing, to be classed as Writings. Cover paper, whether white or coloured, in any furnish; Machine Glazed Pressings, and Machine Glazed Wrappings (suitable for use as Cover paper), substance above 85.2 grammes per square metre; Cartridge Paper, whether white or coloured, substance below 85.2 grammes per square metre; Soft-sized Duplicator paper; Soft-sized White and Buff or Badami Mechanical paper above 26.6 grammes per square metre, to be treated as Printing papers. Envelopes made of writing paper to be assessed under Item 44 (3) (a) of the Tariff Schedule.</p>	

INDUSTRIAL SECTION :

THE INDIAN COAL INDUSTRY

COAL IN INDIA AND INDIAN COAL IN THE WORLD.

In importance, the coal industry in India can hardly compare with cotton, or jute, or with the pure agricultural staples. In both raw cotton and cotton goods our production is a substantial portion of the world output; in jute we have a practical monopoly; and the agricultural staples have a significance in the national economy apart from, and independent of, their relation to the output, and markets of the rest of the world. But in coal our annual production is an average of 20 million tons, out of a world production of about 1,250 million tons. The industry in India has comparatively less capital invested in it; and the chief collieries are confined to the provinces of Bengal and Bihar and Orissa. Withal, it is one of the most important industries, one in which the public can never afford to take a mere lukewarm interest. First, the welfare of the local industry, though it fills a smaller place in the whole of India, is of vital importance to Bengal, Bihar and Orissa. Secondly, coal is by every criterion a key industry. A good supply of coal is one of the basic conditions of industrial progress. Our vast railway system would be unworkable without a well-worked coal industry. So would a coastal marine be when it is evolved by our nationals.

ECONOMICS OF COAL-MINING.

Before we examine the position of our coal industry, it would be well to delineate some of the peculiarities of the economics of coal production. Coal, like other minerals, does not possess the adaptability of agriculture. A coal mine cannot be turned, when the price is not adequate, to any alternative production as, for instance, many agricultural farms or some industrial plants may be. Secondly, there is a preponderance of fixed capital and labour charges in the coal industry; and this tends to make a state of idleness more costly than production at a loss. Thirdly, a coal mine is subject to the law of diminishing returns or increasing costs very much more than other industries. The complete extinction of the mine is not a remote possibility but the definite end, and has to be taken into consideration in determining costs, prices and profits. Differential costs are both common and high; and prices may often be determined by the mine which is more advantageously situated. Another important point is that coal is not a simple product of uniform quality. One class is suitable for cooking, another as steam coal and a third for household purposes. But they do not fall into separate non-competitive categories; and prices move in sympathy. In other words, quality excepted, prices find their level. And lastly, demand for coal is more or less inelastic;

a fall in price does not induce an increase in demand. All these show how difficult it is for the coal industry to devise a remedy when it is afflicted with over-production caused either by increased output or, for some reason, a fall in demand.

WORLD COAL.

We may now turn to sketch briefly the features and changes in recent years of the world's coal industry. The remarkable feature of the coal industry of the world is that out of a production of 1,217 million metric tons in 1918, 517 million tons were produced in U.S.A. and 605 million tons in Europe. So that, so far as the position of the world's coal industry is concerned, the rest of the world can hardly be said to count. Of the total European output, 292 million tons were produced in Great Britain, and 190 million tons in Germany. The other important producers were France 40 million tons, and Belgium 28 million tons. Between 1888 and 1918 world output had increased by nearly 200 per cent. This was the period of the most rapid progress in industrialisation, particularly, in U.S.A. and Germany. In U.S.A. the increase was approximately 800 per cent., in Germany 200 per cent, and Great Britain which, coal like other industries suffered from disorganisation. By 1924, there was a fair recovery and a resumption of the onward march. In 1927, the output of coal exceeded the pre-War output.

At this time, there came two important developments which affected the position of the British coal industry in a very serious way. The Saar region was placed under the terms of the Peace Treaty under separate control and the greater part of the Eastern coalfield was transferred to the new Poland. At the present time there are three countries which export more coal than they import—Great Britain, Germany and Poland. And their competition is intensified because world demand for coal has not kept pace with the world production. Not only has there been a big increase in production, but the need for coal has been reduced by the increased competition of lignite on the Continent, the growing use of oil in ocean and land transport, and of gas and electricity in the homes and factories and lastly the enhanced efficiency of steam-raising. The world market reveals the competition between coal produced under competitive conditions and coal that is indirectly subsidised by lower railway and ocean freights. Each country is exposed to the dangers of blind competitive forces which aim not at maximum profit but minimum loss. Selling organisation and selling agreements are tried and work with questionable success. And on the top of all this trial and tribulation, is the blight of the economic blizzard.

THE FOLLOWING TABLE WILL SHOW THE CHANGES IN THE DISTRIBUTION
OF COAL PRODUCTION AMONG THE PRINCIPAL COUNTRIES.

Coal Production

(In Metric Tons 000's omitted)

Countries	...	1929	1930	1931	1932	1933	1934	1935
Total world production		1,286,628	1,176,722	1,029,840	911,316	958,856	1,024,036	1,072,320*
Germany	...	168,440	142,704	118,644	104,736	109,920	124,860	148,016
France	...	53,784	53,880	48,004	46,272	46,872	47,538	46,212
India	...	22,716	23,124	21,024	18,972	18,812	20,436	21,180
Japan	...	34,260	31,380	27,984	28,056	30,048	35,928	34,908
Netherlands	...	11,584	12,216	12,900	12,756	12,576	12,336	11,880
Poland	...	46,236	37,512	38,268	28,836	27,896	29,232	28,740
United Kingdom	...	262,044	247,800	222,984	212,604	210,300	224,496	236,524
Saar	...	13,584	13,224	11,864	10,440	10,372	11,816	†
U. S. S. R.	...	41,664	47,052	53,544	62,532	72,240	93,504	108,824

* Provisional.

(†) Transferred to Germany since 1935.

INDIA'S COALFIELDS.

Raneegunge and Jharia are the best-known coal fields in India. They account for about 90 per cent. of the total production and the rest are raised in other fields some of which lie not only outside the provinces of Bengal, Bihar and Orissa, but also in the Native States. Raneegunge which produced 6.5 million tons in 1930, is situated in Bengal and was opened up in 1820. Jharia which yielded 9.7 million tons in the same year was started in 1893. The other fields are of comparatively recent origin. Joint stock coal companies have invested more than Rs. 12 crores in the industry; and there is besides a small knot of coalfields owned by the railways for which details of capital are not available. Though Raneegunge and Jharia tower over all the rest of the coalfields in India, the progress made by the latter is by no means insignificant. It would be well, before we proceed to sketch the recent history and the present problems of the Indian coal trade, to have a short sketch of the distribution of the coalfields and to afford some data for an estimate of their value and importance. The Raneegunge fields cover an area of about 500 square miles spread over the districts of Burdwan, Bankura, Manbhoom and the Central Pargannas. The Raneegunge fields are very favourably situated for the export trade, the freight in their case to Calcutta being very much less than from the other fields. The more important seams are Dishergarh, Poniati, and Sanctoria; the next class is presented by Ghusick, Koithi, Chanch, Salanpur, "A" Samla, Kajora and Jambad. As the Raneegunge fields were opened up as early as 1820, the raising costs are distinctly higher.

The Jharia field comprises an area of 150 square miles. It contains 18 seams of coal. The trade distinguishes 18 classes of its output of which the last 9 are considered to be very

poor. Operations were commenced in 1893. The Bokara field has an area of 200 square miles. It is worked chiefly by the various Indian railways and its output in 1930 was 1.6 million tons. The working is easy and cheap and the total resources of this field are estimated to be over 1,000 million tons of coal of first-rate quality.

The Karanpura field, which falls into divisions, North Karanpura and South Karanpura with areas respectively of 472 square miles and 72 square miles, contains thousands of million tons of coal, though of somewhat poor quality. This field may prove in the future to be more profitable as it is having increasing transport facilities and the actual working may be more easy and less costly than fields similarly situated.

The Giridih field is controlled by the East Indian Railway for their own needs. It is seven square miles in area and the coal is accounted to be of the best quality. The coalfields in the Central Provinces have been worked only lately.

The Pench Valley and Kanhan fields are fortunate in having a good transport service from the G. I. P. and the B. N. Rlys. In common with the Chanda fields they find ready market for loco and mill use. The Central India fields lie to the East of the Katni-Bilaspur section of the B. N. Rly. and a railway line has been projected to facilitate the opening up of large deposits of coal in this region.

The Rewa State contains an area which has a convenient market near to it in the Lime and Cement factories in the Katni district. Burhar is situated in the same State and has an annual output of about a lakh of tons.

Korea which lies in the Native State of the same name contains high-class coal and it is being developed.

The Talcher field is worked by the B. N. and M. & S. M. Ryys. Its development will grow with the new port of Vizagapatam; and the future may show it to be advantageously situated both in regard to S. India as well as some of the ports of the South East of India.

The Assam field is practically marked out for the railways of Eastern Bengal, and Assam, the steamers navigating the rivers of that area and the tea gardens in neighbouring districts. The product is of high quality and the mines are worked by adits driven into the hillside.

OUTPUT & MARKETS.

Independent of the fluctuations in the fortunes of coal companies, the output of coal in India has gone ahead, as may be seen from the following two tables giving the figures of production for the last thirteen years and for the last five decades :

Production Year by Year.

Year	(In thousands of Tons)
1920	17,962
1921	19,304
1922	19,010
1923	19,657
1924	21,177
1925	20,900
1926	20,999
1927	22,082
1928	22,543
1929	22,375
1930	22,714
1931	19,513
1932	18,064
1933	18,218
1934	20,846
1935	20,863

Production at the end of each decade.

Tons.	
1880	1,019,798
1890	2,168,521
1900	6,118,692
1910	12,047,416
1920	17,962,214
1930	23,803,048
1935	20,863,000

The imports and exports of coal into and from India are given below:

EXPORTS OF COAL.

(Quantity in Tons).

	1933-34	1934-35	1935-36
United Kingdom	29,892	18	...
Ceylon	222,996	215,605	132,618
(Incl. Labuan)	...	...	...
Hongkong	5,891	29,719	16,589
Philippine Islands & Guam	99,286	55,384	41,270
Other countries	15,329	7,963	7,548
Total	372,394	308,689	198,025
Coke	827	2,634	1,799
	373,221	311,323	199,824

IMPORTS OF COAL.

(Quantity in Tons).

	1933-34	1934-36	1935-36
United Kingdom	9,776	11,580	10,291
Union of South Africa	35,770	32,853	19,203
Portuguese East Africa	...	...	...
Australia	6,165	4,491	5,287
Other Countries	4,640	8,330	24,656
Total	56,351	56,754	59,457
Coke	19,791	14,168	16,454

The channels of consumption for this supply of coal are indicated in the following table which gives the figures for three years :

(In Thousands of Tons).

	1934	1933	1932*
Railway (including work-shops)	7,126	6,682	6,443*
Port Trust	145	143	135
Bunker coal	944	967	1,077
Admiralty and R. I. M.	28	30	29
Shipping accounts	577	586	579
Inland steamers	658	656	653
Jute mills	1,600	1,547	1,361
Cotton mills	4,657	4,092	3,997
Iron and Brass foundries	...	...	...
Tea gardens	189	187	203
Consumption at collieries and wastage (estimated)	1,169	1,979	2,015
Brick and Tile manufacture	709	644	669
Paper mills	149	162	142
Other forms of industrial and domestic consumption	3,788	1,778	2,375
Total	21,799	19,428	16,670

* These are for official year.

It will be seen from the above that the chief consumers, not to speak of the collieries themselves, are, in their order, the Railways of India, the Iron and Brass Foundries, Cotton mills, Bunker coal, Brick and Tile manufacture. It is equally obvious that the fundamental condition of the growth of the coal industry, a vast and widespread industrialisation, is lacking. And even within the narrow limits indicated by the figures cited above, elements of unsettlement have been rife especially during the last one decade after the War. The railways, who form the chief consumer of Indian coal have acquired and been working their own coal mines. Objection has been taken to this development on the ground that as the railways are owned by the State, the establishment of railway collieries would mean an unjustifiable and unwarranted encroachment of the State into the sphere of private industry. It is of course, contended in reply that as the railways are commercial enterprises, they must have freedom to develop their business interests and devise combination of a vertical nature, if they deem it profitable to do so. The railway collieries have been developed in the face of natural opposition; but with the increasing troubles of the coal industry the

Government had at one stage shown themselves more sympathetic to the appeals of the trade regarding the working of the collieries.

TREAT OF ELECTRIFICATION.

Apart from the existence of railway collieries there are other factors which affect the welfare of the coal industry in India. The most important of these is the electrification of the suburban railways. But while this factor may create a temporary disturbance to the market and some concern to the collieries, it is no permanent threat to the coal industry as a whole.

The Bombay cotton mill industry is the next channel of consumption which offers a frequent threat of silting up. In this market, too, there appears on a somewhat larger scale the danger which was mentioned in regard to the railways. Mills and factories are worked more and more by oil or electricity; and the prospects of coal consumption in Bombay must be less. But it is not, of course, to be expected that the change from coal to oil or electricity will be sudden or on a large scale. And in the worst circumstances Bombay must be a market which Bengal or other Indian coal can hardly afford to despise.

INDIAN VS. SOUTH AFRICAN COAL.

But in Bombay, Indian coal has to meet with the powerful competition of South African coal. In that country the coal trade and the Government work in closest co-operation. The Railways are State-owned; and bounties are best given in the shape of railway freights which have no relation to the economic rates. It has become almost the established custom in South Africa to have one rate for the internal movement of coal, another for coal intended to be bunkered and a third, which is the lowest, for coal exported to foreign countries like India, Ceylon, Sumatra, etc. In consideration of this fact the Indian Coal Committee of 1925, recommended an increase of 50 per cent. in the rebate on railway freights for coal for shipment; and the acceptance of this recommendation meant a reduction of annas eleven in the cost of transporting coal to Bombay and Karachi. But there is one important circumstance, which it is difficult to provide against. And it is that coal from the United Kingdom or South Africa is carried practically in ballast. Steamers expect, and do get, valuable cargo from Calcutta, Bombay and Karachi; and while proceeding to pick up such cargo they can afford to take cargo at rates which by themselves would seem to be uneconomic. Such advantages are for the same reason denied to coal going from Calcutta; and in this sense, the export of our precious raw materials may be said to inflict a double injury.

The other Indian ports offer no considerable demand for Indian coal. The industrial needs of the interior of the country are being met from the coal fields near at hand. This development has been helped by the fact that the growing technique of industry has enabled the use of low grade coal where formerly only the best coals were suitable. And the Government of India increased the freights on coal other than those intended for export or bunkering by 15 per cent. as from January 15, 1932. The cumulative effect of all these developments was that Bengal coal was cut

off more and more from the interior and thrown on the so-called export markets.

LOSS OF FOREIGN MARKETS.

The foreign markets have for long been the weakest spot of the Indian coal trade. It is here that the trade has suffered the worst vicissitudes. Though the surplus of production over internal consumption is not very high, the disposal of this surplus at remunerative rates is of vital importance to the whole industry. Disturbance in the foreign markets deepens into depression at home and the export trade has, therefore, been the concern of the collieries and the Government. It is necessary in an examination of this subject to realise that all the coal passing through the port of Calcutta is not intended for the foreign markets, a part of it is for bunkering, a part for the Indian ports and only the remainder goes to the foreign markets. The exports of Indian coal began to be of importance only in the five years ending 1900 when they averaged 80,500 tons annually. For the pre-War period the peak was reached in 1906 with an export of a little over a million tons, and for the decade ending 1915, the annual average was slightly about three quarters of a million ton. It was only two years after the war in 1917, that exports began to be affected through the shortage of shipping which obtained at that time throughout the world. In 1918, the lowest point was reached with 74,000 tons. The end of the war helped a rapid recovery and 1920 saw exports mounting up to so high as 1.2 million tons. The rapid expansion of the demand for coal after the war involved a very heavy strain on the railways in the years 1919-20. The coal trade came to monopolise the available supply of wagons with the result that other commodities and trades were held up. In July, 1920, the Government of India following the example of the United Kingdom and South Africa, decided to prohibit the export of coal from India except under license with effect from July 24, and from September 1, to refuse the preference which had till then been accorded by the railways to bunker coal for Indian ports. It was hoped, at the time these restrictions were imposed, that the bunker coal intended for the ports of Bombay, Madras and Karachi which were then taking an all-rail route would be diverted to the port of Calcutta and would then reach their destination by coastal steamers. At a later stage, it was deemed advisable to restrict the free export of coal and to allow the exports to the former foreign markets only on the basis of a rationing scheme. Within a half year, it was found, on account, among others, of a fall in the raisings to the extent of $4\frac{1}{2}$ million tons, that the provisions were not drastic enough. From the end of January 21, exports to Labuan and Singapore were altogether prohibited. Colombo was allowed a diminished supply till the end of March and thereafter only to the Ceylon Government railways and a few public utility concerns. Even bunkering coal was reduced to the minimum necessary for enabling the steamers to reach the next nearest source of bunker coal. In July 22, all restrictions on the export of cargo and bunker coal by sea to ports in India were removed. The embargo was not entirely removed till January 1, 1928.

The inevitable result of this interference with the flow of coal to foreign markets was that Indian coal was ousted from its place and that South Africa which is the chief rival to

India fully established herself in those markets ; and it is easy to understand that once business relationships are established it is difficult to terminate them in favour of even an old customer. It has been remarked already in an earlier section of this article, that, the Government and the trade in South Africa work in the closest co-operation and that among the many measures introduced for strengthening the export trade in South African coal was the action that had been taken to prevent the use of any but the best coal for export and bunkering and to ensure the satisfactory condition of any coal so used. By 1924, the situation resulting from the loss of the foreign markets had become serious.

TARIFF BOARD ON INDIAN COAL.

The coal trade applied for protection ; and as the questions involved were deemed to be of a highly technical nature, the Government decided to appoint the Indian Coal Committee, which would go into the question thoroughly and submit a report which might possibly be regarded as the basis for the Tariff Board to work on. The findings of the Indian Coal Committee are naturally various and varied. Their most important finding was that the problems of the Indian coal trade may be summed up in two words "quality" and "price." In regard to the former, they inclined to the view that, though the restriction placed on exports during the period after the War had much to do with the ultimate loss of the foreign markets, there have been even from earlier times a decided dissatisfaction amongst the foreign consumers with the quality of the Indian coal and that, even if the restrictions on exports had not been imposed, India would in any case, have been superceded by her rivals in Colombo, Singapore and other ports. As regards price, they went elaborately into the factors entering into the price of coal at the various consuming centres. Naturally, these factors fell into four divisions: (1) cost of raising ; (2) railway freights ; (3) port charges, in the case of coal for foreign markets and Indian ports and (4) shipping freights. The Committee after a careful examination found that Indian coal, by all the accepted criteria in this regard, is, if anything, superior to the rival product from South Africa ; and that, if greater care were expended in the raising, handling and selection for foreign markets of Indian coal, our products can very well stand the competition from abroad and slowly find it possible to regain the lost markets. For this purpose, the common methods of pooling and grading were suggested in the evidence before the Committee and were considered by them. The Committee decided that no pooling was essential for this purpose. They accordingly recommended the appointment of an Indian Coal Grading Board to classify the different seams at Indian collieries, to prepare a grading list and grant certificates of shipment. The recommendation was given legislative effect in 1925 ; collieries included in the grading list receive a special rebate on railway freight and a reduction of port dues and of shipment of cargo coal approved by the Grading Board. With the institution of the Board, foreign markets have been enabled to ascertain beyond doubt the origin and quality of the coal consigned to them. The quality of the coal shipped under the supervision of the Board has helped

Indian coal to regain the footing it had lost in the markets of the East owing to the indiscriminate shipments of earlier years.

PROBLEMS OF BENGAL COAL.

Apart from the prospects of Indian coal as such, Bengal coal would seem to have problems of its own. We have already mentioned that there will be an increasing tendency on the part of the industrial consumers in the heart and farther ends of the country to have their needs supplied by the collieries near at hand. This has been possible as the technique of steam raising enables the use of inferior coal in place where formerly there was no alternative to the use of the best qualities. In these circumstances Bengal coal will have to fall back entirely on the export markets ; and this is a prospect which it should not fear, as Bengal coal is of the highest quality and well appreciated by foreign consumers. But the internal coal market has been during recent times in a state which the producers can by no means regard as wholesome. Coal prices are determined by the rates obtained at the railway tenders ; and the fact that the railways themselves are owners and managers of collieries tends to undue depression of the market. It has naturally been the insistent demand of the coal trade that the railways should cease to work their collieries. While this desideratum has not been fully secured the coal owners of all sections attempted for their part to reduce undue competition amongst the producers.

The Calcutta Coal Conference which was convened in 1929 by the principal owners was the first step in this direction. The Conference was able to enforce certain fixed minimum prices for the various qualities and raise coal prices to higher levels than it would have been otherwise possible to attain. Unfortunately the depression had hit the industry so hard that the morale of the Conference got weakened and the Conference was dissolved in a short while. The result was a still further decline in the prices of coal.

RESTRICTION OF COAL OUTPUT.

The year 1932-33 saw a worsening of all the adverse features of the coal trade referred to earlier, and the primary cause of the increase of all these handicaps was the imposition of a surcharge of 15 per cent. on rail freight on coal. The effect of this, it has been contended, is to give an unfair advantage to the coalfields of the Central Provinces, as, with a 15 per cent. surcharge, the basic rate in respect of the coals of these two areas is in favour of the C. P. coal. The practical effect of the surcharge was to make Bengal coal considerably dearer to Western and Southern India and to other places away from the coalfields in Bengal and Bihar and Orissa.

As a result of the various representations made by the coal trade of Bengal and Bihar and Orissa, the Government agreed to do something and raised the rates for the transport of coal from the collieries in the Central Provinces as from the 1st of April, 1934. It was announced in Jan. 1935 that as from the 1st of April the surcharge on the railway freight would be reduced by a cut in the basic rate from 15 per cent. to 12½ per cent. and by the imposition of Re. 1 per ton, irrespective of distance.

The comparative prices of 1932-33, 1933-34 and 1934-35 are given below :

	1934-35		1935-36		1936-37	
	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.
Dishergarh	4 0		3 0		3 0	
Poniat	3 9		2 12		2 14	
Super Jharia	4 0		3 8		3 8	
Selected Jharia	3 8 to 3 12		2 12		2 8	

The difficulties of the Coal industry of Bengal and Bihar and Orissa have mounted up, like Pelion upon Ossa and, as a result, have succeeded in making the industry one of the most disorganised in India. The unhealthy competition amongst the coal owners themselves has also contributed in no small measure to the ruin that is almost staring them in their face. After protracted and delicate negotiations the three bodies interested in the coal trade of Bengal and Bihar and Orissa i.e. the Indian Mining Association, the Indian Mining Federation and the Colliery Owners' Association agreed upon the essential principles of a scheme of restriction with differences of opinion restricted to certain details such as the constitution of the Board of control. The scheme was submitted to the Government of India in December, 1933.

It is useful to give here its main outlines. The Restriction scheme shall be in force for a period of three years in the first instance, restriction being effected by control of wagon supply. The operation of the Scheme shall be restricted to Collieries in British India, in Bengal, Bihar and Orissa and the Central Provinces. The Standard Tonnage of all collieries shall be the average annual output of the years 1930-31-32. The lowest quota shall be 75% of the Standard Tonnage but the Committee shall have power to vary the quota from time to time as they consider necessary. Collieries in Central Provinces (British India) shall be allotted a quota equal to 100% of their standard tonnage. Sanction shall be sought from Government to amend the Coal Grading Board Act 1925 to allow of all expenses in connection with the working of the Restriction Scheme to be met from funds at the disposal of the Indian Coal Grading Board. The Committee shall deal with all matters arising out of the Restriction Scheme and their decisions shall be final and binding.

1935-36

1935-36 must be pronounced altogether eventless year in the history of the coal industry. For by the beginning of April, 1935, the Government had had its final say on the question of restriction of output and the industry was left to face the severities of cutthroat competition. There was, however, one relief in the shape of the

reduction of the basic rate on the surcharges of railway freights to which a reference has already been made. This was sufficient for a time to hearten the collieries; and later, when there came about a slight improvement in prices, it was possible to feel that the year had not turned out as bad as it was once feared. Towards the end of the year, the attention of the trade was diverted to the question of regaining the export markets which had been lost during the years following the War. The Associated Chamber of Commerce passed a resolution at their annual meeting that the Government should consider the advisability of reducing the freight on coal with a view to enable the Indian industry to compete on equal terms with South African coal in certain markets like Ceylon and Sumatra and the neighbouring ports for bunker coal. Up to the time of writing, no definite decision has been arrived at nor is the question of the renewed competition from South African coal to Western India been dealt with.

Mention may, perhaps, be made here of the disaster which happened in the Jharia coalfields early in 1936. The fires raged so long and the casualties were so heavy, that public interest in mining regulations was revived and the Government of India have taken action by formulating new regulations which attempt to provide as far as may be possible for better mining methods and for prompt provision of relief in case of disaster. It is to be regretted that in framing these regulations, the Government of India have paid no attention to the much more momentous problem of conserving the coal resources of India. It has been a moot point of discussion among the geologists in India that faulty mining methods tend to waste away the none too abundant resources of Indian coal and that the State should ensure that collieries pay better attention to this aspect of mining. It is difficult to understand how the Government failed to realise the eminent importance of this question and it is to be hoped that before long this lamentable omission in mining regulations will be made up.

INDUSTRIAL SECTION:

THE INDIAN JUTE MILL INDUSTRY

MAINLY HISTORICAL

Though historical records of a comparatively distant past contain many references to fibres which were closely related to, if not identical with, jute, it was not till the middle of the last century that jute and jute manufacture attained a definite importance in world trade and commerce. Obviously, a variety of fibres were known to the ancients and were in active use; and it would be difficult to determine their identity among those that we know to-day. But it is certain that about the beginning of the nineteenth century the word *pat*, which is so commonly heard in the bazars of Calcutta, had come to denote definitely the botanical species known as *Corchorus capsularis* and *Corchorus Olitorius*. The word jute, however, seems to have been used for the first time in official records by Dr. Roxburgh, the Founder and Director of the Botanical Gardens, Calcutta, who was also the first to see its possibilities as an article of export, in a letter to the Court of Directors of the East India Company, which he sent along with a bale of the fibre in 1805. More followed; and by 1820 jute was being spun for use in carpets at Alington in Oxfordshire. But old prejudices die hard; and in the light of the subsequent progress of jute it should seem strange that it was a standard condition of business in the flax trade in those times that goods for delivery should be "warranted free from India jute."

FIRST EXPORTS OF JUTE

It is natural that jute should attempt its first entry abroad in places carrying on the spinning and weaving of flax and hemp. Dundee had, therefore, a consignment of jute in 1822; but the spinning of this fibre was found to be far from easy; and it took some years before Dundee found how to use them for door mats. Progress, however, though slow, was steady. By 1828, raw jute came to have a separate heading in the Calcutta customs records; and the shipments in that year amounted to 864 cwts. Then whale oil was found to have the property of softening the fibre and making it more easy to spin; and with the spread of this device, the demand for the fibre increased. Exports swelled to 11,800 cwts. within a period of less than five years and the price had doubled itself by 1837. Coffee came to be transported from the Dutch East Indies in jute bags; and with a foreign Government enlisted as a large-scale consumer, the jute industry was firmly established in Dundee.

END OF HANDLOOM INDUSTRY

The development of mechanical production in Dundee had its natural effect on conditions in Bengal. The handloom industry had shown

a surpassing vitality; and up to the middle of the last century India's exports of jute manufactures were more in value and volume than the exports of the raw material. But later on with a rapidly increasing demand for jute from abroad, it became more profitable for the agriculturist to concentrate on the cultivation of jute than to continue a competition in which the odds were against him.

The normal progress of the jute industry was given a sudden and artificial stimulus by the Crimean War which shut out Russia's flax and hemp from the world markets. In the same way, the American Civil War deprived the manufacturers of cheap cotton bags of their raw material. In both these cases jute was the most obvious substitute; and it made most of these opportunities. Its place in world trade was assured. And from this time exports showed a steady and rapid rise. The peak year was 1908-09, when 897,000 tons were exported, with 1927-28 as a close second with exports of 892,000 tons.

EXPANSION OF JUTE MILLS

The establishment of mills in India for the manufacture of jute with European machinery did not begin till after the middle of the nineteenth century. The first jute millowner is reported to be one Mr. George Auckland. His original intention was to push *rhea* ahead of flax and hemp and visited Dundee with this purpose in view. But with commendable quickness he appreciated the more useful qualities of jute; and in 1855 he erected the first jute spinning mill at Rishra near Serampore on land which was afterwards the site of the Wellington Jute Mill. Two years later the first weaving factory was erected at Barnagore. With such a conclusive demonstration of the profitableness of jute spinning and jute weaving and with the trade showing such remarkable capacity for expansion, other factories followed in rapid succession.

The first power loom was erected by the Borneo Company, of which Messrs. George Henderson & Co. were the agents. Its combination of spinning and weaving proved to be a very decisive factor in its success; and within a few years the equipment and output of the Company were doubled. It was followed in 1862 by the Gourepore and the Serajunge Mills. The India Mills came on in 1866; and the result was an increase in loomage in the short period between 1869 and 1878 from 950 to 1,250. In 1872-73 Budge Budge, Fort Gloster and Seebpore (later changed to Fort William) were registered in Calcutta and Samnugger and Champdany in Scotland. Before two years were over, Oriental (now Union North), Howrah, Asiatic (now known as Soorah), Clive, Bengal (now Belliaghatta), New Central (formerly

Rustomjee), Hastings and Ganges followed. Such rapid inrush of new mills took up the total loomage to 8,500 and apparently caused a state of temporary disequilibrium in the trade. Only Kamarhatty ventured into the field in 1877. And it was not till 1882 when the mills had over 5,000 looms that the next bout of new ventures started, lasting for about three years. At the end of this the loomage had increased to 6,700, of which 4,900 were sacking and the rest hessian.

Again production outstripped demand; and the obvious need for restriction of output suggested the equally obvious expedient of forming the Indian Jute Mills' Association. Its function has been mainly to bring the producing units together for purposes of regulating the output as and when necessary. No new mills were built in the decade ending 1895. But it is a feature of the jute trade that existing mills had been regularly increasing their loomage and by 1895 the loomage had increased to 9,701, of which 3,117 were sacking. The next quinquennium saw the advent of Gondolpara, Kharah, Alliance, Anglo-India, Standard, National, Delta, Kinnison and the present Lansdowne. The opening years of this century were not marked by any new flotations, but between 1905 and 1910 Dalhousie, Alexandra, Auckland and Northbrook Mills were started; and the loomage went up to 31,755 as against 15,213 ten years earlier. Albion, Angus and the Empire came into the field in time to reap the profits of the War period. And during the War, Caledonian, Lothian, Orient, Waverly, Craig and Bally were added and after the War, Nuddea and Megna, Cheviot, Benjamin (now Presidency). Birla and Hukumchand were the first Indian mills; and later followed the Adamjee, the Premchand Mills, Hanuman, Agarpara and Mafatal Gangalbhai Mills. In 1921, Ludlow and the American Manufacturing Co. were added to the one American-owned mill, namely, the Angus.

The tables appearing in this volume, giving all the relevant statistics of acreage and crop, mills' consumption and exports of raw jute and exports of jute goods will afford a more complete and more accurate story of the development and expansion of the jute mill industry. It should suffice here in this descriptive note to point out that, if we put of mind the years 1930-34 which form the period of the depression, the history of the jute mill industry during the War and post-War period is one of unbroken progress. The area under jute increased from 81.69 lakhs acres in 1918-14 to 84.85 lakhs in 1929-30. Production expanded from 87.59 lakhs of bales in the pre-War year to 121.87 lakhs in 1926-27. The Indian mill consumption progressed with but few setbacks from 43.74 lakhs of bales to 62.46 lakhs in 1929-30. The export of jute and jute manufactures in 1925-26 amounted to Rs. 96.79 crores out of a total of Rs. 374.84 crores, from which there was a natural reaction. But so late as 1928-29 the figure stood at Rs. 89.25 crores. From that peak, it has come down to about Rs. 33 crores for reasons which will be entered into in a later section of this article, but there can be no doubt about the vitality of this industry or its capacity to stand competition from rival goods.

THE CULTIVATION AND MARKETING OF JUTE

Bengal holds a virtual monopoly of the production of raw jute. The two varieties of jute

mentioned in the previous section are grown exclusively in the deltaic region common to the mighty river systems of the Ganges and the Brahmaputra. Thus the crop is confined to Bengal, Assam and Bihar and Orissa, as also the Native State of Cooch Behar. Madras and Bombay possess little fragments of land suitable for cultivation of a fibre most akin to jute; and one or two mills are in existence there which utilise the product in manufacture. The normal area under jute is about 80 lakhs acres and three millions may be said to depend on its cultivation for their living.

Jute is most luxuriant in a loamy soil. The inundation of the Ganges and the Brahmaputra leave rich deposits of alluvial soil; and the cultivator is, therefore, spared the expense and trouble of providing manure. Once planted, the crop requires little attention for a long time. The finishing stages, however, entail hard and very irksome labour. For to separate the fibre from the wood, the crop has to be steeped in water for two or three weeks. Retting, as this process is called, requires the cultivator to stand in water for long hours. The fibre is separated by beating the stems with wood. Then it is washed and dried and made ready for disposal.

The marketing of jute, so far as the cultivator is concerned, is not different in essentials from the marketing of other agricultural produce in India, though it must be remembered that jute is what is called a money crop for which the individual cultivator has little or no need. Moreover, the bulk of the demand comes from the indigenous mills, who have a strong and powerful organisation and for whom the buying of jute at the best prices is not a seasonal or an intermittent operation. The organisation of the mill and other interests has wide ramifications in the jute areas. The cultivator is, as a rule, in debt and the creditor has *de facto* the first claim on the produce. It may reasonably be suggested that jute passes from the cultivators through the hands of those who represent a blend of the moneylender and the agent acting on behalf of the urban interests. A multiplicity of middlemen is detectable here. The cultivator sells his jute through a *farja* to the *bepari*, a small dealer who acts on behalf of his principal, the *aratdar* or *mahajan*. The *mahajan* sells to the agent of a mill; or there is one more link in the chain, the broker or baler butting in between the mill and the *mahajan*. Then the jute finds its way to Calcutta or Chittagong by rail, river or road to be consumed by the mills or exported abroad.

The place of the "futures" market in the organisation of the jute trade calls for special mention. Jute offers peculiar attractions to the speculator. Unlike cotton, for instance, which is grown in many parts of the world, jute is grown only in and about Bengal. Demand for the commodity is steady. But at the same time, uncertainties in regard to weather, conditions of the crop and extent of demand at any given time for jute products render it extremely fitted for speculative operation. There is more than one organisation in Calcutta which affords facilities for such operations. But the most important body is the East India Jute Association which has been formed mainly on the lines of the East India Cotton Association and it aims at discharging the same functions to the jute trade as the latter renders to the cotton trade in the Western Presidency. The rules of the Association are so framed as to

keep the business of its members as far removed from wager and gamble as possible. But the best futures markets of the world have not invented any infallible means of preserving the strictly bona fide character of the business; and in the case of the E. I. Jute Association also criticisms of an adverse kind have often appeared in the Press. It must be admitted, however, that the Association has succeeded in ensuring more of free play for the forces of supply and demand.

PROBLEM OF RESTRICTION THE JUTE INDUSTRY

As indicated already in the earlier sections of this article, the years of the economic depression had been a trying time for the jute mill industry and those who are connected with it. Our exports of jute and jute manufactures have fallen in volume and value. The acreage and production of raw jute were practically halved as compared with two years before. Prices were every day digging new record levels. And the jute mills were obliged to devise new schemes of restriction in a vain endeavour to keep pace with the fall in demand. The world economic depression has undoubtedly, a large place in the tribunes of the jute industry. The movement of the chief agricultural crops like cotton, wheat, coffee, etc., has been restricted by the state of the consuming markets and this brings about a serious decline in the foreign consuming demand for jute. While this factor may be properly appraised without any attempt to underrate its importance, it must not be forgotten that the position of jute in Bengal enables the mills to acquire a certain degree of immunity from world causes of an adverse kind. Possessed of a complete monopoly of the raw material and a virtual monopoly of the lines of jute manufactures in which the Calcutta mills are engaged, it should always be possible by the regulation of output to save the industry from severe losses or an altogether sterile working. Even in the early stages of the history of the jute industry temporary disequilibrium between supply and demand was not unknown. In fact, the Jute Mills' Association was first formed to combat such a danger.

The history of the jute industry during the last few years is largely the history of more or less restriction of output. We have shown in the first section of this article the vast expansion in the jute industry during the War period and the years immediately succeeding it. This expansion was due to the fact that the new entrants into the field did not see the place of the War in the economic demand for jute products during that period. When this was more clearly borne in on the jute mills they agreed to a scheme of restriction of output which lasted till June 30, 1929. The members of the Indian Jute Mills' Association had probably a variety of motives in abandoning restriction in that year. There was, first of all, the feeling that demand had expanded considerably since the agreement amongst the jute mills was first concluded. The clearest proof of this was to be found in the fact that the jute mills in Dundee and on the Continent of Europe had been increasing their loomage and their consumption of raw jute. Even at home new mills were being established; and the obvious result of the continuance of restriction was that other producing units were reaping the benefits of prices which were maintained at that level only

by the action of the Association. In these circumstances, the abandonment of restriction was an act of bare commonsense.

But reference must also be made here to the feeling in certain circles that the motive of the jute mills at that time was to hit the Indian mills which had just ventured into a field, till then practically an exclusive preserve of the European mills. Though it is not for anyone, except those in charge of the mills to deny such allegations, yet it must be remembered that this contention has value and relevance only in a controversy in which the main issue is whether the Indian mills harmed in that way should avail of the earliest opportunity to return tit for tat. Be that as it may, after a somewhat prolonged consideration, the jute mills decided in November, 1928, to increase the working hours from 54 to 60 hours per week. But the new arrangement was to begin from July 1, following. The change was not very old before it became apparent that it could not be persisted in except at the peril of the industry itself. The demand for short hours was widely made. The mills took time to recognise the position. And even after the recognition came, it was not easy to come to an agreement as to the remedies. Finally it was decided to revert to 54 hours. The inadequacy of this measure suggested the closure of the mills for three weeks in the latter half of 1930, the exact time to be determined by each mill and, of course, day notified to the Association. It is curious how the need for restriction grew with every new measure designed towards that end. The reduction of working hours to 54 led to the closure of the mills three weeks. And the closure of the mills after it ceased, was followed by a further restriction of working to 40 hours per week. Then it was decided to seal up 15 per cent. of the looms of every member of the Indian Jute Mills' Association. The remaining 85 per cent. of the looms running 40 hours per week is equivalent to the full complement of looms working 34 hours per week, a reduction of 43 per cent.

It may be thought that so drastic a restriction of working cannot fail to produce better conditions. But difficulties arose at this stage which, but for there being a late and unexpected development, are the same as those on which all schemes of restriction have foundered. The very severity of the restriction was an inducement for those who are outside its scope to increase their production. The non-member mills which owned about 5 per cent. of the total loomage of the industry increased their equipment and working hours. Their overhead costs were lower and their margin of profits increased. The sight of this development tempted even members of the Association to desert its ranks. And so a position was reached in which the output of the non-restrictionists amounted to as much as 14 or 16 per cent. of the total production.

These developments brought matters to a head. While the need for restriction was becoming more and more urgent, the Association mills exhibited a decided reluctance to impose any more restrictions on themselves unless they had the whole industry with them. This was interpreted, and rightly, by the non-Association mills as a bid for their support. And attempts were made to raise the bid. Protracted negotiations and increasingly stiffen-

ed attitudes were the result. The markets all the time were going from bad to worse; and interest in the question spread to the general public as the ruin of the jute industry spelt the ruin of the whole province and even interests far transcending the province. A vigorous press agitation was in progress to induce the Government of Bengal to interfere in the public interest in the negotiations between the two sections and either bring about a settlement or impose one by legislative enactment. His Excellency the Governor took a keen personal interest in the negotiations, more so, as he was opposed on principle to the interference of the State in the affairs of an industry. But the final outcome was not exactly a compromise, as may be seen from the points which were agreed on in the second conference of jute interests which was held at the Government House under the presidency of Sir John Anderson himself.

The main points settled were:

(1) That the deposit money which the Adamjee mills forfeited on account of its cessation from the Association should be refunded.

(2) That the Association mills should work 40 hours a week, while the non-Association mills should be free to work 54 hours a week.

(3) That the latter should be allowed to work their full complement of looms while the former are to have 15 per cent. of their looms sealed up.

The restriction agreement between the Association and the non-Association Mills brought about through the intervention of His Excellency Sir John Anderson worked smoothly through the year, so far as the relations between the two groups of mills are concerned but by the end of 1933-34 it was clear that the restriction scheme called for a revision. For the foreign competitors of the Indian Mills were able to increase their share of the market and this was seen in the steadily increasing exports of raw jute from this country. The foreign mills had the advantage of working to full capacity and of under-quoting the Calcutta mills because of the low overhead charges. Just as in previous years the benefits of the restriction of production by the Indian Jute Mills Association went largely to the non-Association Mills, in the year 1933-34 the benefits of restriction in the Indian mills went to the non-Indian Mills. Though it is generally believed that there has been no expansion of productive equipment in foreign countries, it must be admitted that it is absurd to continue a restriction scheme which undermines their competitive capacity by higher costs of production. The Indian mills fought shy of revising the restriction agreement; for it is quite conceivable that increase of working in India might involve all producers alike in a common ruin. But the rate at which the exports of raw jute increased left no room for doubt that, unless the Indian jute mills make their competitive power felt abroad, the foreign mills would go on increasing their output.

1935-36

1935-36 saw the development to its climax of the threat of abandonment of restriction. The fortunes of the jute companies reflect the development of the

crisis; and a financial review is thus most apposite. Next to the Cement industry, jute is the best organised industry in India and its position is well-founded. The conservative policy and the careful building up of the jute companies by the Clive Street bosses has brought the industry to its position of pre-eminence at the present day. Its magnitude will be well understood when one is told that more than Rs. 18 crores is invested in the industry. The confidence of the public therein is brought out by the fact that the market value of the jute mill shares is nearly Rs. 35 crores or nearly twice the amount of all the capital paid up (ordinary, preference and debentures). It is a matter of national pride to note that 50 to 60 per cent. of the capital is Indian owned.

While the financial position may enable the companies to weather the storm, it cannot alter the storm itself. New mills have been erected and there has been considerable addition to the loomage. The threat of over-production, which arose in the post-war years, has grown more and more serious. As has been pointed out in the introductory article of this section, an agreement was arrived at between the mills in the membership of the Indian Jute Mills Association; and from March, 1933 the Association mills began to work 40 hours per week with 15 per cent. of the total looms sealed up. Production was curtailed and prices seemed to improve. By the end of 1934, it was found that exports of jute manufactures were falling and that other countries were taking advantage of the higher prices. Substitutes for jute were responsible for some diversion of demand. In consideration of these, 2½ per cent. of the sealed looms were released in November, 1934. It was decided that the sealed looms should be gradually released for working. The position at the end of 1934 was good, and everybody was looking forward to a good year in 1935.

The year 1935 opened without any forebodings. Prices were ruling steady and consumption was good. Mills were making good profits. Another 2½ per cent. of the sealed looms were released for working in May, 1935, and yet another 2½ per cent. in August, 1935. Everybody was confident that the year would prove to be a very good one for the industry; but events took a turn in September. The non-Association mills, which were in

agreement with the Association, made a grievance of the fact that the Association was not taking action against the outside mills, which were working without any restriction and were constantly adding to their productive capacity. The Agarpara, a non-Association mill within the agreement, gave notice to the Indian Jute Mills Association of its intention to terminate the working agreement. The Association was not hopeful of compromise; and at a General Meeting a resolution was passed to terminate the agreement as from March, 1936, by giving the requisite notice of six months. Panicky conditions followed and prices of jute shares fell considerably. People feared that the crisis in the industry would result in gross over-production and serious reduction in the profits of companies. Chaotic conditions continued till the end of the year.

So far as the working of jute companies during 1935 was concerned, good results were obtained till September. The March and June accounts made good showing. The September accounts showed a good rise over those of March; and the effects of the crisis in the industry could not be felt. But the December accounts showed a decline in profits compared with those of the previous half-year. The decline is more marked in the case of March, 1936, accounts and profits have been nearly halved. Dividends have been reduced and there is the feeling that profits would still go down if better conditions did not prevail. A glance at the tables given below will convince the reader of the disastrous effect of the crisis on the jute industry:—

Profit as per Revenue Account

	Half-year ended 31st March 1935	Dividend per cent. per annum	Half-year ended 30th September 1935	Dividend per cent. per annum	Half-year ended 31st March 1936	Dividend per cent. per annum
	Rs.		Rs.		Rs.	
Anglo-India	6,89,005	30	8,57,224	30	6,43,768	25
Bally	2,49,594	12	2,72,435	12	2,67,156	12
Clive	1,90,785	15	2,65,250	12½	1,12,849	7½
Champdany	4,22,015	10	4,79,916	10	2,17,136	7
Gourepore	5,72,625	50	6,08,502	50	4,61,529	30
Howrah	9,99,881	35	10,89,185	35	8,95,958	30
Kinnison	4,17,579	35	5,19,580	35	2,80,276	30
Reliance	7,23,024	50	7,36,797	50	6,04,331	45

It will be seen from the table given above that there has been an increase in profits in the September accounts which is indicative of the good conditions that were obtaining till the crisis in the industry came about.

The effect of the crisis in the industry will be clearly seen from the March, 1936, accounts. Profits present a sorry contrast to those of the previous half-year!

Profit as per Revenue Account

	Half-year ended 31st December 1934	Dividend per cent. per annum	Half-year ended 30th June 1935	Dividend per cent. per annum	Half-year ended 31st December 1935	Dividend per cent. per annum
	Rs.		Rs.		Rs.	
Belvedere	2,16,438	20	2,02,708	25	2,05,524	25
Empire	1,66,530	15	1,66,501	15	1,44,372	12½
Kamarhatty	7,56,373	35	7,61,214	35	6,51,581	30
Kanknarrah	6,74,394	30	7,17,711	30	5,93,271	25
Kelvin	2,07,666	30	2,08,271	30	2,09,041	25
New Central	1,58,631	20	1,70,663	20	1,70,247	20
Presidency	1,10,232	3½	1,18,380	3½	1,20,630	2½
Soorah	1,01,650	2½	1,06,920	7½	1,05,341	6½

In the above table out of the eight companies four show a decline in profits and all except two show a marking down in dividends. The dividend reductions were in most cases partly due to reduction in profits and partly due to the apprehension that profits might go down considerably for the next half-year. Therefore, it was thought wise to make provision against a serious reduction and accordingly the amounts carried forward were increased considerably.

There has been no improvement in the conditions since the beginning of 1936 up to the present time. On the other hand, conditions have changed from bad to worse; and it would have been even worse, had it not been for the general increase in consumption and particularly North American consumption. The remaining 5 per cent. of the looms were unsealed on February 17, 1936. After this date mills have been working with the full complement of looms. The agreement came to an end on March 31, 1936; and from April onwards there has been no restriction on working hours. Though the Association mills have not increased the number of working hours from 40

hours to 54 hours per week, the general average has arisen to 46.28 hours per week. The increase in consumption has to a certain extent absorbed the increased production and there has been no appreciable increase in stocks. Since there is some margin of profit even at the present low level of prices, there is no effort on the part of the outside mills to come to any agreement. Some of the Association mills are, it is reported, disgusted with the present state of affairs and would like to see it ended by unbridled overproduction and the weeding out of the weaker mills on the other hand. The record March American consumption has led some to believe that American consumption would continue at a very high level for some time and that there would be no serious reduction in prices. But the April consumption showed a considerable reduction over March though shipments during May have been fairly good. There is still the belief that unless better counsels prevail, more trouble is in store. Production is now running 15 per cent. higher and there is every chance that production will increase. The problem of the jute industry is yet to be tackled.

INDUSTRIAL SECTION

THE COTTON TEXTILE INDUSTRY

The place of the cotton textile industry in the national economy of India is second only to that of agriculture. Alike in capital sunk, in the volume of employment which it creates and in the net addition to the total wealth and annual income of the country, it has hardly a rival among our industries. And what is as important, if not more, it has had, for various reasons, a peculiar hold on the affection and allegiance of the public. Its decline in the latter half of the seventeenth and eighteenth centuries was regarded as the symbol, as much as the result, of the country's political subjection; and from that time to this its progress has been in the public mind equivalent to the progress of our political and economic emancipation.

This is only understandable, for India was the birthplace of the cotton industry. The best of our cotton manufactures are still unsurpassed in the fineness of their texture and their superb finish. Historians of various ages and climes are agreed that India enjoyed a glorious export trade in cotton fabrics. Its decline, which could have been brought about by the mechanical improvements of the West, actually followed a deliberate policy on the part of the British Government both here and in Great Britain to crush the Indian industry in the interests of Lancashire. It is unnecessary to dwell on this policy as it was the sole substance of the political agitation during the earlier part of the last half century. But the unnatural end of the historic cotton industry of India did not, as indeed, it could not, affect our natural advantages for the development of a cotton mill industry on modern lines. In fact, the first cotton mill was started in Calcutta with English capital by persons who saw that the saving in freights to and fro would be sufficient to outweigh the other disadvantages that might arise from unskilled labour and the import of machinery from abroad. But nature had designed Bombay as the home of the Indian Cotton Mill Industry. The beginning was made by two Englishmen; and the first Indian mill was established in 1856 under the management of a Parsi gentleman. More followed in rapid succession; and the progress up to the year 1880, may be gauged from the following table:—

Year	No. of mills	Spindles (In thousands)	Looms	Labour
1851	1	29	...	5.
1866	13	309	3.4	7.7
1876	47	1,100	9.1	...
1877	51	1,244	10.3	...
1880	58	1,461	13.5	44.4

From the year 1879-80 more complete statistics are available; and the table below shows the

development of the industry for the quinquennial periods up to 1903-04 and for the two years thereafter.

Year.	No. of mills at work.	Nominal capital (in lakhs Rs.)	Persons em- ployed in.	Looms thou- sands.	Spindles.
1879-80 to 1883-84	63	6,57.6	51.0	14.5	1,610.6
1884-85 to 1888-89	93	8,87.9	75.7	18.2	2,296.8
1899-1900 to 1893-94	127	11,61.1	1,16.1	25.3	8,263.8
1894-95 to 1898-99	156	14,19.5	1,50.0	36.6	4,046.1
1899-00 to 1903-04	195	16,87.9	1,71.6	42.0	5,000.9
1904-05	203	17,57.5	1,96.4	47.3	5,195.4
1905-06	204	17,19.7	2,12.7	52.3	5,293.8

At the beginning of the War the Indian mills were 241 in number with a spindlage of 6.3 million and a loomage of over 92,000. The total production of the industry, according to the estimates of the Tariff Board presided over by Sir Frank Novce was 688 million lbs. of yarn and 1,164 million yards of cloth, exclusive of hand-spinning and handweaving; as against 353 million lbs. and 422 million yards in the beginning of the century.

Thus at the date at which it is usual to take a halt in any historical review of industries the cotton mill industry had shown a remarkable expansion. There was also a marked alteration in its character. It passed from an essentially spinning industry, exporting more than half its production, to a weaving industry using imported yarn in its products. And this, in spite of the fact that the number of spindles had increased by 39 per cent. and the number of looms by 142 per cent.; the essence of the change referred to lay in the number of spindles per loom falling from 119 in 1898-99 to 68 in 1912-13.

The five War years witnessed the continued operation of the tendencies apparent in the earlier period. By August, 1918, the number of mills increased to 249, the number of spindles to 6.56 million and the looms to 115,818; the number of spindles per loom also fell to 56. Further expansion was retarded by the difficulty of obtaining machinery from Britain; but production was all the same increased. Other important features during this period were the loss of the export trade in yarn—which was due partly to the competition of Japan in the East and partly to the increase in the domestic demand.

HOSIERY INDUSTRY—

THE INDUSTRY OF THE HOUR

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The three years immediately following the end of the War were a period of abounding prosperity for the cotton mill industry in India. Thanks to the prosperity of the mills, and the fact that owing to the high rate of sterling exchange for the rupee, foreign machinery was cheap, orders for new machinery both for old and new mills were freely placed. But when the deliveries were made, the rupee had fallen and importers met with severe losses. Conditions in the domestic market had undergone a marked change. A crisis of first magnitude developed in the imported piecegoods. Dealers looked at their burnt fingers and shunned all stocks, foreign and indigenous. The neglect of foreign markets for Indian yarn, of which mention has already been made, began to aggravate the troubles in the spinning section. And by 1926, it would be true to say, the cotton mill industry, at any rate in Bombay, showed all the characteristic features of a trade depression following an intensive boom period. And not the least of those features was the painful, almost calamitous, disillusionment of many who had partaken in the numerous conversions of the proprietary mills into joint stock concerns. With the depression came the question of reduction of wages which had been increased not exactly during the time of the boom, but in its closing stages. For the worst of wages is that they do not move in accord with the prosperity or the slump in the industry. The rise in wages was resisted by the mills; and later the fall was opposed by the labourers. The result was, more especially in Bombay, a series of strikes, from which no good flowed except a reduction in the swollen stocks.

These conditions led to the Tariff Board enquiry of 1926, and its terms of reference were:

- (1) To investigate the condition of the cotton textile industry in India, with special reference to the industry in Bombay and Ahmedabad;
- (2) To examine the causes of the depression in the industry and to report whether they are of a temporary or permanent character;
- (3) In particular, to consider whether, and if so to what extent, the depression is due to the competition of other countries in the home and export trade;
- (4) To report whether, having regard (i) to the fact that the industry has long been firmly established in India, and (ii) to the interests of the consumer and to all other interests affected,—

(a) the industry is in need of protection, and

(b) if so, in what form and for what period protection should be given; and

- (5) To make any other recommendations that are germane to the subject.

The Tariff Board confirmed the impression conveyed by its terms of reference that the plea for protection was made with far greater importunity by Bombay and Ahmedabad than the mills outside. And even as between these two cities the former was in a worse position than the latter. In fact, Bombay has certain permanent disadvantages as compared with other centres, e.g., the higher wages of a highly urbanised area, the higher costs of fuel and power, remoteness from the sources of raw cotton and the chief markets for finished goods; and these can be offset by advantages in regard to cost of stores, of insurance and of office expenses only if the management makes the best of the latter and reduces the former to its irreducible minimum.

The other questions were necessarily of a more complicated kind, as the conditions of the mill industry had to be examined in relation to the piecegoods market which was itself subject to violent external forces. There was no doubt that the loss of the Chinese market was an important cause of the depression. There was no doubt, too, that there was some degree of unfair competition from Japan which was having longer hours of work and employing women labour to more than the legitimate extent. And so far as Bombay was concerned, it suffered as much from the competition of other Indian mills as from the factors mentioned above. The remedy which the Tariff Board suggested was the variation of products; and to this end they recommended a bounty for the spinning of higher counts.

It would be appropriate at this stage to give a short history of the tariffs on cotton goods in India, without going into the controversy that has always waged round it in apparent disregard of incontrovertible facts. The Indian Tariff Act of 1894 imposed a duty of 5 per cent. on all imported cotton yarns and fabrics; and at the same time an excise duty of 5 per cent. was levied on the production of yarn above 20s. Later in 1896 Government, under pressure from Lancashire interests and on the pretext of free trade, removed the duty on cotton yarn and reduced the duty on cotton fabrics, imported and produced locally, to 3½ per cent. The injustice to the local industry continued till the financial necessities of the War time and the pressure of a growing public opinion forced Government to raise the import duty on cotton fabrics to 7½ per cent. In 1921, a similar need brought about a further enhancement of the duty to 11 per cent., the existing duty remaining unaltered all the time at the level of 3½ per cent. In 1922, imported cotton yarn was subject to a revenue duty of 5 per cent. And in 1926, the excise duty was finally abolished.

But the advantage derivable from the increased duty was neutralised largely by the eighteen pence ratio which was unquestionably a substantial aid to importers into India. The industry felt the disability very keenly; and to this were added the disastrous effects of strikes, with the result that the cotton mill industry, especially of Bombay, had an unbroken tale of woe. Mr. G. S. Hardy, the Collector of Customs at Calcutta was deputed to enquire into the possibility of replacing the *ad valorem* duties on cotton piecegoods with specific duties, and to examine the condition of the trade since the report of the Tariff Board in 1926. Mr. Hardy's report was to the effect that the administrative difficulties involved in a system of specific duties were a conclusive argument against it and that, so far as the trade was concerned, Japanese imports were gaining ground firstly at the expense of Lancashire and latterly to the detriment of the Indian mills.

The budget for 1930-31, therefore, provided for an increase of the import duty on cotton piecegoods from 11 per cent. to 15 per cent. and the Government proposed to levy an additional 5 per cent. on all non-British cotton goods for three years. An amendment in the Assembly deprived Lancashire of the preference in respect of grey goods which constitute the bulk of the production of Indian mills. The Supplementary Budget of September, 1931, imposed a surcharge of 25 per cent. on cotton piecegoods in common with all other imports.

At the time the last mentioned changes were made, the Government of India made it clear that the protection was given purely as a temporary measure dictated by the necessities of the moment and not as the final decision of a considered policy. "The object in view," in the words of the Commerce Member, "is not the development of the industry but its preservation," the provision of a shelter behind which the industry could make genuine efforts for a reorganisation. It was also made clear that Government did not expect the mills to venture on new ground such as the production of finer yarn or the weaving of higher quality goods and that the whole question would be gone into again at the expiry of a period of three years dating from March, 1930. But it is necessary to remember, and it is a matter for gratification, that the grudging and halting manner in which the Government were prepared to succour the industry was more than made up by the intense passion for *Swadeshi* which had seized the people during the years in which the Civil Disobedience movement was at its strongest. The Congress had during this period, especially in the earlier part of it, thrown its full weight in favour of the indigenous manufactures; and in spite of the official displeasure and the opposition of foreign interests the Congress Executives all over the country succeeded in binding the mills to a policy of strict *Swadeshi* in their production. Thus with mills bound over to the use of Indian made yarn, and foreign cloth shops and dealers subjected to unintermittent picketing, and the masses themselves taking spontaneously to an unqualified patronage of Indian piecegoods, the cotton mill industry in India came to furnish the sole instance in the whole world of an industry which made headway during the unprecedented depression.

Statistical data in regard to the cotton mill industry and the cotton piecegoods market in which the indigenous industry is only one of the principal competitors are given in part at the end of this article and in part in the trade tables. Taken together they show that the principal features of this trade are that the Indian mills have made tremendous headway; that the British cotton mill industry lost its hold on the Indian market and that the Japanese are the most formidable competitors to the indigenous mills in a number of lines. The threat of Japanese competition became more serious with every fall in the value of the yen as against the rupee. During the period in which Japan remained on the gold standard after India's abandonment of it, the Japanese industry suffered to that extent a very considerable handicap. Afterwards the handicap was scratched when the yen went off gold. In the middle of 1932 Japan showed clear signs of a desire to stabilise the yen at a very low value in terms of the pound. This increased the dangers to which the indigenous industry and particularly Bombay, which is the least efficient part of it, are exposed. The Bombay mill industry grounded its appeal for an examination of its claims by the Tariff Board on a number of factors; but the devaluation of the yen lent forcible point to Bombay's demand.

Japanese dumping was so persistent and embraced so many commodities that the Associated Chambers of Commerce and Industry in their annual session in 1933 appealed to the Government of India to take powers to levy emergency duties with a view to protect indigenous industries exposed to such unfair competi-

tion. The necessary legislation was passed through the Assembly in the 1933 budget session.

With regard to cotton, the resolution of the Government of India dated 25th July, 1932, referred to the question of increased duties on cotton piecegoods not of British manufacture to the Tariff Board for an "immediate enquiry." The terms of reference were:—

"To report whether cotton piecegoods not of British manufacture are being imported into British India at such a price as is likely to render ineffective the protection intended to be afforded by the duty imposed on such articles under Part VII of the Second Schedule of the Indian Tariff Act, 1894, by the Cotton Textile Industry (Protection) Act, 1930, to similar articles manufactured in India; and, if so, to consider—

(a) to what extent, if any, the duty on cotton piecegoods not of British manufacture should be increased and whether in respect of all cotton piecegoods, not of British manufacture, or in respect of cotton piecegoods, plain, grey only, or of cotton piecegoods, others, only,

(b) whether the duty should be increased generally, or in respect of such articles when imported from or manufactured in any country or countries specified; and

(c) for what period any additional protection found to be required should be given, and to make recommendations."

On September 2nd, the report of the Tariff Board was published and on August 30, came the full text of the resolution of the Government of India and the report of the Tariff Board. The decision then made was that the *ad valorem* duty on cotton piecegoods, not of British manufacture, which was fixed by the Cotton Textile Industry (Protection) Act, 1930, at 20 per cent. and to which surcharges amounting to 1½ per cent. have been added for revenue purposes by the Finance Act of 1931, should now be raised to 50 per cent., subject to a minimum specified duty of 5½ annas per lb. on plain grey piecegoods; and that the increased duties will take effect immediately and will remain in force till March 31, 1933, and will not be subject to the surcharges imposed by the Indian Finance Act of 1931 and the Indian Finance (Supplementary and Extending) Act of 1931.

The consideration which impelled the Tariff Board to recommend the increased duties was mainly the depreciation that had taken place in the exchange value of the yen. They had, however, to determine how far the advantage of a depreciated currency was offset by Japan having to pay an increased price for import of raw materials from abroad.

It is significant that at the time the Government of India announced their decision to grant the additional protection, the figures employed by the Tariff Board in its calculations had become obsolete by a further depreciation of the yen.

And further action was rendered necessary by the inadequacy of the protection awarded against dumping. And in the middle of 1933 the Commerce Department notified the following change:

Cotton piecegoods (other than fents of not more than nine yards in length)—(A) Plain grey that is not bleached or dyed in the piece, if imported in pieces, which either are without woven headings or contain any length of more than nine yards which is not divided by transverse woven heading. Not of British manufacture.

(B) Others—Not of British manufacture.

Present rate of duty.	Increased rate
5½ annas per lb.	6½ annas per lb.
50 per cent.	75 per cent.

It is obvious that such piecemeal action cannot by any means form any permanent solution of the problems of the textile industry. The growth of India's cotton mills and the fact that India is an equally valuable market for Japan and Britain alike invested the problem of the Indian cotton textile industry with an international importance. In the belief that the cotton textile industry could be treated in the traditional way of affording the maximum protection consistent with the interests of Lancashire, or, to put it in another way, the minimum protection consistent with internal peace, the Government of India referred the question to the Tariff Board. Before the Board could complete the report, the menace of Japanese dumping grew to unexpected proportions. The Tariff Board had to issue an emergency report. By the time the full report was submitted in September 1932, the relative importance of the various considerations governing the Government's policy had changed. And thus was India treated to the strange spectacle of Government taking piecemeal action, while at the same time holding back from the public the results of a full-fledged Tariff Board enquiry. The Government, presumably in deference to the wishes of Whitehall, could do nothing that could prejudice the chances of Japan and Britain coming to an agreement on the question of the market for piecegoods in the Far East. The report of the Tariff Board, which was published in the middle of 1934, thus lost all practical importance, as compared with the Indo-Japanese Trade agreement and the Mody-Lees Pact, which was concluded between Mr. H. P. Mody and Sir William Clare-Lees the representative of the British Cotton textile interests, who conducted the futile talks with the Japanese Trade Delegation in India. The conclusions of the Tariff Board enquiry (1932) are set out in the tabular statement appended at the beginning of the Industries section of the *Year-Book*. But what the Government did to the cotton textile industry was only to incorporate in the Cotton Textile (Protection) Act of 1934 the provisions of the Indo-Japanese Trade Agreement and the Mody-Lees Pact, the contents of which are summarised below:—

TEXTILE AGREEMENTS.

INDO-JAPANESE AGREEMENT.

- (1) Japan and India shall reciprocally accord the 'most favoured nation treatment' to any article, the produce or manufacture of the other country.
- (2) Negotiations to be held concerning the modification of customs tariff, subject to the reservation by both countries of the right to make such changes in their customs tariffs as may be necessary for the protection of their own interests.
- (3) The Government of India shall have the right of imposing or varying from time to time special rates of customs duty on articles the produce or manufacture of Japan other or higher than those levied on similar articles the produce or manufacture of any other country at such rates as the Government of India may consider to be necessary to correct the effects of any

variation of the exchange value of the yen relative to the rupee subsequent to December 31, 1933. Reciprocally, the Government of Japan shall have the right of imposing or varying special rates of customs duties similar to those to which reference has just been made on articles the produce or manufacture of India under similar circumstances and subject to similar conditions, provided that such right should not accrue to the Government of Japan, unless the exchange value of the rupee relative to the yen shall be depreciated below the value of 1932 yen.

(4) The Customs duties to be imposed by the Government of India on Japanese cotton piecegoods should not exceed the following rates: duty on plain greys 50 per cent. *ad valorem* or 5½ annas per pound; duty on others 50 per cent. *ad valorem*. It is understood that the Government of India shall not impose on Japanese cotton piecegoods other than plain greys a specific duty exceeding 5½ annas per pound subject to the agreement concerning the most favoured nation treatment.

(5) The quantity of Japanese cotton piecegoods to be exported to India in the period of one year beginning from the 1st April shall be limited within a quota which shall be fixed in accordance with the quantity of Indian raw cotton exported to Japan in the period of one year beginning from the 1st January of the same year.

(6) (r) Basic quota of Japanese cotton piecegoods to be exported to India in a piecegoods year shall be three hundred and twenty-five million (325,000,000) yards and it shall be linked with one million (1,000,000) bales of Indian raw cotton exported to Japan in the corresponding cotton year; (11) In case the export of Indian raw cotton to Japan in any cotton year should fall below one million (1,000,000) bales, the quota of Japanese cotton piecegoods for the corresponding piecegoods year shall be determined by reducing the above basic quota at the rate of two million (2,000,000) yards for every ten thousand (10,000) bales of deficit; (III) In case, however, such export in any cotton year should exceed one million (1,000,000) bales the quota of Japanese cotton piecegoods for the corresponding piecegoods year shall be determined by increasing the above basic quota at the rate of one million and five hundred thousand (1,500,000) yards for every additional ten thousand (10,000) bales, provided that the quota should in no case exceed four hundred million (400,000,000) yards; (IV) In case the export of Indian raw cotton to Japan in any cotton year should exceed one million and five hundred thousand (1,500,000) bales the quantity thus exported in excess of one million and five hundred thousand (1,500,000) bales shall be for the purpose of determining the relevant quota of Japanese cotton piecegoods added to the quantity of raw cotton exported to Japan in the following cotton year; (V) In respect of both cotton piecegoods and raw cotton the exported quantity shall be deducted from the exported quantity. (2) Two half-yearly instalments of the quota: (1) A piecegoods year shall be divided into two half-yearly periods the first half-yearly period running from the 1st April to the 30th December and the second half-yearly period from the 1st October to the 31st March of the following year; (II) The quota for the first half-yearly period shall be two hundred million (200,000,000) yards; (III) The quota for the second half-yearly period shall be provisionally fixed at the quantity which will be derived by deducting two hundred million

(200,000,000) yards from the yearly quota calculated on the basis of the estimated export of Indian raw cotton to Japan in the corresponding year. The adjustment of the export of Japanese cotton piecegoods to India shall be made by the end of the said period on the basis of the exact quantity of Indian raw cotton exported to Japan in the corresponding cotton year, subject to the rules of the allowances between the periods; (IV) A transfer from the quota of the second half-yearly period shall be permitted up to a maximum of twenty million (20,000,000) yards from the second half-yearly period to the first half-yearly period of the succeeding piecegoods year and *vice versa*. (3) The quota of cotton piecegoods shall be classified into the following categories in conformity with the following percentages: plain greys forty-five (45) per cent., coloured and other thirty-four (34) per cent. The percentage allotted to each of the above categories may be modified subject to the following conditions: (1) The increase in the category either of bordered greys or bleached shall not exceed twenty (20) per cent. of the quantity allotted to that category and the increase in any other category shall not exceed ten per cent. of the quantity allotted to that category; (II) The quantity transferable from the category either of bordered greys or bleached shall not exceed twenty (20) per cent. of the quantity allotted to the category and the quantity transferable from any other category shall not exceed ten (10) per cent. of the quantity allotted to that category and (III) The total quota of cotton piecegoods for any piecegoods year shall not be increased by the above modification of the quantity allotted to each category. (4) It is to be noted that the provision that the allotment for the first part of the cotton piecegoods year shall be 200 million yards in the event of the purchase of raw cotton by Japan being less than the quantity which would justify a total yearly quota of this amount. (5) It has been agreed upon that the terms of the new treaty shall remain in force throughout its full term whether or not Burma is separated. The treaty shall come into effect immediately after the exchange of ratifications and shall remain in force until the 31st March 1937.

INDO-BRITISH TEXTILE AGREEMENT.

Following the conferences between representatives of the Indian and British Cotton Textile Industries which opened in Bombay on 19th September, 1933, an understanding has been reached to which the respective parties are the Millowners' Association, Bombay, and the British Textile Mission to India:—

The following headings of agreement have

been adopted on the assumption that the cotton duty is not increased above the present level of half an anna per pound:—

(1) It was agreed that the Indian Cotton Textile Industry is entitled, for its progressive development, to a reasonable measure of protection against the imports of United Kingdom yarns and piecegoods. It was also agreed that under present conditions, owing to lower costs and other factors operating in foreign countries, the industry required a higher level of protection against them than against the United Kingdom.

(2) As regards cotton piecegoods, it was agreed that if and when the revenue position of the country made it possible for the Government of India to remove the general surcharge on all imports in October 1931, the Indian side would not make fresh proposals with regard to the duties applicable to the U. K. imports.

(3) In the matter of cotton yarns, the Indian side has agreed that so far as imports from the United Kingdom are concerned, the duty may be 5 per cent. *ad valorem* with a minimum specific duty of 14½ annas per pound.

(4) So far as artificial silk piecegoods are concerned, the Indian side agreed that in the case of the United Kingdom, the duties may be as follows:—

30 per cent. *ad valorem* or 2½ annas per square yard for hundred per cent. artificial silk fabrics;

30 per cent. or 2 annas per square yard for mixture fabrics of cotton and artificial silk.

(5) In so far as the Empire and other overseas markets for piecegoods and yarns are concerned, it is agreed that any advantages which might be arranged for British goods should be extended to Indian goods, and that India, in markets in which she has no independent quota, should participate in any quota which might be allocated to the United Kingdom. In respect of overseas markets in which Indian mills lack established connections, it is agreed that the Manchester Chamber of Commerce should use its goods offices to bring about contacts between Indian manufacturers and British house which are already established in those markets.

(6) In regard to raw cotton, the Indian side strongly emphasised the urgent necessity of further efforts being made in the United Kingdom to popularise and promote the use of the Indian raw material. They welcomed the undertaking that the British Textile Mission would be prepared to recommend effective action being taken and ~~from~~ the Indian side regularly in touch with ~~current~~ developments. It was further agreed that other avenues of co-operation in this field should be explored in the interests of the Indian cotton grower.

Months	Cotton Manufactures (excluding Twist & Yarn)			Cotton piecegoods		
	Average for (in million lbs)			Average for (in million yds.)		
	1926-27 1928-29	1934-35	1935-36	1926-27 1928-29	1934-35	1935-36
April	41.58	52.85	59.86	178.4	244.6	283.4
May	88.97	49.78	62.10	164.8	284.0	300.0
June	40.62	52.80	58.88	172.1	245.5	282.0
July	41.22	60.25	62.11	174.0	277.5	298.9
August	40.80	68.25	68.69	168.5	286.8	296.9
September	41.81	62.78	61.50	168.8	287.1	287.1
October	43.07	69.37	65.88	175.5	318.2	300.6
November	45.43	66.92	67.83	185.9	304.4	310.8
December	50.88	74.27	71.82	209.5	341.4	339.7
January	47.58	65.73	68.87	200.0	299.9	270.9
February	42.71	60.56	62.64 (a)	183.0	288.0	291.0
March	44.00	58.48	61.76 (a)	189.6	277.0	...

1935-36.

1935-36 was a somewhat eventless year for the Cotton Textile Industry. No serious changes in the rates of duties of imported cotton goods were possible, so long as the Indo-Japanese Trade Agreement and the pacts with Britain were in force. But the latter half of the year was clouded by the uncertainties arising from the special tariff board enquiry. For in November 1935, was appointed a special tariff board with Sir Alexander Murray as Chairman, and Mr. Fazul Ibrahim Rahimtoola and Dewan Bahadur A. Ramaswamy Mudaliar as members "to recommend in view of present conditions and in the light of the experiences of the effectiveness of the existing duties, the level of the duties necessary to afford adequate protection to the Indian cotton textile industry against imports from the United Kingdom of (a) cotton piecegoods, (b) cotton yarn, (c) fabrics of artificial silk and (d) mixture fabrics of cotton and artificial silk. By adequate protection is meant duties which will equate the prices of imported goods to the fair selling prices for similar goods produced in India.

In the course of this enquiry the Board will give a full opportunity to the cotton textile industry, whether in India or the United Kingdom, to present its case and, if necessary, to answer the cases presented by other interested parties.

It was at first expected that the Board would be able to submit its report before the end of the year, and to the end of the period under review, the report was not released to the public. The uncertainties attaching to the recommendations interfered with the trade in piecegoods during this period. But so far as the Indian industry is concerned, the year was marked by a consistent increase in the production not only of cotton piecegoods but also of twist and yarn. According to the official returns the total output of cotton manufactures (excluding twist and yarn) during 1935-36 amounted to 760.94 million pounds as against 736.54 million pounds in 1934-35. The production of cotton piecegoods rose from 3,397.0 million yards to 3,567 million yards in 1935-36. The increase in production is due partly to the increase in the adoption of double shift and partly to the establishment of new mills.

The progress of the Indian cotton textile industry during the last few years must be pronounced remarkable in a period in which, taking the world as a whole, cotton

textiles may be said to have suffered a somewhat severe retrogression. The last two tariff boards, which have enquired into the question of protection for the Indian cotton textile industry, have drawn attention to the progress in the Indian mills and particularly, the features which have characterised their progress. There is at first the increase in the number of mills working in the country and the number of spindles and looms. The Table 1, on page 254 taken from the report of the 1935 Tariff Board shows the progress made by the Indian Cotton Mill Industry during the period of the depression.

The next important feature of the working of the cotton textile industry in India is the shift in the centre of importance away from Bombay City and Island and, one might even say, the Bombay Presidency. The relative importance of Bombay City and Ahmedabad has changed during the last few years more and more in favour of the latter and the importance of the rest of India in the cotton textile industry has increased. The Table 2 on page 254 gives the comparative statistics of cotton mill expansion in India during the period 1931 to 1935.

Thirdly, there is the tendency of Indian mills to abandon spinning in favour of weaving; and this tendency common to the whole of India is somewhat less pronounced in the Southern Presidency, where the contiguity of mills to the sources of raw material has made spinning more advantageous as compared with other parts of India. It is noteworthy, that, while the production of woven goods since 1931 has increased by 25 per cent., the production of yarn has gone up by only 15 per cent. In Ahmedabad the production of yarn and of coloured piecegoods has increased by 31 and 89 per cent. and the total amount of woven goods by 34 per cent.

Production of Yarns by Counts

Counts	(Million of lbs)		
	1930-31	1934-35	Percentage of variation
1-10	118.50	109.71	8.84
11-20	400.15	463.44	15.82
21-30	259.69	282.34	8.72
31-40	60.75	95.53	57.25
Above 40	27.81	43.88	60.67
Wastes	5.79	5.85	...
Total	867.19	1000.75	15.4

COTTON TEXTILE MACHINERY INDUSTRIAL SECTION

Table 1.

Year ending 31st August	Number of mills working	Number of Spindles	Number of Looms	Number of mills not working	Number of Spindles	Number of Looms	Number of mills in course of erection	Number of Spindles	Number of Looms	Total Number of mills	Number of spindles working non-working and proposed	Number of looms working non-working and proposed	Average Number of hands employed daily	Approximate quantity of Cotton consumed in bales of 892 lbs.
1981 ...	812	8,890,723	171,975	27	421,230	10,454	24	51,620	1,828	868	9,868,757	188,757	895,475	2,688,176
1982 ...	814	9,078,125	175,157	25	427,958	11,184	87	80,788	885	876	9,586,871	187,176	408,226	2,911,264
1983 ...	811	8,854,240	173,325	33	726,416	15,715	81	19,944	466	875	9,600,602	189,506	400,005	2,887,158
1984 ...	820	8,846,981	177,846	82	766,198	17,042	28	41,400	929	880	9,654,574	195,817	884,988	2,708,990
1985 ...	836	9,098,919	187,234	29	591,256	11,638	42	98,888	654	407	9,779,068	199,521	414,884	8,128,414

Table 2.

	Bombay city and Island			Ahmedabad			Rest of India			All India		
	1981	1985	Percentage of variation	1981	1985	Percentage of Increase	1981	1985	Percentage of Increase	1981	1985	Percentage of Increase
Mills working and Idle ...	81	74	-8.6	76	83	9.2	182	208	14.8	889	865	7.7
Spindles Installed ...	8,427,000	2,990,088	-12.8	1,748,528	2,023,190	16.0	4,141,480	4,672,497	12.8	9,811,958	9,685,775	4.0
Looms Installed ...	76,975	68,885	-11.2	40,022	50,400	25.9	65,482	79,482	21.5	182,429	198,267	8.7
Mills working ...	74	66	-10.8	78	79	8.2	170	191	12.8	817	886	5.9
Spindless Installed ...	8,201,812	2,709,858	-15.4	1,707,228	1,147,814	14.0	4,041,712	4,448,591	10.1	8,950,747	9,105,268	1.7
Looms Installed ...	71,865	61,778	-18.4	89,182	48,429	28.6	62,881	75,982	20.8	178,428	186,189	7.8
Average number of workers ...	129,057	111,147	-18.9	69,562	79,649	14.5	196,856	224,088	18.8	895,475*	414,884	4.9
Approximate consumption of cotton in bales of 892 lbs. ...	839,888	885,252	+5.4	418,808	501,832	21.8	1,879,980	1,786,880	25.8	2,638,176	8,128,414	18.6
Percentage to all-India of mills working ...	23.8	19.6	...	28.0	23.5	...	58.6	56.9	...	...	...	...
Spindles Installed ...	25.8	29.7	...	19.1	21.4	...	45.1	48.9	...	...	...	...
Looms Installed ...	41.1	38.2	...	22.6	26.0	...	86.8	40.8	...	...	...	...
Average number of workers ...	82.6	26.8	...	17.5	19.2	...	49.6	54.0	...	...	...	...
Approximate consumption of cotton ...	81.9	28.8	...	15.7	16.1	...	52.4	55.6	...	...	...	...

*Excluding those employed in night shifts

Fourthly, even in the production of yarns the movement towards higher counts has of late gained in strength. During the period 1930-31 to 1934-35 Indian mills have increased their production of counts above 40s. from 11 million pounds to 21 million pounds. The increase in the production of yarn on counts above 30s. is as much as 58 per cent. as compared with one of barely 11 per cent. in counts of 30s. and below. The movement towards higher counts is most marked in Ahmedabad where the mills have concentrated on finer cloth and themselves spin the yarn necessary for it. This movement, it may be added, is also reflected in the increased imports on long staple cotton in recent years.

It has been rather a difficult year for the Cotton Textile Industry and Cotton Mills generally fared worse than they did in the previous year. Unsettled conditions obtained throughout the whole of last year, in as much as all mills, excepting those very favourably situated both as to the raw material and the market for their output, reported a decline in profits. The vagaries of the commodity market and the low level of prices for manufactured goods and heavy stocks due to the working of double shift in the previous year were all responsible for a considerable reduction in profits. The beginning for the year was not quite inauspicious, but as the year progressed, cotton prices fell and with them fell also the prices of manufactured goods. In August the price of cotton was at its lowest. Thereafter there was a tendency to improve but later in the year there was an addition to the already numerous uncertain factors. The appointment of the Textile Tariff Board to enquire into the revision of Tariff rates led to a lot of speculation. The general effect was bearish, and dealers were loath to enter into large commitments. Trade was almost paralysed; and the turnover in the piecegoods market was negligible. The uncertainty about the recommendations of the Tariff Board was unduly protracted and continued to dominate the markets till the time of the publication of the reports. Japanese competition also proved formidable. In short, the year in general was none too good for the industry.

The cotton Textile industry is the biggest in India; and the paid-up capital of the industry in August, 1935, totalled nearly Rs. 39.5 crores at which, it shows an increase of Rs. 25 lakhs as compared with the previous year. The total number of spindles and looms in equipped mills were 9,686,000 and 198,687 respectively, being an increase of

72,000 spindles and 4,000 looms over the previous year. The total number of mills in the year amounted to 365, out of which 220 were situated in the Bombay Presidency, 36 in the Madras Presidency, and 22 in the Bengal Presidency and the rest in other provinces. Out of the above total, 28 were completely idle during the year.

From the table on the next page it will be seen that the Bombay group of mills has fared worst among the three groups. Excepting Ahmedabad Advance Mills, Central India Spinning and Weaving Company which record a rise in profits (because their year ended in June, 1935) all the others record a heavy reduction in profits. Dividends declared are naturally lower.

The Eastern Group of mills with the exception of a few has never been famous for good profits and high dividend because it had to face severe competition from Western India. Moreover, manufacturing costs were higher, because cotton had to be imported from outside. Naturally any ill that befalls the industry has its first effects on this group. Even Muir Mills Company considered to be the best in the group records a decline in profits of nearly Rs. 2.62 lakhs.

The observations made earlier in the article would seem to be rather defeated by the glance at the table giving the profits and dividends for 1935 and 1934 of the South India group of mills. All the mills report an increase in profits for 1935 over the previous year. At the present time, cotton mills in the South are having a flourishing trade; and they are advantageously situated alike as to a ready home market and an abundant supply of raw material. It has been, therefore, easy for the South Indian mills to pull through difficult periods. It can be argued that the profits of the companies given in the table would have been higher, had it not been for the difficult conditions that prevailed in the industry.

The prospects for the current year are none too rosy; and the course of events up to the present time has not been in any way promising. Dull conditions have prevailed in the goods market. The Textile Tariff Board report has been published and neither party is satisfied with the recommendations of the body. So far as India is concerned, the duty on Lancashire goods has been reduced to 20 per cent. from 25 per cent. and this must to a certain extent affect the already poor prospects for the current year. The Indo-Japanese Trade Agreement terminates on March, 1937, and already negotiations are going on for renewal. Any further concession to Japan will naturally react unfavourably on the Indian industry.

Bombay Group

Name	Profit		Dividend Per cent	
	1935	1934	1935	1934
Ahmedabad Advance (June) ...	8,27,155	2,00,836	15	15
Bombay Dying (December) ...	11,71,804	23,01,801	10	12
Central India (June) ...	6,12,598	56,135	8	8
Century (December) ...	6,17,211	6,34,279	Nil	Nil
Gokak (December) ...	4,22,148	4,86,175	7	7
Kobinoor (December) ...	5,14,581	5,62,433	8	8
Lakshmi (December) ...	-77,571	1,74,825	5	10
Phoenix (December) ...	1,17,582	1,45,479	10	10
Simplex (March 1936) ...	1,61,517	8,11,697	2½	4
Vishnu (December) ...	1,00,115	8,80,860	10	12

Eastern Group

Name	Profit		Dividend per cent p.	
	1935	1934	1935	1934
Bengal Nagpur* ...	-22,181	7,00,95	Nil	3¾
Cawnporee Textiles ...	9,703	66,113	Nil	Nil
Elgin Mills ...	4,03,697	4,69,674	5	5
Muir ...	5,29,203	7,91,629	35	40

South Indian Group

Name	Profit		Dividend per cent	
	1935	1934	1935	1934
Bangalore† ...	6,86,703	4,20,603	7	2
Buckingham and Carnatic† ...	20,02,023	19,80,204	10	10
Madura ...	4,81,028	5,98,410	10	10
Vasanta ...	1,05,034	94,517	7½	9

* Nine months ended December, 1934.

† For the two half-years combined.

INDUSTRIAL SECTION:

THE INDIAN TEA INDUSTRY

EARLY HISTORY AND LATER DEVELOPMENT

Tea, like Jute, is an industry of comparatively late origin. It had, however, existed in China from the earliest times where it was in use as a beverage in the eighth century. It was mentioned in a letter which an Englishman in Surat wrote to his friend at home in 1617. In 1658 the *Mercurius Politicus* had a notice showing that a consignment of tea arrived in England, which was probably the earliest arrival. Pepys' reference to it in 1661 as a "Chinese drink of which I have never drunk before" suggests a more common usage of the new beverage. But it was not until 1720 that the East India Company imported a large volume of one million pounds which was retailed at 30 sh. the lb. In 1773 the Company had such excess stocks, that it obtained permission to export them to Boston and this, incidentally, led to the famous Boston tea party. By the year of Trafalgar the imports came to 7½ million lbs.

In the earlier stage China had a monopoly of the tea trade; and probably the tea industry would not have been established in India, but for the fact that the Charter Act of 1813 transferred the monopoly of the tea trade from the Company to the Crown. The Directors naturally looked about for another source of supply for this lucrative trade; and their determination in this matter was strengthened by the knowledge that the plant could thrive under varying conditions of climate and soil as those of Brazil and Java, St. Helena and Sumatra. The Government of Lord William Bentinck appointed a Committee in 1834 to enquire into the possibility of importing plants from China and developing plantations in the hilly tracts. The lower hills and valleys of the Eastern Frontier and the Himalayan range and the Nilgiris were obviously fitted for the cultivation of tea. But for a long time, the pioneers of this enterprise were altogether ignorant of the fact that, far from being an exotic plant, tea was part of the flora of Assam. Scepticism in the value of the discovery persisted for a longer time than we might deem credible. But the supporters of the indigenous plant did not have to wait long for their success. For by the middle of 1838 they were able to announce that 8 chests containing 350 lbs. of tea had been shipped to England. Within a year Indian tea was definitely accepted to be a sound commercial proposition; for before that year was formed the Assam Tea Company which was the first and is even now about the largest tea company in India. The first auction in Mincing Lane was held in 1839; but the quality was adversely commented on by the brokers. Efforts to get the Chinese to teach

the Indian cultivators failed, probably through the jealousy of the former. But the industry progressed despite these discouraging signs. By 1866, there were 39 gardens with about 10,000 acres, 8,000 operatives and 1.7 million lbs. of output. Before another decade was out there were three times as many gardens; the acreage increased by 80 per cent. and the production had multiplied ten times. By 1906, the acreage increased to 50,000 and the output and employment to 12.4 million lbs. and 64,000 operatives. The corresponding figures for 1915 were 53,178 acres, 17.99 million lbs. and 42,300 operatives.

The fall in the number of operatives which is in strange contrast to the increase in acreage and output leads us to a mention of the patent devices of Mr. William Jackson and the planting reforms of Mr. Christison. The former invented the rolling machine which obviated the repugnant and dilatory processes of rolling the tea by hand and tampling it to dust with naked feet. The latter evolved the measures necessary for preventing the erosion of soil on steep hill surfaces and for resisting the effects of drought.

These inventions enabled the Indian tea industry to get far ahead of China. And the pace of the later development and expansion may be judged from the following figures:

Tea Production in India

	Acreage in 1,000 acres.	Production millions lbs.
1901	... 524	201
1921	... 709	274
1924	... 714	375
1927	... 756	390
1928	... 776	404
1929	... 788	432
1930	... 805	391

Space forbids any detailed sketch of the progress in South India or in other chief producing countries of the world. But it may be mentioned that the first experiments in tea planting in Ceylon were not encouraging. The greatest fillip was given by the disaster which overtook the coffee plantations through the appearance of a pest. Attempts were made to replace coffee with cinchona and then tea. The latter was an unqualified success. By 1880 the export was 102,000 lbs. Five years later it exceeded 4 million and in another five years it reached 45.8 million lbs.

The acreage increased from 406,000 in the beginning of the century to 450,000 in 1929; and the latter, it must be remembered, did not include small holdings which were estimated to be about 20,000 acres.

In addition to the great production of India and Ceylon, Africa contributed an increasing

amount. The figures for production in 1928-29 will be of interest:

	Area in acres.	Production in 1,000 lbs.
Nyassaland ...	8,900	1,745
Union of S. Africa ...	2,000	800
Kenya ...	5,600	150

Natal, too, has a tea industry of long standing, but as by far the greater part of it is taken up in domestic consumption: its production is of little importance to other countries. Nyassaland exports practically the whole of its output; Kenya is understood to have expanded the acreage very largely since 1928-20. Its products are of medium quality which should be useful for blending purposes. Malaya has conducted some successful experiments in tea cultivation; and it is supposed that there are considerable possibilities.

China, as a producer of tea, has been pushed more to the background. The unhygienic methods of production have allowed the change of taste in the foreign consumer; and Chinese tea is now principally a peasant production conducted for the individual consumption of the cultivator. The following figures will show the deterioration:

Exports of Tea from China, in Million Lbs.

	Black and Green.	Brick and Tablet.
1899 ...	153.6	71.2
1913 ...	109.2	82.2
1923 ...	98.0	8.8
1927 ...	77.6	38.6
1928 ...	76.8	46.6

The principal rivals to India and China are Java and Sumatra. The origin of the industry in the Dutch East Indies was about the same time as in India or perhaps a little earlier. But production on a large scale had to await the import of plantings from India. In 1911 Sumatra had 500 acres. By 1928 Java claimed 230,000 acres as against 207,000 acres in 1924 and Sumatra 53,000 as against 29,000 acres in 1924. In addition Java had 83,000 acres under native growers, of which 66,000 acres were in bearing.

CULTIVATION AND MANUFACTURE

Tea seeds take about eighteen months to grow to the stage at which they are fit to be transplanted. The tender shoots are not interfered with during that period; and then they are transplanted at the commencement of the rainy season into holes three feet apart and two feet deep. An acre of land can grow about 2,900 plants. As the plants require copious rains and complete drainage, too, in order that the water may not be in contact with the roots for a long time, only hill slopes are suitable for tea cultivation. Manuring is applied heavily direct to the roots. Weeding and hoeing have to be frequent, and nitrogenous green crops are grown in between the rows immediately after and before the rains. The tea plant left to itself can grow to the height of an ordinary tree; but the plant is kept by pruning to the height of two to three feet, both to force more tender foliage and to facilitate easy plucking. The picking commences in the third year; and the annual outturn per acre varies, according

to the age of the plantation, from two to four maunds. The various kinds of teas referred to in the markets indicate whether a particular kind is a tender leaf or a coarse shoot. The buds yield 'orange pekoe' and 'broken orange pekoe'; 'pekoe' is derived from the tender leaves; and 'pekoe souchong' is the product of the coarser leaves.

Picking has to be carried on by manual labour, particularly by women "who with quick eye and deft fingers rapidly choose and pluck the leaves, right and left hand operating simultaneously." The leaves are then taken with the minimum delay to the factory where they pass through several stages which are, in their order, withering, rolling, fermentation, firing, sorting and finally packing. The first stage consists in spreading out the leaves in thin layers for about 20 hours to develop and increase the enzyme. This process is so important as almost to determine the quality of the final product. The importance of this process and the details of the subsequent stages of the manufacture are best described by the Imperial Economic Committee:—

"The leaves are so spread as to allow of free upward and downward circulation of the air. Where climatic conditions allow, the sides of the building are open to the outside air. In some districts, owing to the humidity, it is necessary to wither the leaf in closed rooms, through which carefully controlled currents of air circulate, the object being not to raise the temperature, but to counteract the humidity of the atmosphere.

"The process of rolling twists the leaf and breaks open the cells containing the properties that give strength and flavour to the final product. The juices liberated by rolling form, when dry, a soluble extract which is released when the tea is brewed. The rolling may be so carried out that a proportion of the leaf is broken and goes to form, without any subsequent cutting, part of the "broken" grades which are now-a-days preferred for their superior liquor quality.

"After being rolled, the leaves are spread out and left to ferment. Here, again, it is important to arrest fermentation at the right moment, for if it goes too far, quality and flavour will be spoiled. The fermented leaves, still damp and sticky, are now spread on the perforated or wire trays of a firing machine, and submitted to a hot air current for a short period during which they assume the black appearance with which everyone is familiar. In the course of the processes enumerated, the leaf loses 75 per cent. of its weight.

"The tea is now known as "made" tea, and is next vibrated through sieves of varying mesh and sorted into grades. It is important that the leaf in each grade should be even in size and true to type. Although there are no fixed standards for each grade, the differences between them are well known on the market and any mixture is soon detected. The sorted tea is then packed by machinery into chests and half chests. These are lined with lead or aluminium foil to protect the tea from the atmosphere, to which it is highly sensitive. Even so, tea is sometimes affected by juxtaposition in ships' holds with cases of fruits, such as oranges."

Alike in point of production and consumption, the tea industry is an industry of the British Empire. It lends itself to treatment as an Empire industry, as no other industry does. For, though, as we have seen earlier,

the production of tea is spread over various parts of the world, over 70 per cent. of that tea is produced and nearly 70 per cent. of it is consumed within the Empire. Over two-thirds of the entire capital in the industry is owned by its citizens. All the machinery employed in India and Ceylon is of Empire origin. Even the tea chests are imported from Empire countries.

But what is most important in this context is that the Empire is both the producer and the consumer of the greater part of the world's annual output.

The world export position is summarised in the following table :

WORLD EXPORTS OF TEA IN 1928 AND 1929
(CALENDAR YEARS) IN MILLION LBS.

	1928.	1929.
India	355.5	380.4
Ceylon	236.7	251.5
Nyassaland	1.4	1.7
South Africa ... ..	.1	.1
Total from British Empire ...	593.7	633.7
Java and Sumatra	153.5	161.3
China (Black & Green)	76.8	79.0
Japan and Formosa	33.4	32.8
Total from foreign countries	263.7	267.1
Total from all countries ...	857.4	900.8
Empire percentage ...	69.1	70.3

The above table will bear out the statement with which we started that the industry is essentially an Empire industry and is peculiarly fitted for treatment as such. Unlike other Empire products which have yet to win and secure their place in the markets of the United Kingdom, tea has an assured place. Of the Empire countries, Canada gives a negligible part of the patronage to the non-Empire product. New Zealand is a slowly expanding market, with Ceylon taking the lion's share of it and Northern India coming in for a small bit. Australia is giving more than 50 per cent. of her patronage to Java and relegating the Empire producers, and particularly India, to an insignificant place. Ceylon which exported appreciably more than Java in the earlier years has lost ground considerably ; and the relation of Australia to the Empire tea trade is less satisfactory from the standpoint of Empire producers. Outside the Empire, the United States of America derives its importance as potentially an even bigger market than Great Britain. In that country, Ceylon has the foremost place with Northern India following and Java as a somewhat distant third. But even if it were otherwise, the problem, so far as America is concerned, would be one, less of gaining a larger place for the Indian or Empire product, than of securing an expansion of consumption in a market on which all the producers have been looking wistfully for a long time.

MARKETING OF TEA

The system of marketing which obtains in the tea trade is so peculiar that no apology is needed for a detailed and comparatively lengthy account of it. A considerable portion of the tea crop of India and Ceylon comes to Calcutta and Colombo for export to the consuming markets.

As the gathering of tea is a seasonal operation in Northern India the producers have always felt nervous of throwing the output of the whole season on the market at the same time ; and by common agreement the crop is disposed of in weekly auctions. But the real centre of the tea trade is London not only because the United Kingdom is the biggest consumer of tea, but it is the entrepot of the tea, as of so many other, trades. The London market is, therefore, the nerve centre which determines the volume of demand at any time and the prices at every auction. The preliminaries to the London auctions will be described in detail later on. The tea is despatched by the garden managers to the local ports and the managing agents of the company owning those gardens consign it to their firms in London who, thereupon, became responsible for the marketing. There is, of course, the usual movement of the goods from the docks into the warehouses where they are held in bond till the payment of the duty. Barring the relatively small lots of China tea which are sold by private treaty, the bulk of the goods is put up for public auction. In such auctions, there are selling brokers who act for the managing agents and the bidding is done by buying brokers who are intermediaries acting for the grocers and dealers. The selling brokers draw samples from each break, test them and issue catalogues. There is an interval in which samples are exhibited in the sale rooms, selling and buying brokers from their idea of the value of each break, and the former receives instructions from their principals as to whether they are simply to sell at best or whether there is a given price below which they should not sell at all.

The practice in the London tea auctions which are the most peculiar feature of a peculiar system of marketing is described in the report of the Food Council of the United Kingdom :

In addition to acting as selling agents on behalf of the producer, selling brokers also do a certain amount of business on behalf of purchasers whose orders they have received before the auction. These orders are placed through the selling brokers' 'market men,' who appear in the box with the selling brokers, and bid precisely as do other persons in the room. We have been informed that the market man does not disclose his top price or his orders to his principal, but buys as cheaply as he can. If he disclosed the orders given to him in confidence by the buyers or brought at prices higher than the market, he would quickly lose his business. Business of this character is principally done on behalf of smaller shippers who supply Continental orders. The market man receives a salary from the selling broker, and is therefore his employer, but he also receives $\frac{1}{2}$ per cent. commission on purchase, this $\frac{1}{2}$ per cent. being additional to the 1 per cent. received by the selling broker. Although on the face of it, it may appear unlikely that these market men can act in a dual capacity without prejudice to the interests of either selling broker or buying, we have received no evidence to the effect that the arrangement operates unfairly to either party.

"Generally, the selling broker acts in the interest of the producer, and his duty is to obtain the highest price for the teas placed on the market by producers in return for a remuneration of 1 per cent. on the selling price. We have received no complaints against selling brokers. They appear to carry out their duties with satisfaction to the trade and without detri-

ment to the consumer. In fact, they form an essential part of the organisation for placing tea at the consumer's disposal.

"The immediate purchasers of most of the tea auctioned at Mincing Lane are the buying brokers. They number about a dozen and are members of the Tea Buying Brokers' Association of London. Some of these firms have been described to us as relatively big firms. Buying brokers do not normally buy tea to hold but resell later to dealers, blenders, and merchants at a commission of $\frac{1}{4}$ per cent. In practice all purchasers of tea who do not pass their orders to selling brokers' market men (a procedure which is described above), buy tea through buying brokers, except that occasionally as a convenience distributors' representatives will bid in the room if their buying brokers is not present or is occupied, but the business is always put through the buying broker, and the buying broker is paid his commission of $\frac{1}{4}$ per cent. We have been informed that during the last 40 years there has been a change in practice, and buying brokers now obtain a bigger proportion of the orders as compared with the selling broker than was once the case. Although the auctions are public, and nominally anyone is entitled to bid, it has been stated to us that if a bidder, not a recognised buying broker, were to enter the market, or, if one of the big distributors were to instruct his buyer to bid at the market, not through the intermediary of a buying broker, the buying brokers would 'run' the price with the object of securing that all sales of tea should pass through their own hands.

"According to the evidence given to us by the Tea Buying Brokers' Association of London, buying brokers assist the trade (1) by selecting suitable teas in public sale for their clients and submitting samples and valuations to those clients, (2) by executing part orders for a parcel, of tea and taking over the balance of the parcel, thus enabling the smaller dealer to obtain the tea he wants, (3) by executing confidentially orders for clients who very often have no time to attend the sale themselves, (4) by buying as cheaply as possible in the sale.

"The bidding for tea is done in pence and farthings per lb. and the same price is frequently offered by many buyers, none of whom may be willing to raise his offer. The parcel then goes to the first bidder, and it will be of advantage to other buying brokers who need supplies to repurchase the tea from him and divide the commission with him rather than to offer an extra $\frac{1}{4}$ d. per lb. After purchase of a particular 'break' other buying brokers therefore frequently call to the successful bidder, and generally, if not invariably, the bidder divides up his consignment at the purchase price, sharing the commission of $\frac{1}{4}$ per cent. with the other buying brokers. In effect, therefore, two sales are going on simultaneously in the same room.

"It often happens, however, that buying brokers in anticipation of orders from clients in the near future, will buy tea for which they do not possess orders. These teas are placed on a 'bought-over list' and, in fact, whatever quantity of tea is not resold by the buying broker in the auction room is normally placed by him on his 'bought-over list.' These lists are issued daily, and from them dealers, blenders and other distributors select the quantities and kinds of tea which they require.

"We are informed that many firms rely on the 'bought-over list' for their supplies, and it is

claimed that this eliminates much competition from the auction room."

The system of marketing detailed above clearly suggests certain lines of adverse criticism. The buying broker seems to be, to all intents and purposes, an unnecessary middleman who tends only to increase the price of tea for the ultimate consumer. Secondly, it requires an uncommon effort of imagination to believe or realise that the selling brokers' "market men" can act in a dual capacity and be true to his duties, both to the buyer and seller, all at the same time and in the same transaction. Thirdly, though this is not a necessary result of the marketing system the buying brokers are only a dozen in number and this has led to the remarkable concentration of buying in a few hands. It is said that 70 per cent. of the distributing trade in Britain is in the hands of four combinations and this is obviously a dangerous state of affairs. The defects which have been mentioned above have found able apologies at various times. Of the buying broker it is said that he is a specialised middleman whose expert service must be of great advantage to his principal.

The selling brokers' "market men" are given the shelter of the ingenious contention that complaints have rarely been made against them. It is probably overlooked that in a trade whose control has been concentrated in a very few hands—and it must be remembered that the buying brokers control also many companies owning large tea plantations—it is not to be expected that any serious charges will be made or satisfactorily substantiated. But, committees which have required organisation of the Tea trade have stressed the need for a producers' combination which can act as a counter-weight to the combine that actually obtains on the demand side. We must mention here, with not a little regret, that there has been so far no evidence of an anxiety on the part of the producing interests to improve a system of marketing which cannot commend itself to the ordinary man on grounds of common-sense.

1935-36

The tea industry witnessed, during the season 1935, a partial return to the conditions of 1933. But the results of the last season have not been duly appreciated owing to the exaggerated hopes entertained by those interested in the tea industry of the results of the season's working. The happenings during last year no doubt, warranted such optimism; but people did not take cognisance of the true facts and hence failed to arrive at a correct estimate. And the disappointment with the results of 1935 has been responsible for the neglected state of the tea share market at the present moment, in spite of the fact that current consumption is improving and prices of teas are on the up grade.

It is true that the year 1935 has been better for the tea industry in all respects. The efforts of the International Tea Committee to rectify the mistakes of 1934 have to some extent borne fruit. The year did not, however, begin well. Dull conditions

prevailed till the middle of the year. But in June there was a revival in demand and prices began to rise. The better grade teas met with a greater demand and the increase in prices in these was more marked than in the lower grade teas. The rise was sustained and continued up to the end of the year. The announcement in November that the quota was to be maintained at 82½ per cent. for the season 1936 gave a fillip to an already rising market. Naturally everybody expected that with the increase in the average price realised per lb. there would be a return to the conditions of 1933. But the cost per lb. had increased because in the leaner years much of even normal expenditure had been deferred and a greater amount of expenditure during last year on tea estates was therefore inevitable. Moreover, a good rise in prices came late in the year and, therefore, full advantage

could not be had of the rise in prices. These factors account for the comparatively disappointing results.

But there is no doubt the year 1935 has been a considerably better one for the tea industry than the year 1934; and the prospects for the year 1936 are good enough.

The following table showing the profits and the dividends declared of certain select tea companies is given below. At a glance at the table, it will be evident that profits for the year 1935 of almost all companies are higher than those of the previous year. Higher dividends have been declared in good many cases. But in certain cases we find that, though profits have increased for the year 1935, lower dividends have been declared. This is due to the fact that the amounts carried forward from 1934 were considerably less than those from the year 1933.

Name	Profit on Working		Dividend per cent.	
	1935 Rs.	1934 Rs.	1935 Rs.	1934 Rs.
Eastern Cachar	84,779	40,448	5	2½
Gille	21,466	9,882	2½	...
Gillapukri	68,825	19,450	15	...
Killcott	106,816	89,144	80	35
Lackatoorah	39,465	38,559	...	...
Nagaisuree	82,138	54,912	60	80
New Dooars	158,480	1,22,482	50	45
Pashok	18,528	-16,048	5	2½
Runglee Rungliott	56,531	81,688	45	25
Tengpani	70,394	19,701	10	2½

Another table is given below giving the outturn for the year and the average price realised per pound. No doubt, the outturn for 1935 is less than that of the previous year, as the export quota was reduced to 82½ per cent. for 1935 from 87½ per cent. for 1934. The average price realised per pound is greater and the increase in the

price is more marked in the case of companies, as remarked above, producing better quality teas viz., Killcott Tea Company, New Dooars, Runglee Rungliott etc.

The prospects for the year 1936 are good enough. The maintenance of the export quota at 82½ per cent. and the sustained improvement in prices and demand up to

Name	Outturn lbs.		Average price realised per lb.	
	1935	1934	1935 A. P.	1934 A. P.
Eastern Cachar Tea Co.	889,280	434,160	8 2	8 0
Gungaram Tea Co.	771,860	824,590	8 4	7 7
Kilcott Tea Co.	627,920	664,696	8 8	8 1
Gillapukri Tea Co.	230,820	286,400	12 4	10 6
Killing Valley Tea Estates	190,560	188,000	8 6	8 4
Nagaisuree Tea Co.	607,440	679,298	9 0	8 5
New Chumta Tea Co.	196,039	217,592	7 10	7 11
New Dooars Tea Co.	702,160	787,920	9 6	8 8
Codlabari Company	362,820	382,480	8 8	8 4
Runglee Rungliott Tea Co.	149,600	188,120	14 8	11 9
Rupachera Tea Co.	200,480	217,920	8 5	8 4
Teliapara Tea Co.	647,760	688,146	8 1	7 7

the present time point to a much better season in 1936. London stocks are falling. But we can, perhaps, be more confident about the results of the present season, had it not been for the fact that a duty of 2d. per lb. is levied on tea imported into England. Opinion is very much divided on the effect of this duty on the tea trade England. Considerable alarm was expressed at the beginning as to the effects which this duty would have on tea consumption in England. People now seem to believe that there would be no serious re-

duction, but that there would be a preference for the commoner kinds to offset the increase in prices on account of the duty. It is said that distributors would concentrate on producing cheaper blends and try to reduce costs. Reports about better auction sales and increased consumption in London still continue to come. The statistical position of the industry is sound. The quantity remaining in Bonded warehouses or entered to be warehoused on the 1st day in May was 229,358,000 lbs. against 255,667,000 lbs. in the same period in 1935.

INDUSTRIAL SECTION:

THE IRON & STEEL INDUSTRY

The 1934 report of the Tariff Board virtually struck the Iron and Steel Industry off the roll of protected industries both from the standpoint of the Government's willingness to protect and the industry's need for such help. For the Board admitted that the duties they recommended were in the nature of anti-dumping, rather than protective, measures. It may, therefore, be said that the question of India's fitness to develop an iron and steel industry of her own is of somewhat historical interest. Nevertheless, in the kind of sketch we are attempting of each industry in this *Year-Book*, it would not be inappropriate to go over the whole ground. It has been acknowledged for a long time that India has great natural advantages over other countries for the manufacture of iron and steel.

Obviously, the most important condition of the development of the iron and steel industry is the presence, in adequate volume, of deposits of rich iron ore and coking coal, situated sufficiently near to each other to reduce the cost of transport of essential raw materials. The researches of the Geological Survey have established that these natural advantages are very great indeed, especially in the matter of the quality, quantity and cheapness of the iron ore. "In other parts of the world equally cheap ore is to be found, but it cannot be landed at the iron works at anything like the same price. Conversely, equally cheap ore exists in some countries, but of nothing like the same quality. The advantage which India possesses in the shape of iron ore is therefore, very great.

As regards coking coal, the superiority is, no doubt, less marked; and yet even there, according to Sir E. Pascoe, the eminent Geologist, "there is enough coking coal in India to supply the iron and steel industry with four million tons of metallurgical coke per annum for the next 150 years at least."

Another great advantage consists in the nearness of the coalfields and the iron ore deposits: "On the Continent of Europe either the coal or the ore has often to be brought from a distance of 200 miles or more: and in America the distances are much longer. The greatest centre of steel manufacture in the world is the western district of Pennsylvania, which brings its ore from the western shores of Lake Superior, more than a thousand miles distant, the journey involving a double transference from rail to water carriage and *vice versa* and its coal by rail from a distance of about 60 miles."

Thus, it will be seen, that Nature has more than done her part providing the resources for an Indian iron and steel industry. There is,

of course, the question of labour of the requisite quality and quantity. Quality was a question of experience which can be gathered only in the course of the conduct of the industry. As for quantity, there can be no doubt that India's labour force is enough to sustain as large a productive activity as that of the foremost industrial nation to-day. The higher grades of skilled labour, technical and managerial, are also available, almost in surfeit.

There remains then the question of markets. India has been such a large importer of Iron steel that a ready market may be said to exist in the palm of our hand. And apart from the existing demand, market for the iron and steel industry is not to be judged merely by the amount of iron and steel we used to import, but also by the varied iron and steel goods, the indigenous manufacture of which would become possible when the basic industry is well-established within our borders.

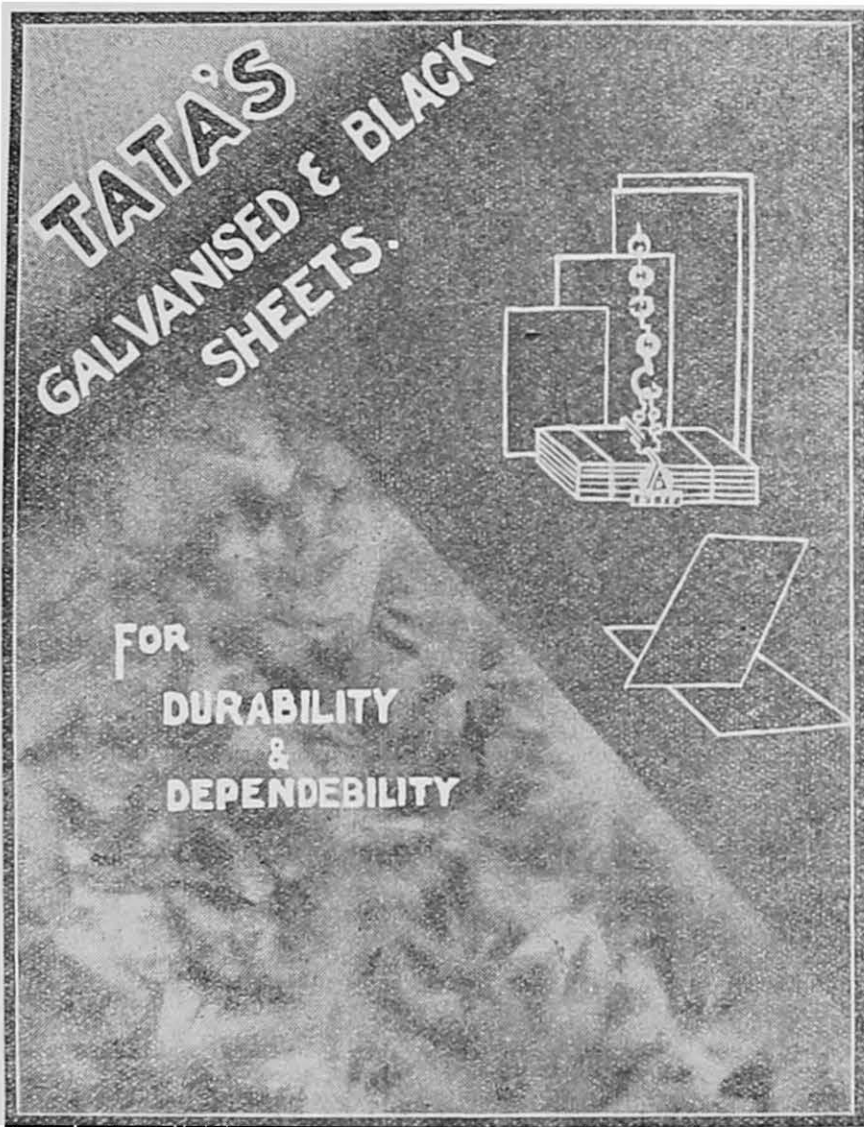
The steel industry has, during the short period of its existence, afforded us a glimpse of such possibilities. For, round the Tata Iron and Steel Works at Jamshedpur have already gathered a number of other industries which are so to say, a sample of the immense benefits which the steel industry can shower on the national economy.

There is at first the tinplate industry which has made such remarkable progress, that the result has evoked the admiration of the Welsh experts themselves. It is also a key industry, assisting the oil industry in India, while, at the same time, it may in time also give an impetus to the fruit and fish canning industries.

The next industry comprised in the industrial district around Jamshedpur is the Wagon Industry. The capacity of the Wagon-manufacturing works at Jamshedpur, now in charge of the E. I. Railway, is about 1,500 broad gauge wagons in a year, and there is no reason to doubt that a corresponding demand would be forthcoming as soon as the depression is past, and that the factory, which is now shut down, will resume work.

The third industry, which might be noticed in this connection, is the Tatanagar Foundry, which was started only in 1926, but has made rapid progress and has been able to supply more than one-third of the demands for cast iron sleepers and other materials for railways in India. This Company has taken a portion of the surplus pig iron and has also furnished the Steel Company with a number of castings for the use of their operation departments.

Further, there are Messrs. Jessop and Company's structural shops where railway wagons can also be erected and the fabrication of steel girders and plate girders, etc. done.



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THE TATA IRON & STEEL COMPANY, LIMITED
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4 Then comes the Indian Steel Wire Products Company, which manufactures wires and wire nails ; and owing to the protection now granted there is a possibility of continuous operation.

5 The Light-foot Refrigeration Company have established a branch of their oxygen gas factory to meet the demands of the Steel Company for this product.

The location of so many industries in and around Jamshedpur in spite of the very unfavourable trade conditions during the last five years shows that this is bound to be an industrial district of the first importance when the depression has lifted, the industries in the group assisting and benefitting each other and enjoying the advantages of localisation and specialisation.

We have, doubtless, digressed on the question of industries which have come in the wake of the Iron and Steel industry. But for an understanding of the importance of the industry one must have an idea of the potentialities of growth in the demand as much as the natural advantages which the country can boast of.

We may now sketch the history of protection to iron and steel.

The principle, which was laid down by the Board in 1929 and which has been followed since, was that "in the main the amount of protection should be the difference between two prices :

(1) The C. I. F. price at which foreign steel is likely to be landed into India without duty, and—

(2) The price at which the India manufactures can sell at a reasonable profit, which was termed "the fair selling price."

It is also important to bear in mind, as the Board rightly observed, that "the measures taken must be adequate to secure their purpose." The immediate needs of the industry must determine the amount of protection to be accorded at the outset but the future of the industry must also be considered.

The Tariff Board arrived at the conclusion (in 1923, during its first enquiry) that a fair selling price of Rs. 180 per ton average would enable the domestic steel industry to sell its products at a reasonable price in competition with imported steel. Accordingly, a scale of duties, averaging Rs. 32 per ton to be levied on imported steel, was recommended. And it was accepted both by the Government and the Legislature and incorporated into the Steel Industry (Protection) Act of 1924. But these forecasts of the Board became wholly inoperative in the meantime on account of a large fall in the price of imported steel, owing to continued depression in the European steel trade, further aggravated by the depreciation of the Continental exchanges and the appreciation of the rupee to over 1s. 4d.

A fresh enquiry was, therefore, ordered by the Government in October, 1924, which resulted in the Tariff Board's recommendation to augment the duties to an average of Rs. 63 per ton. With the concurrence of the Legislature, the Government, however, sanctioned, in place of the offsetting duties proposed by the Board, a bounty of Rs. 20 per ton on 70 per cent. of the weight of the steel ingots produced, subject to a maximum of Rs. 50 lakhs for one year from the 1st October, 1924, to the 30th September, 1925.

But as the price of imported steel continued to fall, the Board was again directed to make

another enquiry and consider "whether in view of the conditions of the industry and of the probable level of prices of steel articles, the protection afforded by the Steel Industry (Protection) Act to the manufacture of the articles enumerated therein should be supplemented beyond the 30th September, 1925." The Board, in its report dated the 2nd September, 1925, again recommended that "further assistance should be given for the period ending the 31st September, 1927, and that in the case of the rolled steel industry it should be given in the form of a bounty at the rate of Rs. 18 per ton on 70 per cent. of the ingot production, subject to a maximum of Rs. 90 lakhs." However, the Government, with the concurrence of the Legislature, reduced it to Rs. 12 per ton and limited the amount payable to Rs. 60 lakhs. This was on the 15th September, 1925.

In 1926, a fresh statutory enquiry was instituted. The Board took into account the large reductions in the Tata's manufacturing costs and the enquiry resulted in the imposition of a greatly reduced scale of duties.

In recommending these duties, the Tariff Board observed that "the prices of rails should thus be at least Rs. 35 per ton lower than the price three years ago, while the corresponding fall in the prices of the other products will average about Rs. 50 per ton."

The working of the 1926 scheme of protection is best dealt with as part of the 1934 enquiry.

The 1933 the Tariff Board pointed out that an important aspect of the question of the success or otherwise of the 1926 scheme is the proportion of the Indian market which is supplied by the Indian industry. The share of the available Indian market obtained by the Tata Company rose from 30 per cent. in 1927-28 to 72 per cent. in 1932-33. The whole of the fall in the demand has been borne by imported steel. The Tata Works have steadily maintained an output roughly equal to 75 per cent. of their capacity, while outside India, France worked 57 per cent. of capacity in 1932, Germany 35 per cent., United States of America 24 per cent. and United Kingdom 54 per cent.

But the real test is the reduction in costs. While in the course of our review of the iron and steel industry last year we went in great detail into the various items on works costs and the like, it should suffice on this occasion to mention that after a minute enquiry the Tariff Board came to the conclusion that on all goods which are sold directly in competition with British goods, the Indian industry is not in need of any protection and that, even in the case of the competition from the Continent, the Indian industry would be well able to stand it if Continental goods were sold at their truly economic prices. It may be assumed, therefore, that the duties that have been recommended in the case of Continental goods are more in the nature of antidumping than protective duties. One would have thought that the Board would be content with a finding of this kind ; but they went further and suggested that in the case of tested plates and structuralis from Great Britain, the Government should remove even the revenue duties or, in the alternative, impose countervailing duties on the internal production. The Iron and Steel Duties Bill of 1934 gave effect to these recommendations of the Board and laid an excise duty of Rs. 4 per ton on steel ingots and countervailing duties on imports.

1935-36

The year 1935-36 is important from the standpoint of the Iron and Steel Industry as being the first complete year after the virtual scrapping of protection by the Iron and Steel Duties Bill which was passed towards the close of 1935, on the recommendations of the 1934 Tariff Board Enquiry. All the effects, which one might normally expect to flow from the reduction, not to say, abolition, of protection to Indian industry are clearly visible in the results of 1935-36. Even in 1934-35 the second half-year was markedly different from the first, in as much as during that period, the excise duty had come into force. As may be expected, imports of iron and steel goods into India have increased from 370,100 tons to 449,500 tons. Imports of protected iron and steel goods, particularly, have risen from 222,300 tons to 287,500 tons. The level of prices during the year has been distinctly lower during 1935-36 than during 1934-35 and the policy of the Tata Iron and Steel Company has naturally been directed to a reduction of costs in order to avoid the full effects of the excise duty, which came to Rs. 35 lakhs during the year, and also the lower level of prices. Another disadvantage which the Tata Company had to suffer was the higher railway freights for the distribution of its products, particularly in the districts served by the E. I. Railway.

One of the most effective ways of reducing costs of production is to increase output and work plant to as near its full capacity as possible. During the period of protection the iron and steel industry has been endeavouring to improve the technical efficiency of the plant and, in their report for 1935-36, the Directors of the Tata Iron and Steel Company emphasise the fact that the equipment in the works was maintained in first-class condition throughout the year and many improvements were made. The second new unit of the sheet mills which was brought into operation in March 1935, has contributed largely to the increased production of salable steel during the year. The coal mixing bunkers at the coke ovens came into operation in June 1935 and have facilitated the mixing of the various coals and led to better control of the coke plant. The construction of the new battery of coke ovens and new bye-product plant has proceeded satisfactorily. It is expected that the first coke will be made in the new ovens in December, 1936. The new Sulphuric Acid plant operated by the contact

process commenced working in July 1935. "E" Blast Furnace was entirely rebuilt and new stoves provided. The capacity of the furnace is about 750 tons per day. It is hoped to blow in the new furnace very shortly. The Normalising plant at the Plate mill was installed and is now ready for operation. An Electric Furnace was installed at the Foundry. This will enable the works to meet its numerous requirements of small steel castings. The erection of the boilers at the new power-house is proceeding. The new turbo-generator has been ordered and delivery is expected during the current year.

It is interesting to note that the output of the principal products during the year showed an increase in comparison with those of the proceeding year:

	1934-35	1935-36
	Tons	Tons
Coke	726,000	780,000
Pig Iron	892,000	900,000
Steel Ingots	834,000	880,000
Saleable Steel	604,000	646,000

The quantities of steel despatched to consumers during the year showed an all-round improvement excepting in the case of tin bars and sleeper bars and sleepers.

	1934-35	1935-36
	Tons	Tons
Rails and Fishplates	76,000	82,000
Bars and Light Structural	175,000	185,000
Heavy Structural	88,000	97,000
Plates	80,000	46,000
Black sheets	21,000	29,000
Galvanised sheets	78,000	77,000
Tin bars	75,000	71,000
Sleeper bars and sleepers	22,000	19,000
Blooms, Billets and Sheet-bars	44,000	45,000

The increase in the output of the Tata Iron and Steel Company is in conformity with the general trend of increased production in the world's steel industry. It is characteristic of the revival that is now proceeding that the increase in production is in the basic industries while, at the same time, a reduction in consumable goods, particularly foodstuffs, is also being effected partly by natural causes and partly by agreements in regard to restriction. In India the increase in production and the increase in imports of steel goods should normally have resulted in a disastrous glut; but this has, however, been avoided by the fortunate circumstances that the consumption of steel within the country has shown an improvement. There is no doubt that, if this improvement is kept up, the dangers, which one might apprehend from the provisions of the Iron and Steel Duties Bill, will be avoided.

PRODUCTION OF IRON AND STEEL
(In thousands of Tons)

Month	Pig iron			Steel ingots			Finished steel	
	1934-85	1935-86	1933-84	1934-85	1935-86	1933-84	1934-85	1935-86
April ...	94'87	113'15	50'32	62'52	66'62	37'19	42'45	51'04
May ...	105'82	101'89	50'55	63'81	61'02	42'49	51'25	58'11
June ...	112'81	106'76	52'11	64'49	60'80	41'95	51'09	51'48
July ...	112'01	132'58	70'74	67'65	74'80	49'45	54'40	50'53
August ...	114'10	133'60	61'84	72'94	76'02	46'14	50'05	55'54
September ...	112'91	131'57	56'87	61'56	74'73	42'58	52'51	57'28
October ...	130'55	141'89	69'08	73'31	73'26	47'08	57'82	58'72
November ...	123'16	136'96	61'73	70'20	74'23	47'60	50'27	59'51
December ...	124'55	139'86	63'63	76'57	80'37	49'55	62'92	63'17
January ...	109'65	139'62	63'67	82'00	89'88	48'19	49'95	62'52
February ...	93'08	123'39	53'75	70'79	76'21	46'72	47'16	57'87
March ...	110'55	134'95	62'11	68'20	72'76*	51'71	57'43	55'91*

*Provisional.

Imports of the Iron and Steel goods.

(In 000 tons)

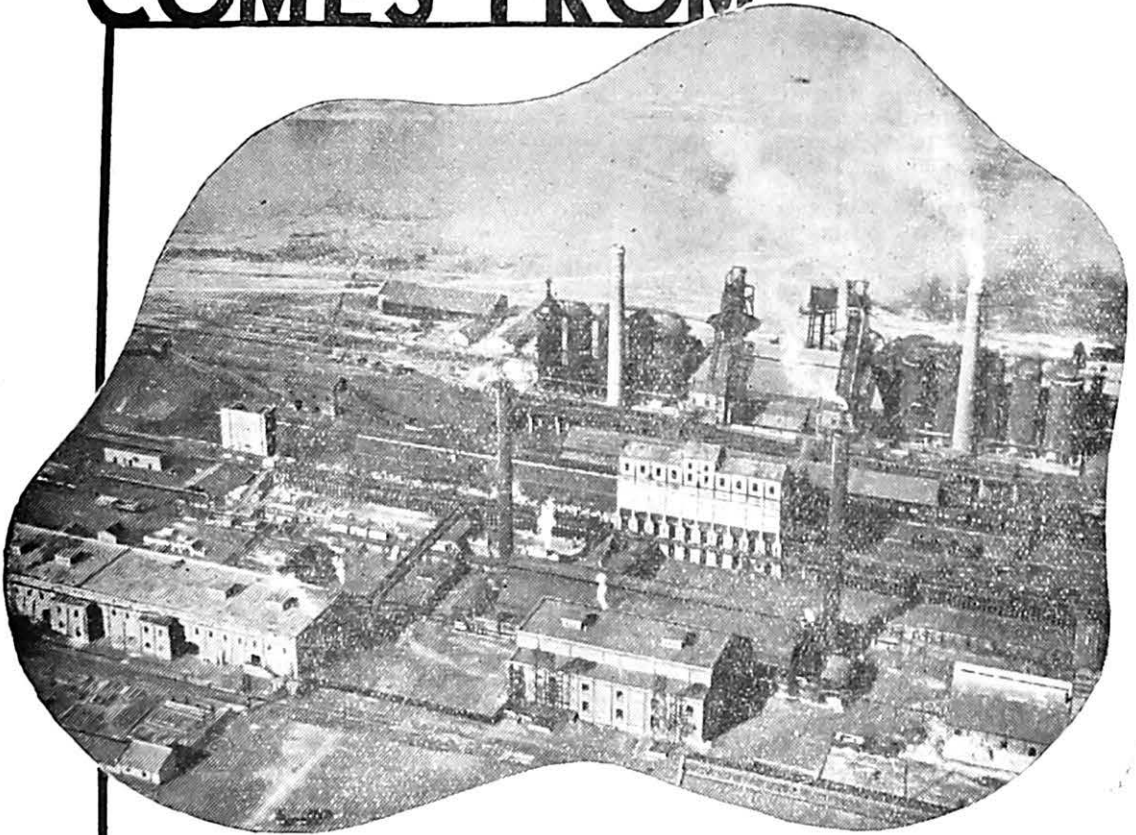
	1930-81	1931-82	1932-83	1933-84	1934-85	1935-86
April ...	75'0	37'4	28'8	21'6	29'5	32'5
May ...	66'9	35'7	30'4	25'8	32'8	28'8
June ...	58'2	34'9	38'5	23'8	25'5	31'6
July ...	57'0	32'8	29'8	25'9	39'2	30'2
August ...	45'3	30'3	27'5	25'6	29'0	29'5
September ...	40'6	35'1	24'8	23'4	24'9	27'1
October ...	46'8	32'9	24'8	32'2	35'8	35'4
November ...	42'1	27'5	25'1	33'7	29'8	33'6
December ...	45'0	24'5	24'7	31'4	25'1	41'2
January ...	51'1	27'9	24'5	34'2	36'4	66'0
February ...	44'6	25'4	24'1	24'9	38'5	51'4
March ...	47'1	26'6	24'0	26'6	33'0	42'2
Total ...	614'2	371'0	326'0	329'1	370'1	449'5

Imports of protected Iron and Steel

(In 000 tons)

	1930-81	1931-82	1932-83	1933-84	1934-85	1935-86
April ...	54.8	24.5	18.4	12.5	17.6	23.2
May ...	50.4	25.1	20.3	14.9	20.2	20.4
June ...	40.1	23.1	23.9	13.8	15.1	19.1
July ...	43.1	21.3	18.4	13.4	17.1	18.8
August ...	32.3	19.5	15.4	15.3	16.5	13.7
September ...	29.3	23.2	12.8	14.0	13.3	17.7
October ...	32.8	19.4	14.4	13.9	16.3	20.8
November ...	27.8	16.4	15.1	17.4	19.0	21.9
December ...	30.6	14.0	13.4	17.9	17.0	23.2
January ...	34.5	18.0	13.3	19.3	24.5	44.1
February ...	28.8	16.4	15.4	14.1	22.0	32.5
March ...	29.2	15.6	14.3	15.6	23.1	22.1
Total ...	433.7	237.0	195.6	187.1	222'8	287.5

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WORKS AT ASANSOL, BENGAL

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(In 000 tons)

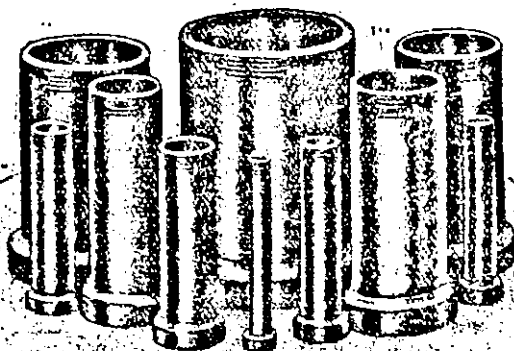
	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
April ...	46.3	32.8	16.2	25.2	25.3	30.0
May ...	46.3	25.6	22.2	36.1	23.5	33.5
June ...	50.0	24.1	15.0	38.3	30.2	34.5
July ...	44.2	34.0	12.1	41.2	41.0	40.2
August ...	41.9	25.5	13.0	35.8	40.1	55.4
September ...	45.8	22.3	13.7	31.2	40.3	46.9
October ...	42.4	17.4	16.4	29.1	46.4	47.8
November ...	25.4	33.5	19.3	33.2	37.2	39.5
December ...	23.8	30.8	15.6	27.1	33.7	45.5
January ...	10.9	36.7	15.4	26.7	35.0	49.5
February ...	34.3	34.3	28.6	23.4	41.7	51.8
March ...	27.8	33.9	30.8	30.3	22.7	63.6
Total ...	439.1	350.9	218.3	377.6	417.1	538.2

Exports of Iron & Steel Manufactures
(In 000 tons)

	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
April ...	.8	12.3	10.7	20.2	4.7	5.0
May ...	6.1	8.2	15.0	7.8	7.0	8.0
June ...	5.8	10.1	8.0	12.5	5.8	4.2
July ...	10.4	9.5	4.3	13.2	7.5	4.9
August ...	7.3	8.8	3.3	13.2	4.0	4.2
September ...	6.9	7.6	5.2	8.8	3.4	4.6
October ...	1.5	6.8	5.8	15.6	3.5	2.8
November ...	2.7	5.5	9.4	9.3	2.8	3.8
December ...	2.5	8.7	17.4	6.3	2.3	3.1
January ...	2.5	8.2	13.3	12.4	3.1	3.3
February ...	3.7	7.3	13.7	10.5	8.8	7.8
March ...	5.9	9.3	12.6	9.0	5.9	7.7
	56.1	102.3	118.7	138.8	58.9	59.4

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INDUSTRIAL SECTION :

THE SUGAR INDUSTRY

During the last few years, the world's sugar industry has undergone a radical and striking change, namely, the conversion of a vast importer of sugar like India into the leading producer. The obvious reason is that the protective policy of the Government of India and the exigencies of the financial situation in 1931 combined to give Indian sugar a protection of roughly Rs. 18 per bag. Indian capital fully responded to this stimulus. The result is that India is self-sufficient in regard to sugar and is even at the point of developing an export surplus. And shut out from her most important market, Java has cut down her production.

Before detailing the position and prospects of the Indian sugar industry it were well to follow the plan adopted in this *Year Book* to give a short exposition of the history of the sugar industry of the world. As a staple industry, sugar is comparatively modern. And its course during this period has been none too smooth. Imports from Brazil and the Antilles first familiarised Europe to the use of sugar, but the sacking of San Domingo reduced it again to a rarity and it was only after the Napoleonic Wars that the imports from colonial possessions of European nations and from India again increased European consumption of sugar. But at this stage, the extraction of sugar from beet developed on an increasing scale and from then, up to the beginning of the present century, beet and cane had vicissitudes not quite unlike those of the precious metals in the days of bimetallism. 1820 to 1840 was the period of the initial development of the beet sugar industry. It gained in strength with the growing success of the movement for the abolition of slave labour in the sugar plantations of European colonies. The last decades of the 19th century were marked by the attempts on the part of European nations to develop, chiefly by means of bounties, a sugar industry of their own. The absurdity of all-round bounty and all-round reprisals was recognised by the Brussels Convention, in pursuance of which the duties were all cancelled. As a result

the cane sugar industry had an opportunity to develop itself. While cane sugar expanded, beet did not suffer any setback. In 1902, there was a sudden increase of production owing to the fact that Cuba became independent and Formosa passed under Japanese control.

A slump in 1911 was avoided by the appearance of a drought in the succeeding year. The next threat to the balance of production and demand was in 1914 when the world War more than reversed the position. The War had far-reaching effects on the sugar industry of the world. Immediately after the outbreak the belligerents placed large orders for sugar ; and later owing to the destruction of beet cultivation in Europe the cane producers increased their output ; and even after the War owing to a tendency to exaggerate the difficulties the revival of beet cultivation in Europe, cane producers persisted in a policy of expansion. The state of production which obtains in the sugar market to-day is due, almost solely, to the vast increase in output following the causes mentioned above. The most notable event in the history of the world sugar industry is the Chadbourne Plan which embodied an understanding as to the quota exportable by each producing country.

While the world sugar industry was thus expanding by leaps and bounds, the industry in India showed itself singularly unresponsive to the scientific developments abroad.

The earlier history may, therefore, briefly be indicated. The fortunes of India's sugar trade and industry are somewhat similar to those of the cotton industry. At one time, India was an exporter of large quantities of sugar. Till 1863-64, the exports from India exceeded the imports and from that year the position has been quite the reverse. Mauritius was responsible for the first attack on this market ; and later the bounty-fed beet sugar of Europe into India was 46 lakhs cwts. as against the average of 18.4 lakhs in the period 1886-1890 and an average of 5.5 lakhs during the 5 years of 1874-79. The duties on German and Austrian beet

sugar which were levied in 1902 had to be abandoned in 1904 in pursuance of the decisions of the Brussels Conference of 1901-02. The result was not that Indian sugar had any advantage as against the imported commodity but that in place of Germany and Austria, stepped in the British planters of Mauritius. But the most complete success was reserved for Java whose attention was diverted from the American market to the Indian by America's grant of preference to Cuban sugar under the Reciprocity Convention of February, 1903. As mentioned already, Japanese development of the sugar resources of Formosa meant that Java could not sell much of her produce in the Far Eastern island. Java, therefore, was obliged by circumstances to concentrate her attack on the Indian market and the result is that out of 1,011,345 tons of sugar imported into India in 1929-30, 806,661 came from Java. The check to the import trade has come only slowly.

But it is necessary to recognise that the decline in the imports of sugar in the earlier years is the result of a number of factors. The most important of them are, firstly, the reduced purchasing power of the Indian masses owing to exceptional severity of the trade depression in this country; and secondly, the higher import tariffs which in their turn are due to two different causes: (1) the recommendations of the Tariff Board after an enquiry held in the pursuit of the policy of discriminating protection and (2) the exigencies of the financial situation in India which during the last two years have been responsible for successive increases in duties on our staple imports. A brief history of the import duty on sugar will be found to be very appropriate in this context. Up to 1916, the duty was 5 per cent. *ad valorem*. In that year a rise of 5 per cent. was effected. 1921 saw the level of 15 per cent. and in 1922 a duty of 25 per cent. was imposed.

In 1925, the fall in prices rendered the *ad valorem* duties innocuous and a specific duty of Rs. 4-8 a cwt. was substituted. This was increased first to Rs. 6 in 1930; and in March, 1931, a rate of Rs. 7-4 per cwt. was put on the schedule. In common with other imported articles, a temporary surcharge of 25 per cent. was effected by the Supplementary Budget as from September 30, 1931. Thus the import duty on sugar is Rs. 9-1 per cwt.

At this stage the recommendations of the Tariff Board in regard to the sugar industry may be indicated. The Board envisaged a scheme of protection for the sugar industry for a period of 15 years. They abandoned any system of bounties as impracticable. To determine the amount of protection which will have to be awarded to the Indian industry the Tariff Board calculated that Java could import its sugar in Calcutta at Rs. 3-15 per maund without, of course, making any profit. And as for the Indian industry they assumed that Rs. 8-13-1 would be a fair selling price. On these bases, the Tariff Board recommended that the duty of Rs. 6 per cwt. should be increased to Rs. 7-4 for the first 7 years of protection and that thereafter when the market price of imported sugar falls below Rs. 4 in Calcutta the Government should increase the duty by Rs. 8 a cwt. and that for such purpose legislative sanction should be obtained. The Board also made suggestions in regard to safe-guarding the interest of the farmer. In his budget proposals of 1931-32, the Finance Member increased the duty to Rs. 7-4.

It remains to add that an excise duty of Re. 1-5 per cwt. was imposed on factory made sugar as from the 1st April, 1934, as it was felt that the expansion needed to be checked and the Government ought to have their loss of revenue on the import duty made good.

The progress of the Indian sugar industry since the grant of protection may be easily gauged from the following table:

THE INDIAN SUGAR INDUSTRY AT A GLANCE, 1936.

1. Sugar Factories, their Production, and Production by Khandsaris.

Year	No. of Factories			Cane Factory production (Tons)	Refined* from gur (Tons)	Khandsari Production (Tons) (Estimated)
	All-India	U. P.	Bihar			
1931-32	82	14	12	158,581	69,589	250,000
1932-33	57	33	19	200,177	80,106	275,000
1933-34	112	59	33	458,965	61,094	200,000
1934-35	180	65	34	578,115	40,000 (Est.)	150,000
1935-36 (Official Est.)	189	68	34	684,000 (Est)	40,000	125,000
1936-37 (Est)	156	71	36	760,000	40,000	115,000

The falling off in the increase in the number of factories shows clearly the effects of the excise duty and of the change in the outlook consequent on the severe internal competition.

But it is interesting to note that the expansion during this period has sufficed to give India the pride of place among the sugar producers of the world.

World's sugar production and consumption in tons and on percentage basis for the year 1935-36.

(In Long tons, raw sugar value).

	Production	Percentage to world production	Consumption	Percentage to world Consumption
Total World—(Long tons, raw)	*27,654,000	...	28,168,000	...
North America United States	1,479,000	5.4	5,800,000	20.8
Total North America	7,038,000	25.6	6,926,000	24.6
South America Total	1,792,000	6.4	1,415,000	5.0
EUROPE				
Germany	1,664,000	6	1,614,000	5.7
France	928,000	3.8	1,078,000	3.8
Russia	1,950,000	7.0	1,570,000	5.6
United Kingdom	520,000	1.9	2,280,000	8.0
Total Europe	8,870,000	30.0	10,155,000	36.0
ASIA				
China	250,000	0.9	603,000	2.1
India*	5,775,000	20.9	5,981,000	21.0
Japanese Empire	1,218,000	4.4	1,055,000	3.7
Java	514,000	1.9	819,000	1.1
Philippines	951,000	3.4	84,000	0.3
Total Asia	8,725,000	31.5	8,515,000	30.2
Africa Total	969,000	3.5	707,000	2.5
OCEANIA				
Australia	631,000	2.3	886,000	1.1
Total Australia	756,000	2.8	443,000	1.6
GRAND TOTAL	27,654,000	100.0	28,168,000	100.0

*Of the total world production of sugar viz., 27,000,000 tons in 1935-36 about 18,000,000 tons represents production of cane sugar and 9,000,000 tons represents the production of Beet Sugar.

It will also be seen from the above table that while the consumption of sugar in Europe and U. S. A. is about 36.1 and 20.8% respectively of the world consumption, they produce only 30.3 and 5.4% respectively of the total world production.

(Figures from Lamborn's Statistical Bulletin for 1936).

*It will be noted from the above table that India ranks as the largest sugar producing country in the world with about 20.9% of the total world production to her credit. It is matter of gratification to find that India which was the birth-place of sugar (as also of the textile industry) has continued to lead in the matter of production of Sugar.

This figure includes not only the manufacture of white sugar but also Gur or raw sugar produced in India.

The further development of sugar industry would depend solely on the extent to which the producers are successful in solving the technical problems.

It is generally recognized that India has now definitely reached a stage when she can find her present requirements of sugar from internal sources. In fact, taking into account the estimated production of factories already projected it is more than likely that the next season leaves a surplus of production over consumption at the present level. For such surplus there can be only two outlets, an expanded internal consumption or export

markets. The latter would be a severe test of efficiency; and the importance of solving the technical problems can hardly be underrated in the long view of the Indian sugar industry. The problems may be summarised and listed as below:—

- (1) Utilisation of molasses and of bagasse,
- (2) reduction of cost of cane,
- (3) improvement of quality of cane,
- (4) undue competition in purchase of cane,
- (5) supplies of cane in areas adjacent to factories,
- (6) provision of irrigation and drainage facilities,
- (7) extension of duration of crushing season,
- (8) marketing and distribution of sugar,

(9) technological research for increasing recovery percentage of sugar and the efficiency of the industry, (10) fixation and improvement of standards of quality of sugar etc. After a period of protection for 4 years, the Industry has now reached a stage when it must survey the position all-round and prepare itself to face the uphill task of establishing itself on a firm and solid basis.

There is however one respect in which the industry can improve its position by mere self-help, the organisation of marketing.

With this end in view and in order to tackle the problems of marketing of Indian Sugar scientifically, large and representative meetings of Sugar Factory owners took place at Calcutta and Cawnpore on the 7th and 26th August, 1934, respectively. The problem of marketing Indian Sugar was discussed and it was decided to bring into existence a Central Marketing Board for sale of sugar with a view (1) to avoid internal wasteful and unrestrained competition by a scientific distribution of sugar in a manner which would avoid overlapping and would eliminate loss in freight by a well-planned scheme of distribution of sugar from various producing centres to the adjacent consuming markets, and (2) to eliminate imports of foreign sugar as far as possible with a view to keep the Indian Market for the sugar manufactured in India. It was then proposed that the Central Marketing Board should take roughly 30% of the production of sugar in the various factories in U. P., Bihar and Bengal, and to send requisite quantities to distant port markets for sale in competition with the price of imported Sugar. The hope was also expressed that if this scheme was found successful, the Central Marketing Board could at a later date undertake the sale for all sugar manufactured in India. The ultimate aim is to prevent imports of foreign sugar in the Indian market, to reserve as far as possible the Indian market for sugar manufactured in India, and to arrange distribution inside the country in a scientific and economic manner. The preliminaries for establishment of this Central Marketing Organisation are now over and an Indian Sugar Marketing Board has been formed. It did not start functioning owing, partly to the large amount of spade-work necessary in order to launch such a big and new venture and partly to the absence of support of 75% of the manufacturers. Personally, we are not very sanguine about the possibility of this Central Marketing Board beginning to function in the near future, owing, *inter alia*, to the absence of a strong desire among

manufacturers for sales of sugar through a common organisation. But we trust that as soon as the utility of having a Central Organisation for sales is realised and the requisite measure of support from manufacturers is forthcoming, the nucleus of the Central Marketing Board which is ready will be made use of the Industry.

1935-36


The almost staggering progress of the Indian Sugar Industry in recent years was called to a halt in the season 1935-36. The year 1935 was uneventful; and dull conditions prevailed throughout the year. The prosperity of 1933 was not in evidence and various factors were responsible for even imparting a gloomy outlook to the industry. The sugar market was extremely dull throughout the year and demand was poor. Sugar production has been increasing to a great extent and an excise duty of Re. 1-5 per cwt. of sugar produced from cane within India was also imposed. With higher cane prices and lower sugar prices and the new excise duty, sugar companies had by no means an easy time. Towards the close of the year there was an increase in Java sugar imports. And with the treat of devaluation of the guilder there was always the fear of Java sugar flooding the markets. The factories in Western U. P., and Punjab fared worst because of a very poor crop season.

In the light of the above, one would hardly expect sugar companies to show better results. It will be seen that almost all the companies record a serious reduction in profits for the season 1934-35 over those of the previous season. The reduction in profits, as we mentioned above, was mainly due to the new excise duty. The excise duty came into effect from April 1, 1934. Dividends have naturally been lower and in the case of New Savan Sugar Gur and Refining Company, considered to be a good company, no dividend at all has been declared. The profits of the Basti Sugar Company and the Punjab Sugar Mills Company are very low, compared to those of the previous season and the dividend with regard to the former is reduced to 15 per cent. from 25 per cent. and the latter to 15 per cent., from 40 per cent. The factories of these companies are situated in Western United Provinces which were affected by an extremely poor crop season. The profits of Mysore Sugar Mills Company and South Behar Mills record a rise; and this has to be explained by the fact that the factories were in full working only in the last season as during the previous season they worked for a shorter period owing to extensions to the plant.

	Profit on Revenue a/c.		Excise Duty.		Dividend per cent.	
	1935	1934	1935	1934	1935	1934
Basti	47,088	5,94,975	2,78,374	...	15	25
Belapur	10,67,203	10,56,211	2,81,254	57,891	24	24
Cawnpore	6,98,748	11,82,448	not available	not available	25	80
Mysore	5,05,989	4,03,827	" "	" "	11½	10
New Savan	69,174	2,21,109	" "	" "	...	10
Punjab	1,86,997	5,99,848	1,91,319	55,648	15	40
South Behar	8,41,760	2,57,001	not available	not available	12½	10

The number of sugar mills actually working during 1934-35 was 130 ; and the estimated number of mills working in 1935-36 was 139. The capital invested in the industry is about Rs. 30 crores. The quantity of cane crushed in 1934-35 season was 6,672,030 tons and the output of sugar 578,115 tons. The official estimate for the season 1935-36 is 7,710,000 tons, and 684,000 tons respectively.

The results of the season 1935-36 are expected to be better and it is hoped that the profits of companies would be higher than those for the season 1934-35. The companies have recovered to some extent from the shock of the excise duty ; and there has been better crop season. But prices of sugar have shown no improvement ; and in fact much the same conditions prevailed throughout last year.



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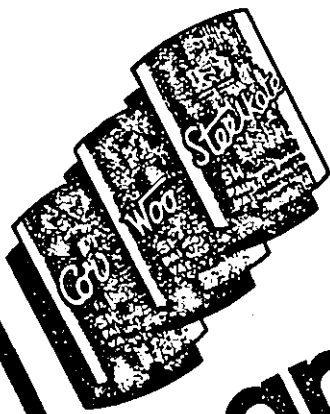
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Paints

INDUSTRIAL SECTION

THE PAINT INDUSTRY

Apart from the small number of larger factories, which operate on a scale similar to that of a medium-sized European factory, there are dotted throughout India a number of small "backyard" factories, which grind common and ordinary qualities of paint from materials which they can purchase. The past year has seen a considerable increase in these small factories, especially in North India, where it seems to be the ambition of the Bazaar retoler to own his own factory. The effect of such small factories is to depress further both the prices and the quality of the commoner paints already manufactured in India, without displacing imported paint to any appreciable extent. There are already more than sufficient factories to struggle for the amount of this business available; and it is doubtful whether the additional factories bring additional employment.

Another feature of the current year has been the issue of a new series of specifications by the Army Department, which makes the third series in current use in India, the others being the British Standard specifications and those of the Indian Stores Department. The only satisfactory feature of the confusion thus caused is that the three series of specifications mainly rely on one series of shades. Any satisfaction so caused is, however, decreased by the knowledge that the issues of the shade books in different years do not contain identical shades.

Japanese competition is again well to the fore; the specific duties imposed may have stopped the import of the commonest qualities of paint, but the import of the higher priced qualities is almost unchecked and in at least one noteworthy case is increasing. Furthermore, there are now imports of materials, such as dry distemper, which were not previously imported. Unless Government take early and vigorous action, serious damage to the in-

dustry and to employment in India may ensue. What is required is an Officer on special duty to collect such statistics as Government may require. In the broad sense of the term, the Indian paint industry does not need or ask for protection; but it does definitely require protection against the importation of a limited range of Japanese paints, varnishes and distempers. And it would welcome the admission duty-free of certain raw materials imported (not from Japan) in such small quantities that the loss of revenue would be negligible.

India is probably slowly becoming more paint conscious. The rate of progress in different parts varies widely. The difference between Bombay and Calcutta is most marked. The Bombay citizen or landlord is willing to spend more money than his confrere in Calcutta. There is more competition between decorating firms; and it is much easier to have good material well applied in Western than in Eastern India. "Interior Decoration" may well be suggested to young Bengalis, men or women, as a new career.

The Advisory Council of the newly formed Industrial Research Bureau puts research on paint as the first item in its programme. There is a possibility of progress, if the Director of the Bureau will realise that research into the manufacture of paint is amply conducted by existing organisations in Europe and America and that his activities could profitably be concentrated on—

(a) The education of builders and engineers to provide surfaces on which good paint can usefully be applied;

(b) Teaching the consumer to use paint suitable for the conditions to which it will be exposed; and

(c) Training painters how to paint. There is no greater hindrance to the progress of the paint industry than the shortage of capable painters and contractors.

INDUSTRIAL SECTION

THE HANDLOOM INDUSTRY

The handloom industry in India is unique in that its importance in the economic life of the country has not been impaired either by its lack of organisation or its more or less primitive methods. Throughout its long history, it has had no access of strength, such as has fallen to the lot of many modern industries, which have been strengthened by new devices alike of organisation and of technical invention. It is conducted also on the same lines as Indian agriculture, to which it is tied by innumerable bonds. While the latter's survival is due to the fact that agricultural production is to a large extent for the producer's own consumption, in the case of handloom weaving, the industrial character of the operation is not mitigated by any similar circumstance. It should, therefore, be a matter for wonder that the Indian handloom industry stands alone among the world's industries and handicrafts as having withstood all the onslaughts which production under capitalist organisation is capable of making. The reasons for this survival of the handloom industry are to be sought in the fact that the criteria of costs, prices and profits, which are applicable to factory-made production, do not apply in this case. It is true that the immense advantages, which textile mills possess over the handlooms, have enabled the former to capture far the greater part of the market ; but, the handloom weavers are as a species far from extinct ; and a race which has defied the ravages of nearly two millenia is not likely to be stamped out in the near future. On the other hand, it is quite possible that within the dry, age-old bark of this ancient tree there lie the potentialities of a young and vigorous sapling. There are many who envisage the time when, through the widespread diffusion of electric power, the handloom weavers would be enabled to ply electric power looms in their cottages and gain the upper hand over the factories in the internal and foreign markets alike. Such an eventuality might, perhaps, come sooner than most of us expect and the Indian handloom industry would then be more unique than it is now.

For the present, it is well to note that, though during the last two centuries the handlooms have been worsted in their competition with the mills, foreign and Indian, they still occupy a large place in the industrial life of the country and any comprehensive scheme of national reconstruction will have to give its full attention to the questions connected with this industry. In the course of our introductory article on cotton in the Agricultural Section of the *Year Book* we have observed that an important aspect of cotton in India is that "its production is spread over nearly all parts of India and that measures for improving its position and prospects will shower their benefits on all the provinces, unlike most economic measures which may be represented to be partial to one province or two at the expense of the others. It is also noteworthy that the cotton textile industry in India is not merely on large-scale and capitalistic lines, but it also embraces the handloom industry and that cotton may, therefore, be said to run through the gamut of India's economic life." Of the Indian handloom industry, it may be said that measures calculated to improve its position are bound to strengthen India agriculture, in as much as the handloom industry is carried on in India pre-dominantly as a subsidiary activity of the agriculturists. This probably accounts largely for the partiality which Mahatma Gandhi has for *Khaddi*, as also for the ready support which Gandhiji has evoked among the masses for his political programme. Thus, the distinctive character of the handloom industry in India is derived from its intimate association with agricultural pursuits ; and this fact explains at once its strength and its weakness. As the majority of weavers are agriculturists, it is idle to expect the handloom industry to show that spirit of enterprise and intelligent competition for which one looks in vain in India's agriculture. But, at the same time, the peculiar tenacity, with which the handlooms have survived the powerful competition of Indian and foreign mills must be attributed to the

same circumstance of its being a subsidiary activity. The costs of manufacture in the handloom industry are kept so near the cost of the raw material that the scope for competition is extremely limited. Being a cottage industry, free from the complications of overhead costs and factory regulations, the handloom industry is well able to cater to individual tastes and to adjust supply constantly to the demand. It has also the facility of turning from one line of textile goods to another according to the state of the markets. And, above all, the handloom industry has on its side the indestructible superiority of the human hand over the machine.

We may now turn to assess the economic importance of the handloom industry. It must be pointed out at the outset, that not all the handlooms are devoted to the weaving of cotton fabrics. In the figures provided in the census, handlooms are lumped up together, irrespective of the purpose to which they are devoted. Though cotton goods form the bulk of the handloom production in India, there are other products of the handloom industry which in the areas they serve are of great importance. In certain rural areas, large communities live by the production of shawls, woollen goods of various kinds, carpets and mats made of different kinds of water reeds. Statistics are not available even of the looms devoted to weaving of cotton goods, not to speak of the minor activities referred to above. It is, indeed, a great reflection on economic intelligence in India that of so important a branch of national economic life as handloom weaving, we have no reliable statistics. It is true that statistics in regard to the activities of a cottage industry are difficult to procure; but this is a case in which difficulties ought to be overcome instead of being utilised as an excuse for inaction. In fact, we have to rely on guess work in regard to everything pertaining to the handloom industry in India; and in an article like this one can only endeavour to indicate approximately the size of the industry and the probable extent of its output and to discuss broadly the problems affecting its welfare.

According to the reports obtained by the 1932 Cotton Textile Tariff Board presided over by Dr. Matthai from all the provinces, the number of handlooms in India is as under:—

	Number of handlooms
Assam ...	... 425,000
Bihar and Orissa ...	... 125,000
Bengal ...	... 200,000

	Number of handlooms
Bombay ...	... 100,000
Burma ...	... 569,743
Central Provinces ...	... 100,000
Delhi ...	... 450
Madras ...	... 225,000
Northwest Frontier Province ...	... 500
Punjab ...	... 140,000
United Provinces ...	... 75,000
Hyderabad State ...	... 140,000
Total ...	... 2100,693

It will be seen that the figures for such important states as Kashmir, Mysore the Central India States or the states of the Presidency of Bombay are not given in the above table and that the Board were able to obtain figures only for Hyderabad. Taking into consideration the figures of the 1921 census for Agra, Burma and Rajputana the resultant total will exceed 2½ million. The provision for the States not included in the above would probably raise the figure to 2½ million. On the basis that each loom represents a family of four members, the handloom industry in India may be deemed to provide the sustenance in part for as many as 10 million people. As an industry it may, therefore be said to rank second only to agriculture. It is doubtful if the figures furnished by the Provincial Governments and the census report are altogether accurate. But it is certain that they contain no indication of how many of these looms are devoted to other than cotton fabrics. They contain no clue to the total production of cotton goods in the handlooms. It will be seen that on the basis of a full day's work the production of these looms would be ludicrously big. It is a matter of common knowledge that work on the handlooms are, even as agricultural operations, only seasonal, the agriculturists taking to weaving during the off-seasons. The total production of cotton goods on the handlooms has, therefore only to be deduced from the figures in respect of cotton yarn, and the amount of cotton yarn consumed by the handlooms has again to be arrived at indirectly by deducting the consumption of yarn of Indian mills from the production of yarn by indigenous mills and imports from abroad. There is no means of estimating the amount of yarn used up for other than textile purposes. Mention must also be made of the fact that handspun yarn is also used in handlooms; and only the vaguest guess work is possible of the amount of handspun yarn produced in the country every year. The 1932 Tariff Board endeavoured,

as well as they could, to arrive at a fair estimate of the amount of yarn consumed by the handlooms and other total production of cotton goods. They found that after taking into account imports, re-exports, internal production, and exports of Indian yarn and the consumption by Indian mills, as much as 365 million pounds of yarn was available for consumption by handlooms. The Special Tariff Board of 1935 estimated the amount of yarn consumed in each province, and the following table shows the figures for the year ended March 31, 1935:—

Province	Handlooms		Quantities in millions of lbs. Yarn Consumed		Cloth produced
	Total	making Cotton goods	Cotton	Others	
Madras ...	318,484	258,538	78·8		815
Bengal ...			48·2		
Bombay ...		110,188	50·2	8·2	235
United Provinces		161,918	49·5	6·4	291
Bihar & Orissa		180,000	81·1		
Punjab ...	256,602	241,602	60·1	4·0	401
Delhi ...	1,554	781	·2		0·7
Northwest Frontier		10,000	1·0		9
Burma ...		500,000	15·6		40
Central Provinces		78,838	15·5		
Assam ...		421,867	4·8		22
Total		1,987,742	354·5		

It has been possible to estimate the provincial distribution of the total amount of yarn available for consumption only with the resumption of the publication of statistics in regard to road and river-borne trade.

The production of cloth on handlooms and the total quantity of cloth available for consumption in the country as estimated by the Bombay Millowners Association are as under:—

Years	Quantity of cloth turned out on handlooms approximate	Total quantity of cloth available for consumption in country
1929-30 ...	1,679	5,744
1930-31 ...	1,655	4,888
1931-32 ...	1,808	5,360
1932-33 ...	2,056	6,325
1933-34 ...	1,725	5,256
1934-35 ...	1,793	5,970

It will be seen that the Indian handlooms supply nearly a third of the India's market for cotton goods. As has been observed at

the beginning of this article, there is every reason to feel that the Indian handlooms have been through their worst period and, if the weavers can adapt themselves to the new conditions and acquire the ability to work electric power looms in their own cottages, they would be yet able to withstand the competition of the mills. Even as it is, there are certain fields in which the handloom weaver is well able to compete both with the indigenous mill and the foreign importers. It stands to reason that in the finer qualities of cloth, which are meant for the richer classes, and which cater to individual tastes, the position of the handloom weaver is more or less impregnable. Likewise, in the very coarse varieties of cloth in which the cost of production for the handloom weaver is nearly naturally equal to the cost of the raw material, the Indian mills will not find it easy to dislodge the handloom worker. To the extent that there are individual tastes in this sphere, too, the handloom worker has an additional advantage. But this is not without its corresponding handicap. When the markets go against the handloom weaver, there is no scope left for him to effect reduction in costs while the mills, who might well be the producers of the yarn required, may come into the field with the advantage of a vertical combination. Nevertheless, it is true that it is in cloth of medium counts that the mills have the field all to themselves and the competition of the handloom weaver is at its weakest. During these years, in which the cotton mill industry has been protected by duties on yarn and cloth, it has at every stage been necessary to examine the repercussions of such protection on the position of the handloom weaver *vis-a-vis* the Indian mills; and the 1932 Tariff Board held that in spite of the growing demand for spinning mills for protection, the duties on yarns of low and fine counts should not be laid, as the Indian handloom weaver would be further handicapped in his unequal contest with the mills. The Congress has attempted from time to time to mark off a special sphere for the Indian handloom weaver by bringing the mills round to agree not to produce the coarser varieties of cloth. But these agreements have often been broken; and it would be very desirable if official policy would rescue the handloom weaver from his position of dependence on the good faith of the mills. It would be well if the Congress renews its efforts to keep the mills from competing with the handlooms in spheres which may be regarded as their special preserve.

INDUSTRIAL SECTION:

THE INDIAN PAPER MILL INDUSTRY

The Indian paper industry is somewhat unique amongst the protected industries of India in that, in this case, the production of the requisite raw material has to be stimulated by special efforts even as to the production of paper itself. The question first came up before the Tariff Board in 1935 ; and the Board found that an Indian paper industry using *Sabai* grass as its raw material could not establish a claim for substantial production. The Board at the same time came to the conclusion that bamboo pulp would be as suitable a raw material for the manufacture of paper, but the technique of utilising bamboo in the production of paper had not been sufficiently developed. The Board, therefore, recommended that, while printing and writing papers of a certain wide range should be subject to a specific duty of one anna per pound, the Government should also provide financial assistance to the paper mills to carry on the exploratory work necessary for the manufacture of good quality bamboos and its utilisation in paper manufacture. The Tariff Board saw in the latter not only the means of providing a suitable raw material of indigenous origin for the Indian paper industry, but also the possibility of an export trade in wood pulp. These possibilities they valued highly, as on the basis of the statistics then available to them, they had reason to believe that the resources, from which wood pulp was derived in Scandinavia and North America would before long be depleted, and that there would be a shortage of wood pulp. In other words, the Tariff Board wanted India to step into the breach caused by the depletion of coniferous trees in Europe and America. They also emphasised their view that the financial assistance and the protective duty on imports were inseparable and that the success of their scheme of production would be gravely imperilled, if their recommendations were treated separately and not taken as a whole.

In determining the rate of protective duty the 1935 Board observed significantly: "It is not enough that the paper (to be ex-

cluded) is not made in India or even that it cannot be made in India. The vital points are that it does not compete with Indian paper at present, that, if excluded from the protective tariff and so made relatively cheap, it is not likely to compete and that it should be possible to define it in such a manner that it can be readily identified for Customs purposes." These recommendations of the Tariff Board were embodied in the Bamboo Paper Industry Protective Act which was passed in September 1925. As a result of this Act, a specific duty of one anna per pound was levied on printing and writing paper. The Government of India, however, rejected the Board's recommendations for the grant of financial assistance to the mills conducting experiments with bamboo.

It is, therefore, not to be expected that in the six years following the scheme of protection adopted in 1925 would be a convincing success. In the first place, imports of paper, even of the protected varieties, increased greatly. Secondly, wood pulp was imported on a large scale and the expectations in regard to the progress of the manufacture of pulp from bamboo, did not materialise. On the occasion of the 1931 Tariff Board enquiry, it was generally held that protection to paper was a failure and that the attempt should be abandoned. The Tariff Board, however, showed convincingly that the scheme was, on the whole, a success. For, in the first place, the manufacture of paper in India increased between 1924-25 and 1930-31, from 27,000 tons to 39,000 tons. Owing to the fall in the imports of paper in 1931, which was the first complete financial year of the depression, the share of the Indian mills in the total consumption of paper of the protected varieties, increased to as much as 71.09 per cent. The increase in the imports of wood pulp might appear to be a weak spot ; but it should be remembered that the financial assistance recommended by the Board was not afforded. It is also worth noting that, but for the increase in the imports of wood pulp, expansion of indigenous production

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could not have been brought about ; and in so far as the imported wood pulp helped such expansion and increased payments in wages and the like, they must be held to have been to the advantage of the nation as a whole. The 1931 Board, therefore, had no compunction in recommending the continuance of protection to the paper industry ; for it held that the withdrawal of the protective duty would inevitably lead to the disappearance of bamboo as a paper making material, and that in view, of the approved possibilities of bamboo, and the anticipations regarding shortage of wood pulp, the disappearance of bamboo would be a national loss. In order to further the development of bamboo, the Board insisted that a direct incentive for the manufacture of bamboo pulp should be offered and that its most suitable form would be a duty on imported pulp. As the Board recommended only the continuance of the imported duty on paper at the previous level, no changes were effected beyond the raising of the percentage of mechanical wood pulp qualified for exemption from protective duty from 65 per cent. and over to 70 per cent. and over, and the imposition of a protective duty of Rs. 45 per ton on imported pulp. When the revenue surcharge of 25 per cent. was levied in 1932, the protective duty on printing paper came to one anna three pies per pound and that on writing paper to one anna and three pies per pound or 18½ per cent. *ad valorem*, whichever is higher. Likewise, the protective duty on wood pulp was increased to Rs. 56-4 per ton.

Then the main problem of the Indian paper industry turned to be one of the classification of papers for Tariff purposes. It may be easily appreciated that the classification is at once an important and difficult matter; for the various classes of paper have clearly a competitive significance to one another; and in any properly devised scheme of protection, it is an important that papers, which do not compete with the products of indigenous industries should not be handicapped by a heavy duty, as that the papers which could well compete with the Indian products should be left exempt from the protective duty. The 1925 Act referred only to printing and writing paper, and gave only an inadequate description of the various kinds which would be subject to, and which would be exempt from, the duty. The 1931 Board was content to observe that the definition of papers which may be classified as printing and

writing according to trade usage, should be examined by a conference with representatives of all the interests concerned.

The experiences of the years following showed how immensely important it was that the classification of paper should be definite. For there was almost endless wrangle between the Customs authorities and the importers as to the classes of paper which were subject to duty. Accordingly, the Indian Tariff Board was required in 1935 to examine this question. The results are set down in the tabular statement at the beginning of this section.

For an idea of the magnitude and distribution of the paper mills in India, it should suffice for the purpose of this review to give below the account contained in the Tariff Board enquiry: "At the time of the Board's previous enquiry in 1924-25 there were 9 paper mills in India, three having four machines each, one having two and the rest one each. Two near Saharanpur in the Punjab and one, which had been partially constructed, at Rajamundry in Madras. So far as we have been able to ascertain, the position to-day is that three mills (the Titaghur Paper Mills Company's mills at Titaghur and Kankinara and the Bengal Paper Mill Company's mill at Raniganj) still have four machines each, the Upper India Couper Paper Mills at Lucknow still have two machines and the India Paper Puly Company's mill at Naihati and the Deccan Paper Mills Company's mills at Poona, which then had only one machine each, now have two; of the three mills—two in Bombay and one at Punalur in Travancore—the Director of Industries, Bombay, has informed us that one of the Bombay mills is at present closed; the other Bombay mill was in 1924 acquired by the Deccan Paper Mills Company who still work it in addition to their mill at Poona; and of the mill at Punalur we have obtained practically no information regarding its capacity or output. Of the two new mills, that at Raiahmundry which was partially constructed in 1924 did not actually start work till April 1930 and is even now working only spasmodically and on a very small scale.

The Punjab Paper Mills near Saharanpur started work in 1929 and worked altogether for about nine months, when the Company went into liquidation. Thus, apart from the Travancore Mill, the industry is now carried on in eight mills with 20 machines in all."

INDUSTRIAL SECTION :

CEMENT MANUFACTURE IN INDIA

Portland Cement was first manufactured in this Country in 1904 at a small Factory (long since defunct) within the precincts of the City of Madras, but it was not until 1912 that the foundation of the present Industry was laid. In this year the Indian Cement Co., Ltd., was registered and was followed, in the two succeeding years, by the Katni and Bundi Companies. At their inception, all these Factories were small but they endeavoured to meet India's Cement requirements during the War period to the best of their ability and within the means at their disposal. 1920 to 1923 brought the spate. The War being over there was a rush to increase capacities and new and large Factories sprang up almost as fast as deliveries of Machinery and Plant could be obtained.

1924 saw the Infant Industry in parlous straits. Most of the new Factories had been erected within the geographical marketing areas of the existing Works and internal competition set up a scramble for business at any price for delivery over any distance, with the result that Shareholders in the Industry suffered appalling losses. Various estimates of these place the figure at anything between Rs. 2 to 2½ Crores. This state of affairs could not, of course, go on and in 1925 following the result of an enquiry into the Indian Cement Industry by the Tariff Board, the necessity for co-operation amongst the Manufacturing Companies was clearly emphasised and those interested in the management of such Companies accordingly formed a pool known as the Indian Cement Manufacturers Association.

In the smooth waters of the Pool the Industry began to revive, Selling Prices were stabilised and the first step was taken in the development of markets for the excessive output. Along these lines the Industry progressed until 1930 by which time the lesson on the value of co-operation has been taken in the formation of the Cement Marketing Company of India Limited.

Under this Company the selling arrangements of the Member Companies were centralised, and its charter was to ensure that each Member Company received a proportionate share—or quota—of the total business according to its rated output capacity.

During the six years the C. M. I. has been in existence, it has been successful to the extent that it has provided each Works with an off-take in accordance with the pre-arranged quota—with amalgamated Funds, it has been able to apply the whole force of effective advertising and propaganda programmes to the betterment of Sales, instead of having to dissipate the money available in keeping particular Brands before the Public.

Unfortunately for the Company, the possibility of sales is not uniform throughout the Country and herein lies the main limitation in its charter. Under the present system there is the position of a Factory or Factories being situated in the heart of large consuming areas but of not being allowed to supply to full capacity, whilst Cement from other Factories situated, in some cases, hundreds of miles away, is being despatched to these areas, even perhaps past the very doors of the conveniently situated Factories, to ensure they also get their quota of Sales.

It is unnecessary to enlarge on the waste thereby entailed. Those responsible for the management and who are in close touch with the Industry must and do realise the vulnerability of the present system, and therefore we have before us their latest progressive step. The Merger. The scheme has been very carefully thought out and is intended to rectify present defects, to bring about additional advantages and to consolidate the whole in a permanent form—that is to say to make the position of the Industry, and incidentally that of its Shareholders, unassailable. It has taken several years of careful preparation and when the scheme is

brought into successful operation it will constitute a national achievement unparalleled in the History of Indian Commerce.

According to the merger proposals a company by name the Associated Cement Company of India Limited will be floated with a capital of eight crores of rupees. The basic proposal is to convert the shares of existing companies into shares in this company. Ten companies have agreed to join this merger. Shareholders in existing companies will be offered cash on shares or a higher denomination in the new concern. If they do not agree the company is prepared to buy the shares at ruling market prices.

According to this scheme the evils of the quota system above mentioned will be eliminated. The quota system is dispensed with and there are to be territorial markets by which factories whose producing capacity is unable to meet local demand will be equipped with additional machinery. Thus freight and wastage is avoided. The Cement Marketing Company will become the selling branch and the Concrete Association of India, the propaganda department of the new company.

Doubts have been expressed with regard to the possibility of the Cement Merger Company declaring a good dividend. An analysis of the working of cement companies during 1935 goes to show that it is possible for the Company to pay a 7 to 8 per cent. dividend. The gross profit of all the companies that are to join the merger in 1935 was Rs. 113 lakhs. Cement consumption has exceeded by more than 30,000 tons during the last three months the quantity consumed in the corresponding period in 1935. Profits will naturally be higher and it is estimated that an increase in the same would be about Rs. 17 lakhs. In the gross profits of Rs. 130 lakhs thus arrived the net profit would be after depreciation, establishment charges,

commission, tax, etc., Rs. 61 lakhs. This is enough to declare a dividend of about 8 per cent. of capital on the approximately Rupees eight crores of capital. In this calculation account has not been taken of the economies that would result by the abolition of quota system, elimination of unnecessary freight and wastage and large scale production.

A Table is given below showing the prosperous conditions that exist in the industry at the present time. All the companies excepting Gwalior Cement Company record a rise in profits and in all casts excepting Gwalior Cement Company there has been an increase in dividends. The profits in 1935 of the Shahabad Cement Company record a good rise over those of the previous year and the dividend has been increased from 15 to 20 per cent. The profits and dividends of cement companies have increased year by year during the past five years.

Name	Profit		Dividend per cent per annum	
	1935	1934	1935	1934
	Rs.	Rs.		
Bundi ...	14,92,176	14,82,415	20	18½
Gwalior ...	3,49,151	5,12,071	7½	8½
Indian ...	5,24,962	4,64,881	15	10
Katni ...	7,05,716	6,45,860	18	16
Okha ...	8,02,494	8,02,459	16	13½
Punjab ...	8,23,910	7,93,627	7½	7
Shahabad...	18,04,022	15,65,967	20	15

The cement industry is the only well-organised industry in India and the remarkable progress that has been made in a very short time has been possible only through the efforts and the genius of late Sir F. E. Dinshaw. The cement merger is a fitting culmination to an already well-organized industry.

INDUSTRIAL SECTION :

THE INDIAN SALT INDUSTRY

THE PROBLEM OF PROTECTION

While the rest of India produces salt to meet the local demand, the Provinces of Bengal, Bihar, Orissa and Assam are unable, owing to climatic reasons, to be self-sufficient, having to rely on foreign salt. Coastal imports from other parts of India not being available, these provinces had for half a century to eat mostly Liverpool and Hamburg salt and partly salt from Aden, Djibouti, Spain and Massawah. Imports of salt into India are roughly 5,00,000 tons a year. Supplies from Aden rose within the last 30 years from 40,000 tons a year to about 1,30,000 tons before 1931, when protection was introduced and to 2,60,000 a year thereafter. The danger implicit in this dependence on foreign sources for a prime necessity of life was brought home during the War, when the stoppage of imports pushed up prices to Rs. 274 per hundred maunds and Bengal had to endure a salt famine, as the Calcutta market was almost entirely controlled by foreign interests. The question then arose of making India self-sufficient in the matter of salt and, things moving slowly in the post-war administrative machinery, it was not till 1927 that Mr. D. W. Strathie, I.C.S., of the Salt Revenue Department of Madras was deputed by the Government of India to investigate. His conclusion was that India could not manufacture its own salt, which was appreciably negated by the arrival in the Calcutta market in that year of the first consignment of crushed salt from the newly constructed salt works at Okha and Karachi. The Tariff Board then took up the enquiry, on a cut motion in 1929 in the Assembly.

The Tariff Board reported in June, 1930, that conditions since Mr. Strathie's investigations had materially changed and, given adequate protection, the Indian industry could be developed to meet India's re-

quirements. The Board's recommendations were :—

(a) Stabilization of prices at Calcutta over a long period.

This recommendation was intended to serve a double purpose, namely that, on the one hand, Indian producers, being assured a steady price at a level which would give them a fair margin of profit over the cost of production, would have an assured basis on which to develop Indian sources of production, and to continue manufacture without fear of cut-throat competition by foreign manufacturers, and, on the other hand, the consumers would be assured of salt at a fair price and be protected against the danger of formation of rings and profiteering.

The Tariff Board suggested introduction of two standards of quality, the first to correspond to Liverpool or Hamburg, the second to comprise all kinds of solar salt: for the second grade a standard price of Rs. 66 per 100 maunds ex-ship was suggested, and, since Liverpool salt normally stands about Rs. 8 per 100 maunds higher than solar salt, the standard price for first grade salt was recommended to be fixed at Rs. 74.

(b) that Government should assume control of imports and the Tariff Board suggested the establishment of a *Marketing Board* which would purchase indigenous produce at the above standard rates provided they satisfied certain standards of quality.

(c) that *inland sources* such as Khewra, Sambhar, etc. should be developed so as to produce salt of the quality required for the Calcutta Market, and that to this end a fuller investigation of the possibilities of the Northern India sources should be undertaken.

The Reports of the Tariff Board and the Salt Survey Committee were examined

by the Salt Industry Committee of the Legislative Assembly in March 1931, and they recommended the following scheme:—

(a) that an additional duty of Rs. 0-4-6 per maund be imposed on all salt, Indian or Foreign, imported by sea into British India:

(b) that the Executive should have power to increase this duty from time to time by amounts up to a total of one anna per maund if at any time the price of foreign imported salt should fall below its present level, the object being to adjust the price of such salt plus duty as nearly as possible to the level of fair selling price (Rs. 66) as adopted by the Tariff Board. (It may be noted that at the time this recommendation was made by the Salt Industry Committee, the price of Red Sea salt, which was about Rs. 53 per 100 maunds ex-ship Calcutta when the Tariff Board wrote, had come down to about Rs. 36 per 100 maunds):

(c) that a rebate equal to the additional duty should be granted on imported Indian salt on the producers undertaking to deliver a stipulated quantity of salt to the Government any time at the fair selling price fixed by the Tariff Board.

As regards disposal of proceeds from the above duty, they suggested that same should not go to benefit the general revenues of the Central Government, but that they should be ear-marked primarily for the establishment of a supply of salt at a stabilized and fair level to Indian consumers, and that, subject to this, the proceeds should be ear-marked for the following objects:—

(a) the development of certain Northern India Sources in the manner recommended by the Salt Survey Committee e.g., (increase of production at Khewra, geological survey at Panchbhadra, etc.)

(b) investigation of the possibility of development of other sources of supply in India, e.g., in Bengal, Bihar and Orissa, and generally on the East Coast.

(c) any further measure that might be found necessary in the light of experience to secure the stabilization of prices, e.g., establishment of a Marketing Board and provision of

working capital and reserves for such a Board.

(d) subject to the above, the balance to be distributed between those Provinces that consume imported salt and would therefore be bearing the burden imposed by the above duty.

The Salt (Additional Import Duty) Act XIV of 1931.

The Legislative Assembly accepted the recommendations of the Salt Industry Committee and the Salt (Additional Import Duty) Act, XIV of 1931, was duly passed. An unfortunate feature of the above Act, however, was that its operation was limited to a period of one year only, but even this very restricted measure had a marked effect in giving an impetus to the indigenous industry, and when the position was examined again by the Salt Industry Committee in February 1932, they observed that it had been remarkably successful in receiving the particular object of stabilizing the price of white crushed salt at a level which would encourage the substitution of Indian for foreign salt and that at the same time would avoid laying on the consumer a burden larger than was necessary to secure that object and the Committee accordingly came to the conclusion that the additional import duty on foreign salt should be continued. While they recognised that any scheme designed to encourage a particular form of development in a manufacturing industry could hardly be effective unless its continuance was assured for an adequate period, they nevertheless recommended the extension of the above salt protection measure for another period of 12 months only, as they considered that it was necessary to examine further the position as regards Aden, the imports from which source during the year of protection had gone up by leaps and bounds out of all proportion to the increase in output from sources on the Continent of India proper, and the Committee were of the opinion that Government should consider the introduction of some plan which would preserve the essential object of the Tariff Board's proposals and would prevent Aden from capturing the whole market to the exclusion of other Indian sources. It appeared to them that the essential purpose might be achieved by devising some plan by allotting quotas of the Indian requirements of fine crushed salt to the various sources of supply either as an alternative to, or in combination

with, an import duty. The Committee considered that, before adopting any plan on these lines, a conference of manufacturers should be convened to enable them to place their views before Government, and to enable this being done, they recommended that the extension of the Act be limited to a period of 12 months only for the time being : but in doing so they took care to emphasize that they did not contemplate any reconsideration of the general policy at the end of that period. Their recommendations summed up were:—

(a) that the existing Act of 1931 be extended up to 31st March 1933.

(b) that during the year of extension the question of allocating quotas to Indian sources of supply be examined.

(c) that during the period the subject of fair selling price of Indian salt be re-examined.

The Assembly accepted the Committee's recommendations and the life of the 1931 Act was accordingly extended up to 31st March 1930, and thereafter year by year.

Simla Conference, May, 1932. Allocation of Quotas Abortive.

The meeting of the salt manufacturing interests which was convened at Simla in May 1932, in pursuance of the Salt Industry Committee's above recommendation, however, failed to bring out unanimity between Aden and Indian interests. The Indian interests represented at this conference, however, made out a case showing that, given continuance of protection over an adequate period, they could between themselves more than meet the entire requirements of Calcutta even without the help of Aden, and that, to that end, they did not anticipate any difficulty in the matter of distributing quotas as amongst themselves.

Mr. Pitt's Report on production in the Eastern Provinces.

The possibilities of establishing manufacturing centres in the provinces of Bengal, Bihar, Orissa and Assam were investigated during 1932 by Mr. Pitt of the Northern India Salt Department and as can be made out from his report, he was not able to discover any such suitable centres.

Effects of Protection.

Since 1930-31, India and Aden salt received the first instalment of protec-

tion, which has since been yearly renewed on a twelve-months duration, foreign salt imports have been on the decline. They went up in 1932-33 as a result of dumping by Italian salt works from East Africa, which brought down prices to Rs. 40. Following this dumping, aggravated by the reduction of the import duty to Rs. 0-2-6, a cut-throat competition between Indian manufacturers disintegrated for the time being the indigenous industry. Over-production was apprehended and the initial attempt in 1932 was made to form a Marketing Board for eliminating internal competition and stabilising prices. Nothing came of it ; and for the two subsequent years Indian and Aden manufacturers ran a close race of rate-cutting which presaged troubles for both. Experience induced a more reasonable attitude ; and last year a Salt Marketing Board was formed, composed of salt manufacturers supplying the Bengal market. Its main purpose was to eliminate foreign imports and to organise Indian imports so that normal seasonal demand might be satisfied at prices approximating to the economic level fixed by Government. An elaborate machinery in the form of a Control Committee functions in Calcutta to collect statistics, to study fluctuating conditions of demand and to make a reliable forecast of the future trend of prices with a view to co-ordinate supply and demand. On the basis of an approximate estimate of the total annual consumption of salt in Bengal and the adjacent areas, the following quotas have been assigned to different salt works :—

Town	Maunds	Percentage of Total Supply
Aden ...	266,000	49.91
Bombay ...	20,000	3.74
Okha ...	65,000	12.20
Karachi ...	124,000	23.27
Porbunder ...	33,000	6.19
Molvi ...	25,000	4.69
Total ...	533,000	100.00

Bengal is the key Province in regard to salt consumption and an undertaking was given by the Central Government in 1931 that a portion of the salt import duty would be allocated to Bengal to be expended on schemes for the development of Bengal industry. The Government of Bengal, after holding up this allocation, agreed, in response to interpellations last year in the Bengal Council, to make up lost ground. Several experimental measures are in pro-

gress to mitigate the climatic influences of Bengal on the manufacture of salt, one of which is the pan drying system in vogue in Burma. Actually, Bengal pays for protection, both ways, as the average annual cost to Bengal consumers on the additional tax is as follows :—

	Rs.
A. Extra tax on foreign salt paid by buyers direct to the Collector of Customs...	8,00,000
B. Extra price paid to Indian and Aden salt under protection 	21,00,000
Total	Rs. 29,00,000

Central revenue received Rs. 1,00,000 and Indian and Aden interests received Rs. 22,00,000. Bengal thinks that Government has not made the best use of the Rs. 7,00,000, received from the salt duty and private enterprise for the modern manufacture of salt in the Province is multiplying. During the last Budget debate in the Assembly the Finance Member gave an undertaking that the matter of continuing protection would be left wholly to the decision of Members.

Against this debit Bengal revenues benefit only to the extent of Rs. 7,00,000.

TRANSPORT SECTION :

RAILWAY AND RAILWAY FINANCE

I. HISTORICAL

Indian Railways have been constructed either by the State or by private Companies. On completion of construction, they have been worked either by the State or by the Company which originally built them, or have been handed over to another Company to work. Several of the railways originally owned by Companies have been purchased by the State. Some of these purchased railways are now worked by the State; for example, the Sind, Punjab and Delhi Section of the North Western Railway. Some of them, as in the case of the Bombay, Baroda and Central India Railway, have been handed back to be worked by the Company which originally constructed them. Some, on purchase, have been handed over to other railways to work under contract; thus, parts of the old Madras Railway were handed over to the Madras and Southern Mahratta and South Indian Railways to work. The Nagda-Muttra Railway was built by the State, but has since been incorporated in the Bombay, Baroda and Central India Railway and is worked by that Company as a part of its system. The Delhi-Umbala-Kalka Railway, which was built by a Company of that name, has since been purchased by the State and is worked by the North Western Railway. Similarly, the Southern Punjab Railway Company which had entrusted the working of its undertakings to the North Western Railway, has been purchased by Government.

The East Coast Railway was originally constructed and worked by Government as a famine-protective line, but its northern and southern sections were subsequently made over to the Bengal-Nagpur and Madras Railway Companies, respectively, to work as part of their systems. The Hyderabad-Jodhpur Frontier Section of the Jodhpur Railway was constructed by Government and handed over for working

to the Jodhpur Railway which belongs entirely to an Indian State. The Bezwada Extension is in the same way worked by the Nizam's Guaranteed State Railway Company. The terms on which one railway works another are in all cases, except where a purchased railway has been absorbed entirely in a State Railway system, incorporated in a contract. Hardly two of these contracts are alike in every respect. It is impossible to set out the differences arising out of the varying terms of the contracts, or to take account in every case of the histories of the railways since construction.

II. FINANCING BRANCH LINES

Railways fall under two main categories:—

- (a) those in which Government has a capital interest,
- (b) those in which it has not.

The second class comprises for the most part the branch line companies formed before the introduction of the present policy of financing branch lines referred to below. Generally, the main financial conditions of the contracts with such Companies are:—

- (1) the provision of land by Government free of cost to the Companies;
- (2) financial assistance in the shape of a firm guarantee of $3\frac{1}{2}$ per cent. on the capital, or a rebate out of the net receipts of the parent system accruing from "interchanged traffic," sufficient to make up, with the net earnings of the branch, an amount equivalent to 5 per cent. on the capital; and
- (3) equal division between Government and the branch line company of surplus profits over and above 5 per cent.

A number of small railways in India have been constructed by Companies on these terms. The financing of such rail-

ways falls outside the Government programme of railway construction, the capital transactions appearing in the accounts representing merely the receipt and payment of deposits. The value of land is charged to Government as Railway Revenue expenditure outside the accounts of the Company. Similarly the Government share of the Surplus Profits of the railway in excess of 5 per cent. is credited as a Revenue receipt. In each case in which Government gives a direct guarantee, there is a liability in respect of interest, and if Government were to make a payment under this liability it would figure in the accounts as Government expenditure on the railway.

The various ways in which the Branch Line Companies finance themselves are—

- (1) by the issue of share capital,
- (2) by the issue of debentures,
- (3) by temporary loans (including cash credits) from banks or from the Managing Agents of the lines; and
- (4) by temporary advances from Government.

Under their contracts with Government the conditions for the raising of fresh capital are always subject to the approval of Government.

The rate of interest at which these companies are able to borrow has an important effect on railway revenues, for, under the contracts, Government are liable to make up to the Branch Line companies under certain circumstances the difference between their net earnings and a fixed return on the capital invested by them, and the interest paid on loans by the Branch line companies is generally to be deducted from the net earning of the lines before such return is calculated. It happens that in many of these cases at present the net earnings after meeting the interest on loans are insufficient to yield the guaranteed return on capital and Government becomes liable to make up the difference. It is obvious that in such cases any reduction in the rate of interest payable on present loans or for fresh capital would mean a definite reduction in the loss to Government.

The loans already raised by these Branch Line Companies are generally either in the form of—

- (i) debentures on which interest is payable at a comparatively high rate, which in some cases can be repaid immediately or in the near future; or

- (ii) cash credits or other temporary advances which can be converted into regular loans at any time.

In the first case steps have, in the current year, been taken by Government to endeavour to reduce wherever possible the rate of interest payable on loans which the Company has the option to terminate immediately or in the near future, but in both classes of cases, it has happened that it is not possible for the Company concerned to obtain the funds required at a lower rate. On the other hand Government have been in a position to borrow money at more favourable rates and in certain cases it has become advantageous for Government to make advances temporarily to these Companies from their resources.

III. NEW BRANCH LINE POLICY

The advances that were made during the year 1933-34 were:—

1. Rs. 7½ lakhs to the Futwa-Islampur Railway to replace cash credits bearing interest at 6 per cent. per annum.
2. Rs. 1½ lakhs to Chaparmukh Silghat Railway to replace cash credits bearing interest at 6 per cent. per annum.
3. Rs. 3 lakhs to the Kalighat-Falta Railway to replace 6½ per cent. debentures which are redeemable on 12 months' notice from any date after September, 1933.

The advances have been made in the following terms and conditions—

- (i) that the advance will carry interest at the rate of 5 per cent. per annum which will be a first charge on the net earnings of the line; and

- (ii) the advance will be for a period of three years in the first instance after which it will be subject to reconsideration and will be liable to recall thereafter at any time on six months' notice.

According to the arrangements thus made a saving of 1 per cent. interest on the advances in the first two cases and 1½ per cent. on the advance in the last case have accrued entirely to the advantage of Government. The total saving involved is Rs. 13,500.

The advances have been made from the Railway Depreciation Fund. It is recognised that it is not desirable to adopt generally a policy of investing any considerable part of the Depreciation Fund balances in what may be regarded as a less liquid form of investment than would be the case if the ordinary procedure were adopted which

is, in effect, to keep the balances as a deposit at call with the Government of India. But the amounts involved are relatively trifling. On the other hand, it is more appropriate that transactions which mainly benefit railway revenues should be made from railway resources as far as possible and not from other resources of the Government of India.

A new policy that had been introduced in 1924-25 for the construction and financing of branch lines also requires mention. Under this policy endeavours are to be made to reduce by purchase the number of existing branch line companies and Government is to find the capital required for the construction of extensions of branches to existing main systems. The construction of any branch or feeder lines not expected to be remunerative, which a Local Government might desire to have constructed for purely local reasons or administrative advantages, will be considered, provided the Local Government is prepared to guarantee the Government of India against the loss involved in the working of such lines.

IV. "COMPANY RAILWAYS."

The State has much greater immediate interest in those railways the capital expenditure on which has been provided wholly or mainly by Government. The main divisions of the these railways are:—

A.—State Railways worked by the State.

B.—State Railways worked by Companies or by Indian States.

The second class comprises Railways towards the cost of which the working agents have contributed a small amount of share capital on which a definite rate of interest is guaranteed by Government and in respect of which they receive a share of the surplus profits after meeting all charges for interest on capital.

Both classes have been financed in the same way, through the Government programme, the funds for which are usually provided either from surplus revenues, or from loans forming part of the Public Debt of India, or from Debentures and Debenture Stock raised by the Working Companies.

The accounts of State-owned railways are therefore part and parcel of the Indian Government accounts, and railway finances are part of the general finances of India. But a convention was entered into in September 1924 by which it was agreed to separate railway finances from the general finances as a temporary measure.

V. THE SEPARATION CONVENTION

It is nearly eight years since the resolution was adopted by the Assembly regarding the separation of Railway from General Finances. The resolution which is dated 20th September, 1924 ran as follows:—

"This Assembly recommends to the Governor-General-in-Council that in order to relieve the general budget from the violent fluctuations caused by the incorporation therein of the railway estimates and to enable railways to carry out a continuous railway policy based on the necessity of making a definite return to general revenues on the money expended by the State on Railways:

(1) The railway finances shall be separated from the general finances of the country and the general revenues shall receive a definite annual contribution from railways which shall be the first charge on the net receipts of railways.

(2) The contribution shall be based on the capital at charge and working results of commercial lines, and shall be a sum equal to one per cent. on the capital at charge of commercial lines (excluding capital contributed by Companies and Indian States) at the end of the penultimate financial year *plus* one-fifth of any surplus profits remaining after payment of this fixed return, subject to the condition that, if in any year railway revenues are insufficient to provide the percentage of one per cent. on the capital at charge, surplus profits in the next or subsequent years will not be deemed to have accrued for purposes of division until such deficiency has been made good.

The interest on the capital at charge of, and the loss in working, strategic lines shall be borne by general revenues and shall consequently be deducted from the contribution so calculated in order to arrive at the net amount payable from railway to general revenues each year.

(3) Any surplus remaining after this payment to general revenues shall be transferred to a railway reserve; provided that if the amount available for transfer to the railway reserve exceeds in any year three crores of rupees only two-thirds of the excess over three crores shall be transferred to the railway reserve and the remaining one-third shall accrue to general revenues.

(4) The railway reserve shall be used to secure the payment of the annual contribution to general revenues; to provide, if necessary, for arrears of depreciation and for writing down and writing off capital; and to strengthen the financial position of railways in order that the services rendered to the public may be improved and rates may be reduced.

(5) The railway administration shall be entitled, subject to such conditions as may be prescribed by the Government of India, to borrow temporarily from the capital or from the reserves for the purpose of meeting expenditure for which there is no provision or insufficient provision in the revenue budget subject to the obligation to make repayment of such borrowings out of the revenue budgets of subsequent years.

(6) A Standing Finance Committee for Railways shall be constituted consisting of one nominated official member of the Legislative Assembly who should be chairman and eleven members elected by the Legislative Assembly from their body. The members of the Standing Finance Committee for Railways shall be *ex-officio* members of the Central Advisory Council, which shall consist, in addition, of not more than one further nominated official member, six non-official members selected from a panel of eight selected by the Council of State from their body and six non-official members selected from a panel of eight elected by the Legislative Assembly from their body.

The Railway Department shall place the estimate of railway expenditure before the Standing Finance Committee for Railways on some date prior to the date for the discussion of the demand for grants for railways and shall, as far as possible, instead of the expenditure programme revenue show the expenditure under a depreciation fund created as per the new rules for charge to capital and revenue.

(7) The railway budget shall be presented to the Legislative Assembly if possible in advance of the general budget and separate days shall be allotted for its discussion, and the Member in charge of railways shall then make a general statement on railway accounts and working. The expenditure proposed in the railway

budget, including expenditure from the depreciation fund and the railway reserve, shall be placed before the Legislative Assembly in the form of demands for grants. The form the budget shall take after separation, the details it shall give and the number of demands for grants into which the total vote shall be divided shall be considered by the Railway Board in consultation with the proposed Standing Finance Committee for Railways with a view to the introduction of improvements in time for the next budget, if possible.

(8) These arrangements shall be subject to periodic revision but shall be provisionally tried for at least three years.

(9) In view of the fact that the Assembly adheres to the resolution passed in February, 1923, in favour of State management of Indian Railways, these arrangements shall hold good only so long as the East Indian Railway and the Great Indian Peninsular Railway and existing State-managed railways remain under State management. But, if in spite of the Assembly's resolution above referred to, Government should enter on any negotiations for the transfer of any of the above railways to Company management, such negotiations shall not be concluded until facilities have been given for a discussion of the whole matter in the Assembly. If any contract for the transfer of any of the above railways to Company management is concluded against the advice of the Assembly, the Assembly will be at liberty to terminate the arrangement in this Resolution.

Apart from the above convention this Assembly further recommends—

“(i) that the railway services should be rapidly Indianised, and further that Indians should be appointed as Members of the Railway Board as early as possible, and

(ii) that the purchases of stores for the State Railways should be undertaken through the organization of the Stores Purchase Department of the Government of India.”

The above convention appears to have been in the nature of a compromise between the Government and the Opposition at the time; the Government gave the undertaking contained in sub-para. (9) of the first para. of the Resolution and the

assurances contained in the second para., in return for the arrangements as set out in the first 8 paras that were considered necessary for railways to carry out a continuous railway policy untrammelled by the political exigencies of finance to which general revenues could be regarded as subject.

Sufficient time has elapsed since the convention was entered into to allow of a retrospect being made in order to get a fairly correct grasp of the general tendencies that State railways have shown under the new arrangements.

VI. THE CONTRIBUTION TO GENERAL REVENUES

From 1859 to 1898 (for forty consecutive years), the operation of Indian railways had not been a source of profit to the taxpayer. The deficits mounted up to Rs. 235 lakhs in 1804, Rs. 236 lakhs in 1872 and 266 lakhs in 1896. The total losses up to 1898 aggregated to the enormous sum of Rs. 57.80 crores and have had to be met by taxation. The tide turned however in 1899, and year after year there have been net gains (except in 1908 and 1921) which achieved a record of 15.85 crores in 1918.

The following statement shows the direct gain or loss(-) from the operation of railways yearly from 1858 up-to-date.

Year.	(In Lakhs of Rs.)
1858	... -65
1859	... -110
1860	... -120
1861	... -151
1862	... -167
1863	... -184
1864	... -193
1865	... -24
1866	... -94
1867	... -165
1868	... -193
1869	... -162
1870	... -193
1871	... -182
1872	... -236
1873	... -179
1874	... -161
1875	... -156
1876	... -115
1877	... -15
1878	... -207
1879	... -157
1880	... -104
1881	... -29

Year.	(In Lakhs of Rs.)
1882	... -131
1883	... -30
1884	... -105
1885	... -73
1886	... -119
1887	... -212
1888	... -223
1889	... -185
1890	... -69
1891	... -32
1892	... -185
1893	... -154
1894	... -235
1895	... -162
1896	... -266
1897	... -143
1898	... -94
1899	... 11
1900	... 49
1901	... 127
1902	... 34
1903	... 129
1904	... 316
1905	... 300
1906	... 347
1907	... 236
1908	... 186
1909	... 124
1910	... 303
1911	... 568
1912	... 721
1913	... 718
1914	... 324
1915	... 611
1916	... 1,122
1917	... 1,487
1918	... 1,585
1919	... 935
1920	... 564
1921	... -910
1922	... 117
1923	... 121
1924	... 652
1925	... 1,301
1926	... 883
1927	... 736
1928	... 1,004
1929	... 643
1930	... 245
1930-1931	... -624
1931-1932	... -986
1932-1933	... -1,080
1933-1934	... -796
1934-1935	... -506
1935-1936 (Revised)	... -454
1936-1937 (Budget)	... -344

The steadily and substantial surpluses that the railways have been yielding during the last 30 years have made people forget

that till about 1910, *i.e.*, for over 50 years, the railways had been considered as more or less a commitment of Government in the interests of the administration of a large country and had been numbered amongst the benefits of British rule in India. Indian railways have been regarded as commercial undertakings of Government only during the last 2 or 3 decades, and the contribution to general revenues appears to be based on the idea that as the losses of the earlier years had been borne by the taxpayer, the gains of later years should reimburse him *pro tanto*. Otherwise, there is no reason why the total net gains should not have been applied *entirely* towards decreasing the charges for service and increasing its scope and efficiency.

The year 1933-34 is the last year of the decade since railway finances were separated from the general finances of the State. Of the ten years, the first six were prosperous, and the next four the reverse. But the net results of the decade taken as a whole is a surplus of Rs. 20 crores and an accumulated balance in the depreciation Fund of Rs. 32 crores.

VII. THE ACTUAL CONTRIBUTION

It is a moot point whether the railways of a country are to be run in the national interests regardless of the cost of the service rendered and the return on the outlay, or whether a fair return should be guaranteed or worked up to by maintaining a suitable level of rates and fares. The trend of recent opinion has been in a favour of the regulation of charges in such a way as to yield, in the aggregate, either a 'fair return' on the capital invested or a 'standard revenue' based on the conception of such a 'fair return'. Where the railways are State-owned and the 'fair return' or standard revenue yields a 'profit' or 'gain,' should such 'profit' or 'gain' be ear-marked for railway development, or go to reduce the rate of 'fair return' or amount of 'standard revenue,' or should it be appropriated by the State and go to decrease the scale of taxation? The convention entered into in 1924 was in the nature of a compromise which divided up the net gain, and allowed of a moiety being utilised in the reduction of taxation and another in building up railway reserves.

We might now see how the convention has worked in practice. The contributions made to General Revenues during these years have been as follows :

			Crores, Rs.
1924-25	...	...	6.78
1925-26	...	...	5.49
1926-27	...	...	6.01
1927-28	...	...	6.28
1928-29	...	...	5.23
1929-30	...	...	6.12
1930-31	...	...	5.74
1931-32	...	...	5.36*
1932-33	...	...	5.23*
1933-34 (Revised)	...	...	5.21*

[*These were the contributions due, but held in abeyance owing to railway net earnings being insufficient.]

VIII. THE RESERVE FUND

During the seven years 1924-31, the railways have contributed to General Revenues the magnificent sum of 41.65 crores of rupees or an average of nearly 6 crores of rupees per annum. They had accumulated on 31-3-31 in a Reserve Fund a sum of 5.81 crores after paying from it 13 crores of rupees in the two lean years 1929-30 and 1930-31. Of this, about half a crore has been invested in certain securities, and the balance has been wiped out in meeting the deficit of 1931-32, as shown below :

			Crores, Rs.
1924-25	...	...	6.38
1925-26	...	...	3.79
1926-27	...	...	1.49
1927-28	...	...	4.57
1928-29	...	...	2.58
1929-30	...	...	-2.08
1930-31	...	...	-10.92
1931-32	...	...	-4.95

IX. THE DEPRECIATION FUND

The balance in the Depreciation Fund of about 32 crores of rupees has been got together as shown below. Out of this balance temporary loans have been made to railways of Rs. 22.41 crores in the three years ending 31st March, 1934.

		Crores, Rs.	
		Credit to Fund.	Debit to Fund.
1924-25	...	10.35	7.39
1925-26	...	10.67	7.98
1926-27	...	10.89	8.05
1927-28	...	11.38	10.95
1928-29	...	12.00	9.60
1929-30	...	12.59	11.76
1930-31	...	13.07	11.40

Commercial and Strategic lines together.

(Figures in lakhs of Rupees.)

		1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36 Revised Estimate M.	1936-37 Budget Estimate M.
		M.	M.	M.	M.	M.	M.	M.	M.	M.	M.	M.	M.
Mileage	State-owned	27,090	27,664	28,086	29,111	30,878	31,197	31,640	31,642	31,644	31,690	31,689	31,689
	Worked Lines	7,622	7,484	7,517	7,654	6,640	6,806	6,808	6,907	6,654	4,864	4,634	4,684
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cross Traffic Receipts.	State-owned	98,94	98,42	1,03,43	1,03,78	1,02,70	95,10	86,68	84,43	86,68	90,20	90.00	91,25
	Worked Lines	7,12	6,77	7,18	7,27	6,47	4,99	5,07	4,86	5,13	5,28	5,28	5,22
Operating Expenses	State-owned	52,99	52,89	53,06	54,22	55,59	54,89	49,31	49,08	49,50	50,27	50,75	51,25
	Worked Lines	8,57	8,38	8,53	8,63	8,30	2,66	2,63	2,49	2,60	2,66	2,73	2,70
Depreciation Fund		10,67	10,89	11,38	12,00	12,59	13,07	13,46	13,77	13,56	13,72	13,26	13,28
Payments to Worked Lines		3,55	3,44	3,65	3,64	3,17	2,33	2,44	2,37	2,53	2,62	2,55	2,52
Net Traffic Receipts (State Lines)		35,28	34,64	38,99	37,51	34,52	27,64	23,86	21,58	23,57	26,21	25,99	26,72
Net Miscellaneous Receipts after deducting miscellaneous charges and Surplus profits payable to Companies.		-1,19	-1,27	-87	-87	-2	-11	1	1,10	1,05	53	84	95
Net Revenue		34,09	33,37	33,12	37,14	34,50	27,53	23,37	22,63	24,62	26,74	26,83	27,67
Interest Charges		24,31	25,37	27,27	29,33	30,46	32,72	33,07	32,91	32,53	31,80	31,37	31,11
Surplus.		9,23	7,50	10,85	7,81	4,04	-5,19	-9,20	-10,23	-7,96	-5,06	-4,54	-3,44
Paid as contribution to General		5,49	6,01	6,28	5,23	6,12	5,74	...	...	...	...	...	...
Revenues.													
Transferred to Railway Reserve		3,79	1,49	4,57	2,58	-2,03	-10,93	-4,05	...	...	...	...	...

Note—1—The balance of the loss in 1931-32 and the Total loss in the following years have been, or will be, met by temporary borrowings from the depreciation fund.

Note—2—Credits for material released from works not charged to Revenue were taken in reduction of operating expenses up to 1931-32. From 1932-33 onwards they have been added to Receipts and are included in net miscellaneous receipts.

		Crores, Rs.	
1931-32*	...	13.46	8.26
1932-33*	...	13.77	6.35
1933-34*	...	13.56	8.00
1934-35	...	13.72	8.66
1935-36 (Revised)		13.26	9.25
1936-37 (Budget)		13.28	7.00

[*The loans from the Fund during these years were 4.25, 10.23, 7.93, 4.25, and 2.00 crores of rupees respectively.]

Taking the balances of the Reserve and Depreciation Funds together the Railways had on the 31 March, 1931 a reserve to their credit of nearly 20 crores of rupees, after paying a contribution of nearly 42 crores of rupees to general revenues during the seven years following the convention—an achievement of no mean order. The balance on the 31st March, 1932, had been reduced to Rs. 13 crores.

At the end of 1933-34, the liabilities of railways to be met in subsequent years amounted to 38 crores of which 22 crores are to be repaid to the Depreciation Fund and 16 crores are due, as a first charge, to be paid to General Revenues.

X. HOW THE CONTRIBUTION WAS MADE

A study of the manner in which State railways managed their affairs during these eight years and after contributing nearly 47 crores of rupees to General Revenues had still in hand balances aggregating Rs. 13 crores will no doubt be very interesting. In the figures given on page 294, the actual receipts and expenses for the eight years have been shown; the accounts are on the basis of actual realisations and expenditure, in cash.

The magnitude of the receipts from Indian railways depends to a very large extent on a good monsoon. All the best laid plans of railway administrators' gang 'gang aft alee' when the rains do not make their friendly visitations in time and bumper crops are not moved about the country. Subject to this limitation, the effect on railway receipts of political contentment and general economic prosperity is no doubt marked. A good balance of trade in favour of India is something of a guarantee of a good balance in railway coffers.

Considered from this point of view, the variations in gross receipts during these eight years cannot be considered to be extraordinary, being 5 to 6 crores from the average mean despite the effect of changes in accounting which have resulted in items of receipts being recorded as minus expenditure and *vice versa*. To increase the gross receipts, by other than purely book-keeping methods, is never an easy proposition; when trade is at a standstill and poverty and unemployment stalk the land, it might be the last straw on the camel's back to increase the scale of rates and fares. Perhaps, the contrary move is indicated, as nothing is so welcome from the psychological point of view as the cheerful rendering of essential services regardless of cost, at times of trouble and difficulty.

XI. LEVELS OF RATES AND FARES

A comparison was made some time ago of the levels of rates on Indian railways for different classes of commodities with those prevailing on English railways by a student of railway economics. The figures he has published, which are extracted below are of interest in that they go to show that the scale of rates in India is intrinsically higher than that in England. Considering the difference in the capacity to pay of the two countries, there does not appear to be much room for an increase in the tariff rates.

All the figures in the tables below are in terms of pies per maund per mile.

Class	New English Classification			
	First 20 miles or any part of such distance	Next 80 miles or any part of such distance	Next 50 miles or any part of such distance	Remainder distance
1	.74	.37	.21	.20
2	.84	.41	.27	.25
3	.88	.43	.31	.27
4	.90	.47	.35	.30
5	1.01	.49	.37	.30
6	1.03	.53	.41	.31
7	1.13	.62	.47	.37
8	1.19	.68	.53	.39

Class	First 20 miles or any part of such dis- tance	Next 30 miles or any part of such dis- tance	Next 50 miles or any part of such dis- tance	Remainder distance
9	1.25	.74	.59	.41
10	1.37	.90	.68	.43
11	1.47	.99	.82	.57
12	1.52	1.05	.88	.62
13	1.66	1.13	.98	.68
14	1.77	1.25	1.03	.82
15	1.87	1.35	1.15	.90
16	1.97	1.44	2.25	1.03
17	2.14	1.62	1.31	1.13
18	2.28	1.76	1.44	1.25
19	2.65	2.07	1.72	1.50
20	3.12	2.44	2.24	1.72
21	4.68	3.65	3.37	2.53

PRESENT INDIAN CLASSIFICATION.

Class	Class rate (Maximum)		
138
242
358
462
577
683
796
8	1.04
9	1.25
10	1.87

The average miles a ton of goods is carried on any one of the railways in India is about 200 miles, and if we take it roughly that on the average, the bulk of the traffic passes over more than one railway, we might put down the average haul as 300 miles. Now, the rate per maund per mile in England for goods falling in the 10th class for a distance of 300 miles is 0.58 of a pie which is less than the class rates in India for goods falling in the 4th class and above and equal to that for goods falling in the 3rd class. It would appear that the 4th class of the Indian classification corresponds roughly to the 10th class of the English classification.

Turning from rates for goods to fares for passengers, it is known that the lowest rates for passenger traffic are to be found in India. This does not appear to have harmed the railways in any way; and Sir William Acworth, a shrewd observer of

railway matters, is credited with the remark that Indian railways are probably the only railways in the world which are making a small profit on the carriage of passengers.

XII. REDUCTION OF RATES AND FARES

There seems to be a general consensus of opinion that there is little room for an increase in the scale of rates and fares. The indications are that, to battle successfully with road competition, here should be a general reduction in short distance rates both for passenger and goods traffic with a simultaneous abolition of differences in class, both for passenger and goods, as in the case of motor bus and railway luggage rates. Other possible improvements are the abolition or reduction of terminals, and short distance charges now being levied on short distance traffic, the introduction of a general scheme of mileage gradation on the continuous mileage on all railways intended to increase the average length of haul, and the extension of the "free" time for wharfage and demurrage on the advance payment of a reduced scale of charges.

A special committee of the Indian Railway Conference Association was appointed in April 1934 in connection with a proposal to revise the general classification of goods in India. It consisted of four traffic Officers, with expert knowledge of rates matters and they were asked to report what statistics would have to be compiled, and in which way, in order to furnish the data that will be required in solving the problems which changes of the general classification on the lines suggested in the previous para would present. The Committee were specially asked to keep in mind the fact that the special statistics, they would recommend the compilation of, should enable the financial effects of any changes in classification or rating policy to be estimated.

XIII. THE FIELD FOR ECONOMIES

Turning to the consideration of the working expenses, it will be noticed that while the receipts have not shown an increase commensurate with the growth in the capital outlay, the working expenses have done so and have risen to the figure of about Rs. 102 crores in 1930-31. It is true that there is room for economies on all sides; but these economies cannot alter the 'fixed charges' for interest and depreciation, unless some book-keeping devices are resorted to, for purely administrative

or political reasons. The following figures bring out the fact that the scope for eco-

nomy and retrenchment is restricted to about a half of the total expenditure.

(Amount in crores of Rs.)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
1. Capital: State worked Lines ...	289	400	416	435	470	491	498	502	500	...	495
2. Capital: Company worked Lines ...	364	272	232	295	266	276	282	285	236	...	291
3. Capital: All State Railways (including miscellaneous items) ...	655	675	701	733	739	770	783	790	790	790	795
4. Gross Revenue receipts ...	101	100	99	104	104	108	95	87	84	87	90
5. Depreciation ...	10.35	10.67	10.89	11.38	12.00	12.59	13.07	13.55	13.77	13.59	13.28
7. Surplus profits ...	1.42	1.77	1.66	1.57	1.59	1.52	1.16	0.64	...	...	...
7. Interest charges ...	23.95	24.82	27.52	28.76	29.34	30.47	32.72	33.07	32.91	32.58	31.80
8. Total Fixed charges ...	35.72	37.26	40.07	41.71	42.93	44.58	46.95	47.26	46.68	46.17	45.80
9. Proportion at Interest charges to receipts ...	24%	25%	28%	28%	28%	30%	34%	38%	39%	37%	35.8%
10. Proportion of fixed charges to gross receipts ...	35%	37%	40%	40%	41%	43%	49%	54%	56%	54%	50.1%
1. Total Working Expenses ...	88.40	91.81	92.63	94.64	98.69	100.74	102.02	97.03	96.33	96.66	102.4%
2. Proportion of fixed charges to working expenses ...	40%	40%	43%	44%	44%	44%	46%	50%	49%	49%	44.0%

The percentage of the fixed charges on the total gross receipts has increased steadily from year to year from 35 per cent. in 1924-25 to 56 per cent. in 1932-33. Even if the gross receipts of 1930-31 had reached the top figure of Rs. 104 crores, the percentage would have been about 45 per cent., the highest percentage on record. If the ratio of these charges to the gross receipts have to revert to the 35 per cent. in 1924-25 the yearly gross receipts should be increased to the enormous figure of 134 crores, a remote possibility. If the ratio is to be maintained at the mean figure of 40 per cent., it would still be necessary to earn a sum of Rs. 117 crores as gross receipts, a figure that has never been reached before.

It might be supposed that the provision that is being made for depreciation each year is more generous than is warranted by the actual deterioration or obsolescence of the assets, and that a safer index to the trend of things will be the ratio of the interest charges to the gross receipts which has increased from about 24 per cent. in 1924-25 to about 39 per cent. in 1932-33. To get back to the 1924-25 ratio, it would be necessary to earn about Rs. 136 crores as gross receipts, while to achieve the ratio of the steady years 1926-29 the receipts will have to be about Rs. 117 crores, the figure that was arrived at, taking the depreciation also into consideration.

The proportion which the 'fixed charges' bear to the total charges has varied in these

years from 40 per cent. to 49 per cent., and as retrenchment can affect only the varying charges, the percentage is likely to increase in the next few years.

XIV. JOB ANALYSIS

The services of an efficiency expert of the London Midland and Scottish Railway were requisitioned twice during 1934 to report on the methods to be adopted in India to increase the efficiency of railway operation and to bring about economies therein. The methods he has recommended resolve themselves into an intensive examination of all avenues of operation which goes by the caption of "Job-analysis". An organisation has been set upon each railway of a more or less semi-permanent nature to carry on this work. The results of Job-analysis have been officially stated to be as shown below :

Railway.	Cost of 'Job analysis' organisation, Rs.	Savings effected. Rs.
E. I. Rly. ...	77,691	7,01,088
G. I. P. Rly. ...	56,680	4,15,000
N. W. Rly. ...	32,000	12,66,749
E. B. Rly. ...	68,000	2,14,864
Total ...	2,88,160	29,50,538

The reduction in working expenses of 1933-34 as compared with those of the previous year is about a third of a crore and most of it is apparently due to nothing other than the economies from 'Job-analysis.'

XV. THE PROVISION FOR DEPRECIATION

Previous to 1924, Indian railways did not set apart any sum annually to provide for the depreciation of assets that had not been corrected by the expenditure incurred in the year on renewals and replacements. During the War, the expenditure on renewals and replacements was greatly restricted and railway property had deteriorated very considerably in value. The postponement of the expenditure on renewals and replacements led to the companies working State railways earning large surplus profits in accordance with the provisions of their respective contracts, but their extra earnings were at the cost of the State and of the tax-payer. In the post-War years, larger funds had to be provided annually for expenditure on renewals and replacements to overtake and correct the deterioration of assets during the War.

For these reasons, a Depreciation Fund was started, as provided for in the Convention of September, 1924. The original intention was, no doubt to make it applicable to Company-managed railways also, so that the surplus profits of the Companies might not be enormously increased by purely adventitious circumstances. The Companies would not accept the arrangement, and there was no alternative but to keep such an account for the Company railways *outside* their accounts and set apart an annual sum from the net earnings accruing to Government after the companies had been given their surplus profits in accordance with the old practice. This has been done, and a Depreciation Fund account is being maintained by Government for Company-managed railways, outside the regular accounts.

XVI. DIFFERENT RULES FOR COMPANY LINES.

Before the Depreciation Fund was instituted, the rules of allocation of expenditure between Capital and Revenue had been very strict. Nothing was chargeable to capital unless there was, not only an increase in the cost, but also a definite and substantial improvement in service. The variations in price levels of different times were not allowed to lead to over-capitalisation, and original costs were converted into the probable costs of replacement (at the time of replacement) to determine whether the cost of the new asset provided in replacement was more or less than those of the old. Renewals of permanent-way carried a charge to capital only on the

basis of the extra *weights* of rails and sleepers put in; reconstruction of bridges was similarly allocated only on the basis of the increase in the weight of girders; and no charge lay to capital when rolling stock was renewed unless there was an increase in the tractive effort of locomotives, the floor area of carriages, and the carrying capacity of wagons.

These well-tried rules of conservative finance were altered for State-managed railways with the creation of the Depreciation Fund, and charges were admitted to capital on the simple basis of cost. The immediate effect of the new rules of allocation was to lead to the over-capitalisation of railways, and the understatement of the charge to revenue. As the works *under construction* in 1924 were also allocated on this basis the effect of these rules was to some extent retrospective. The Fund was started with a 'nil' balance, and the annual provision for depreciation was made on the straight line method of accounting for this on the basis of the lines of certain of the more important assets. The immediate benefit of this arrangement was that it admitted of expenditure being incurred freely from capital funds without the connected charges, (allocatable to revenue under the old arrangements and now met from the Depreciation Fund) affecting the working expenses of the year. This had always been in the nature of a stranglehold on the spending capacity of railways, under the old systems, and it had become a rather common occurrence for capital funds to be provided only to be returned largely unspent.

One effect of the distinction in the rules of allocation between Company and State-managed railways is that the expenditure incurred on these railways on the replacement of assets is no longer comparable. To replace the same assets, the expenditure incurred from revenue by a Company-managed railway would be more than that incurred by a State-managed railway from the Depreciation Fund. Till recently, there was another complication due to the Company-worked railways crediting the present cost of materials removed from the line in reduction of their expenditure on renewals and replacements while the State-worked railways credited these adventitious receipts to the working expenses of the year.

The following figures indicate the annual provision for depreciation charged to working expenses and the annual expenditure incurred from the Depreciation Fund; the

figures in the Government accounts worked out for Company-managed railways have been shown separately. The balances left over in the Fund each year are given also.

Depreciation Fund:
In Crores of Rupees.

	Cr. to Fund	Dr. to Fund	Balance	Cr. to Fund	Dr. to Fund	Balance
1924-25	4.86	3.60	1.26	5.49	3.79	1.70
1925-26	6.88	4.88	2.00	4.29	3.61	0.68
1926-27	6.89	5.14	1.25	4.50	2.91	1.59
1927-28	6.78	6.42	0.31	4.65	4.53	0.12
1928-29	7.11	5.52	1.59	4.88	4.08	0.80
1929-30	7.97	6.08	1.89	4.62	5.68	-1.06
1930-31	8.80	6.32	1.98	4.76	5.08	-0.32
1931-32	8.55	5.08	3.52	4.92	3.24	1.68
Total			14.80			5.19

All State Railways.

	Cr. to Fund	Dr. to Fund	Net accretion
1932-33	18.77	6.85	7.42
1933-34	18.56	8.07	5.49
1934-35	18.72	8.66	5.06
1935-36	13.26	9.25	4.01
1936-37 (Budget)	13.28	7.00	6.28

The figures in the above table are interesting from another point of view. While the annual balances on the State Railways have increased steadily from 1.25 crores in 1926 to Rs. 1.98 crores in 1930-31, they decreased steadily on the Company-managed railways. This is due mostly to the fact, that on the latter, the rules of allocation force a larger debit to depreciation. Had the State-run railways followed the same rules of allocation as the Company-worked lines, the balances in the Depreciation Fund would necessarily have been very much smaller. That is to say, the present balances in the Fund are artificial and due, in a large measure, to the 'over capitalisation' resulting from the cost basis of allocation; a temporary relief in the annual expenditure has been obtained, but through an increase in the recurring charges for interest which have grown from Rs. 23.90 crores in 1924-25 to Rs. 32.72 crores in 1930-31, i.e., by nearly 8.82 crores of rupees.

XVII. RAILWAY DEPRECIATION FUND AND OVER-CAPITALISATION

The view has been held that, while it is essential for a commercial undertaking to run a depreciation fund, it is not so very important for a public utility service of a permanent nature, so long as a stringent

programme of renewals and replacements is consistently followed and the rules of allocation of expenditure to capital are on the conservative basis of improvement. There is something to be said in favour of this view, according to which the accounts of most of the English railways are still being kept.

The principal argument against a Fund is that expenditure from the Fund is not automatically controlled by a cast-iron link to the year's resources, and that there is room for a certain amount of extravagance. If there are no funds in the Capital budget or the Revenue budget, expenditure can still be incurred from the Fund or allocated thereto. The cost basis of allocation requires the original cost of the replaced asset to be known; and as this is not readily available in most cases, it is merely estimated. The charge to capital depends unfortunately on the accuracy of these estimates, while under the old system, the charge was a small percentage of the new cost in most of the more important types of renewals. The room for consequent mis-classification of expenditure is rather great under the new system of allocation.

The theory is advanced that it would be a step in the right direction to revert to the old principles of allocation of charges between capital and revenue on the improvement basis, and simultaneously abandon the Fund, the accounting for the transactions of which has enormously increased accounting and clerical work in all directions. The experience of the past 8 or 9 years has been valuable in indicating that the average annual depreciation of the wasting assets is in the neighbourhood of 12 crores of rupees and this figure could be used as an index by which the scale of renewals and replacements of each year can be judged and controlled. If for extraordinary reasons the actual expenditure on replacements and renewals were very much less than this figure, a suitable lump sum could be set apart from the revenues of the year for utilisation in later years, without the complicated accounting for a Depreciation Fund.

XVIII. DEPRECIATION FUND BALANCES

There are certain circumstances which indicate that the high balances of the fund do not necessarily imply that the contributions are on an extravagant basis.

(i) No provision was made at the inception of the fund for arrears of depreciation which were estimated at nearly Rs. 20

crores by a committee that examined the question in 1922. The amount in the fund is necessarily very much less than the value of the expired life of the existing assets.

(ii) The balances do not form a very high percentage of the capital at charge though they form an increasingly heavier percentage. The figures are as follows:—

(In Crores of Rupees)

Year	Capital at Charge	Depreciation Fund, balance	Percentage
1927-28	7.14	9.01	1.8%
1928-29	7.89	11.40	1.5%
1929-30	7.70	12.24	1.6%
1930-31	7.83	18.92	1.8%
1931-32	7.90	19.12	2.4%
1932-33	7.90	26.54	8.4%
1933-34	7.90	32.03	4.2%
1934-35	7.95	37.09	...
1935-36	...	41.10	...
1936-37	...	47.38	...

The accretions to the fund during the last three years are abnormally high owing to comparatively low expenditure as a result of financial stringency. The average annual increase during the first seven years is Rs. 2 crores; during the next three it is over Rs. 6 crores. On the assumption that the fund would normally have grown at the rate of Rs. 2 crores a year—the average of the first seven more or less normal years—the balances at the end of 1933-34 can be taken at about Rs. 20 crores and equal to 2½ per cent. of the capital at charge. This cannot be—considered a high figure seeing that the Depreciation Fund balances of the 4 British Railways are in the neighbourhood of 4 per cent. of their capital.

(iii) The contribution to the fund is proportionate to the assets in existence at present, whereas the withdrawals are proportionate to the assets in existence years ago which are falling due for replacement or renewal now. It follows that in a rapidly expanding concern like Indian railways the contributions must be inevitably much in excess of the withdrawals, and a difference of Rs. 2 crores between the annual contributions to the fund and the annual withdrawals, which was the average in normal times, can hardly be considered too high.

(iv) The capital at charge has increased from 1923-24 to 1931-32 by Rs. 170 crores, and the appropriation to the Depreciation Fund has correspondingly increased by Rs. 3.42 crores from 1924-25 to 1932-33. No withdrawals from the fund would be necessary on account of these newly created assets for a long time to come.

(v) Indian railways are still comparatively young; many of our assets have still a long useful life and their turn to be renewed or replaced is still far distant. Out of the total estimated contribution of Rs. 13½ crores on account of all State Railways excluding worked lines in 1933-34 about Rs. 30 lakhs are in respect of assets with an average life of 200 years, about Rs. 43 lakhs in respect of assets with an estimated life of 125 years, and Rs. 171 lakhs in respect of assets with a life of 60 years.

(vi) In most of the years since the separation, Railways have been replacing assets bought when prices were comparatively low and paying contribution on assets bought at higher prices. The withdrawals from the fund have, therefore, been exceptionally low, while the appropriations to it have been particularly high. In later years the position might be different

(vii) The rules provide that it is only when whole units are replaced that a charge representing the original cost, should be made to the Fund. When partial renewals are effected, no charge is made to the Fund. The cost is debited to Revenue—repairs and maintenance. As Sir Arthur Dickinson pointed out, an asset may be renewed partially many times during its life.

On the other hand there are certain factors which have operated in the opposite direction and tended to retard the growth of the fund:—

(i) Railways had a comparatively ambitious programme of works (including renewals) in the years immediately following the institution of the fund. In more recent years, though the programme of renewals has suffered considerable reduction, scrapping of assets—particularly rolling stock—without replacement has resulted in large withdrawals from the Fund.

(ii) Premature renewals (specially of permanent-way, in order to find second-hand rails for new constructions and to strengthen the main line track to carry heavier engines to deal with increased traffic) have been effected to a large extent; and, under a mistaken interpretation of the rules, the original cost of the asset renewed was in all such cases debited to the fund even when the asset had not been disposed of, but merely transferred elsewhere; for instance, when a length of permanent-way was removed from its original position and re-laid elsewhere on the line.

It may be added that apart from the high balances of the fund there is no evidence at present to justify the conclusion that the

present estimated lives are too low. The experience since the starting of the fund has been too short and on the whole too abnormal to justify any conclusions on the question but it must be remembered that these lives were adopted after investigation by an expert committee consisting of an Engineer, a Locomotive Officer and an Accounts Officer and were based on the past experience of Railways. Secondly a comparison of the lives adopted on Indian railways with those adopted for similar assets by the London and North Eastern Railway does not suggest that the former have been under-estimated. Finally there is Sir Arthur Dickinson's recommendation that in no case should be greater life than 50 years be fixed for any railway asset, and that in the case of electrical apparatus, the maximum should be 25 years. His reason for making this recommendation was that in fixing normal lives sufficient account had perhaps not been taken of obsolescence.

XIX. INTEREST CHARGES

The steady growth of the interest charges, as an important factor in the diminution of the net return from Indian railways has been commented upon elsewhere. Of the 32.72 crores of interest charges met in 1930-31, 20.74 crores were in respect of State-worked lines and 11.95 crores in respect of Company-worked lines, roughly a third of the total. The total interest charges on English debt of various kinds, such as Sterling debt, Company's share capital, debentures and debenture stock aggregated about 5½ million pounds sterling, which converted at the average rate of exchange, is equal to about 7.40 crores of rupees or roughly a fourth of the total interest charges. Of the rest of the 25.32 crores, the lion's share is interest on capital outlay provided by Government.

The method of calculating interest on railway capital outlay is somewhat peculiar. It is calculated at the fixed rate of 3.3252 per-cent. on the total outlay as on the 31st March, 1917, and at an *average rate of interest* on all capital outlay after that date. This average rate of interest has varied slightly in recent years owing to the higher interest charges on recent borrowings. The figures for the last few years are as follows:—

		per cent.
1919-20	...	5.9328
1920-21	...	5.1979
1921-22	...	6.1038
1922-23	...	5.48
1923-24	...	5.69

1924-25	...	5.54
1925-26	...	5.66
1926-27	...	5.43
1927-28	...	5.38
1928-29	...	5.63
1929-30	...	5.31

It had been the practice hitherto to obtain the average rate of interest applicable in any year by dividing the total interest charges for all railways, actually payable on all loans floated by the Government of India after 1916-17 by the *nominal* amount of the debt outstanding. This method did not allow for loans floated at a premium or discount. Most of these loans having been floated at a *discount*, the actual rate of interest applied has been naturally less than the actual cost of borrowing. It was wisely decided to apply the correct rate obtained by dividing the total interest charges, *not* by the nominal amount of the outstanding debt but by the actual amount realised for the nominal amounts. This has resulted in an increase of approximately one-third of one per cent. in the rate and about a crore in the interest charges borne by railway revenues.

It might not be out of place to observe here that, on the separation of Railways from General Finances in 1924-25, the Railway capital account was permanently debited with the balance on 31st March, 1924 of the capital liability involved in the purchase of railways under redemption by Annuities and Sinking Funds. As a consequence of this arrangement, the Railway Revenue Account is charged with the full interest in respect of the liability outstanding on 31st March, 1924 (Included under the head Interest on Sterling Debt) and the balance required to make up the total annuity payment and the Sinking Fund charges is borne by General Revenues, thus giving a legitimate relief to the railway budget. As an exception to this arrangement, the charges for the Discount Sinking Fund for the old Oudh and Rohilkhand Railway, created for the redemption of debt incurred in excess of money raised for the purchase of the Railway, are still debitable to the Railway Revenue Account.

These Sinking Funds were established in connection with the Eastern Bengal, North Western and East Indian Railways to redeem India 3½ and 3 per cent. Stock issued in lieu of Annuity or Debenture Stock. They have been applied to the purchase of Indian stock of the denomination offering the best yield.

One of the most vigorous criticisms made by the Acworth Committee was that the economic development of India had suffered

enormously owing to the utter failure of Government to lay out sufficient borrowed money in railways at a time when the rates of interest were comparatively low. Lord Inchcape said that it would have paid Government in the earlier years to borrow funds at 1 or 1½ per cent. higher than the market rate at that time. He stated, in giving evidence before the Acworth Committee, "If I had a railway and wanted the money, and saw the trade there, I should raise the money, even if I had to pay 7½ or 8 per cent."—an opinion which should, no doubt, have been remembered at the time of deciding upon the postponement of the acquisition of the Bengal and North Western and Rohilkhand and Kumaon Railways.

The Acworth Committee said:

"Had the Government thought fit to borrow money even at a rate considerably higher than the rate of net return that the railways could earn on it, we believe its action would have been abundantly justified. But in fact the Indian Government never needed for many years previous to 1914 to face this position. A reference to the curve of net revenue given in the Administration Report on Railways in India will show that, though in the earlier years the interest on railway capital had to be met partly out of taxation, for the last 45 years the net earnings of the capital invested in Indian Railways has never sunk below 4 per cent. For the last 20 years it has only three times sunk below 5 per cent., and this result was attained though a substantial sum had been charged against revenue for repayment of capital and in spite of the fact that a not inconsiderable part of the total mileage had been

built not on commercial grounds but for strategic purposes. Now the average rate payable by the Government of India on this borrowed money is about 3¼ per cent. We are unable with these figures before us to find any justification for the policy which has been persistently pursued of starving the development of Indian Railways."

It is likely that the Acworth Committee had in mind the construction of lines in suitable areas and the building of stock to keep abreast of the traffic that was actually offering, and not the provision of increased facilities or luxuries, such as a faster service, or better appointed carriages, or more expensive wagons or station buildings of architectural beauty. A good portion of the capital spent on railways during the last 14 or 15 years has apparently been invested in the latter directions and so failed to yield a commensurate return.

XX. STATE VERSUS COMPANY. MANAGEMENT

The capital at charge on the 31st March, 1931, of State-owned railways was 783.32 crores of rupees. Of this 497.91 crores appertain to lines worked by the State and 281.97 crores to lines worked by Companies, the balance being made up of miscellaneous items. While the return on the capital of State-worked railways was 2.85 per cent. and resulted in a loss of over 6.5 crores of rupees after meeting interest and other charges, the Company-managed railways showed a return of 4.76 per cent. and registered a small gain of 31.64 lakhs of rupees. The corresponding figures of rate of return and net financial result for the last few years are shown below and are full of interest.

Percentage of Net Revenue Receipt	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
1. On Capital at charge, State Rys. ...	4.54%	4.49%	4.81%	4.59%	3.81%	2.85%	2.64%	2.57%	2.88%	3.04%
2. On Capital at charge, Company Rys. ...	6.29%	5.70%	6.07%	5.98%	5.07%	4.76%	3.74%	3.46%	3.56%	3.77%
	In Lakhs of Rupees									
Net gain or loss to Govt., State Rys.	367	363	497	260	-80	-653	-765	-776	-622	-412
Net gain or loss to Govt., Coy. Rys.	516	378	508	383	325	32	-215	-487	-174	-94
Total gain or loss ..	860	721	1,015	659	254	-624	-980	-1,068	-796	-506

The figures in the above table show how very consistently the Company-managed State railways have yielded a better return than the State-managed railways. This is somewhat remarkable considering that, while the State railways meet from Capital all the extra cost of replacing an asset, the Company railways meet such expenditure from

Revenue. The State-worked lines include the strategic lines of the Frontier, but even after making an allowance for the loss on these lines, the Company lines show a better result. The record of 1924-25 of a net gain of over 13 crores is accounted for partially by the State railways changing their rules of allocation in that year and

charging very large amounts to Capital, that would have otherwise been charged to revenue in the same way as on the Company lines. This record can never be reached again, as the adventitious paper credits to working expenses will not recur. economically run.

XXII. ARE COMPANY LINES MORE ECONOMICALLY RUN

The following figures for individual State and Company railways would appear to go far in justifying the impression that Company railways are generally more

STATE RAILWAYS		Percentage of net earnings on total capital at charge									
STATE MANAGED		1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	
Eastern Bengal	...	5.25	5.28	4.29	4.19	2.29	1.62	1.56	1.45	1.48	
East Indian	...	5.65	6.18	5.79	5.08	4.22	4.12	4.18	4.11	4.85	
Great Indian	...	5.57	5.49	4.66	4.09	2.63	2.41	2.57	2.64	3.05	
North Western (Commercial)	...	3.99	4.78	4.79	3.78	3.23	2.95	2.77	2.83	3.28	
Burma	...	...	...	...	...	3.09	2.48	2.13	2.01	2.51
COMPANY-MANAGED											
Assam-Bengal	...	4.11	4.67	4.49	3.18	3.05	2.69	1.39	0.88	1.31	
Bombay-Baroda	...	6.12	6.16	7.21	6.36	5.19	5.63	5.99	5.20	5.51	
M. & S. M.	...	6.67	6.87	8.22	7.23	6.00	6.19	5.58	4.63	4.22	
South Indian	...	8.13	6.70	6.87	6.68	5.43	5.11	5.11	3.68	3.82	

Individual figures in the above table for each railways are not strictly comparable, as the State-managed lines generally set aside more for depreciation than the expenditure incurred on replacements and renewals; but the general tendency for economical management shown by Company-managed railways is unmistakable. The results of operation of State-managed railways have tapered off much more quickly during these years than those of Company-managed railways, whether owned by the State or not.

XXI. THE RETURN ON CAPITAL

The rates of return on the capital at charge of all State-owned railways taken together for several years are given below. The signs of deterioration are rather pronounced.

1913-14	...	5.01 per cent.
1921-22	...	2.64 "
1922-23	...	4.38 "
1923-24	...	5.24 "
1924-25	...	5.85 "
1925-26	...	5.31 "
1926-27	...	5.05 "
1927-28	...	5.41 "
1928-29	...	5.22 "
1929-30	...	4.65 "
1930-31	...	3.70 "
1931-32	...	3.16 "
1932-33	...	2.88 "

1933-34 (approx.) ... 3.10 per cent.
1934-35 ... 3.03 "

Thanks to the funds for railway construction having been borrowed in the earlier years at rates of interest varying from 3 to 4 per cent., a return of only 4.32 per cent. on the 783 crores of capital at charge on 30-3-31 would have been sufficient to stave off a loss. Taking State-managed railways separately, we find that a return of 4.16 per cent. would have been sufficient to balance the accounts, while the corresponding figure for Company-managed railways would be somewhat higher (approximately 4.65 per cent.) due to surplus profits and higher rates of interest on the Company's capital having to be met in the case of the latter.

The above figures of "rates of return" on capital outlay do not correspond to the rates of dividend earned by commercial concerns. The latter generally represent the yield on the *ordinary capital* of the undertaking, after the payment of interest on loans and debentures, and depend upon the proportion of such loans to the total capital and the terms thereof. The Bengal and North Western Railway has, for several years, been declaring huge dividends to its shareholders, although the actual "rates of return" have been only between 8 and 12 per cent.

The scale of railway financial operations is so large that a small difference in the percentage of return accounts for a large difference in the surplus or deficit, as evidenced by the following figures :

	Percentage of Net Earnings on Capital	Net gain or loss to Government (In lakhs of Rs.)
1923-24	... 5.24	6,41
1924-25	... 5.84	12,87
1925-26	... 5.23	8,69
1926-27	... 4.95	7,21
1927-28	... 5.30	10,15
1928-29	... 5.08	6,59
1929-30	... 4.49	2,54

1930-31	... 3.53	-6,24
1931-32	... 3.02	-9,86
1932-33	... 2.88	-10,80

It is possible to use a statistical figure for the comparison of the results of working of the different classes of railways which avoids the difficulty mentioned above of the difference between State and Company lines about the provision for depreciation. This is the percentage that ordinary working expenses exclusive of the expenditure on replacements and renewals bear to the gross earnings. The following are the comparative figures for several years :

		PERCENTAGES								
STATE MANAGED		1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
East Indian	...	51.29	52.70	50.06	52.02	54.12	52.03	51.97	52.8	49.8
Eastern Bengal	...	54.28	58.01	55.83	56.71	64.88	65.26	65.80	66.2	68.6
North Western	...	57.51	60.04	60.59	63.22	60.69	61.54	62.58	68.2	61.5
Great Indian	...	60.62	46.87	55.14	58.07	68.41	60.88	59.75	58.4	56.6
COMPANY MANAGED		1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Assam-Bengal	...	50.20	47.12	49.48	55.20	56.61	59.78	65.70	67.5	65.0
Bombay-Borada	...	54.53	52.82	52.07	58.22	56.78	58.16	52.49	49.8	49.6
M. & S. M.	...	49.10	45.50	43.57	43.29	49.69	40.55	48.28	49.6	51.6
South India	...	47.57	44.44	45.76	45.48	49.30	49.80	50.67	52.7	52.1

XXIII PURCHASE OF LINES BY THE STATE

The convention of September, 1924, appears to envisage a tacit undertaking by Government to transfer to State-management the railways which were operated by Companies as and when the contracts with these latter expired. Since the convention was agreed to, the East Indian, Great Indian Peninsula and Burma Railways have come under State-management and certain privately-owned lines, such as the Southern Punjab Railway (7 crores), have

been purchased. But the policy of Government's assuming the management of these railways have received a check in recent years and the contracts with the Companies managing the Bengal and North Western, the Rohilkand and Kumaon and the Assam Bengal Railways have had to be renewed for different periods. The two former are privately-owned railways which have for several years been yielding a return on the outlay of much over 6½ per cent., as the following table will show :

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
B. & N. W.	... 9.84	9.35	10.25	11.12	11.48	10.85	9.82	7.96	7.88
R. & K.	... 8.85	7.95	9.85	7.88	8.51	8.03	7.24	7.00	6.67

Under normal circumstances it would have apparently been in the interests of the tax-payer to have arranged to acquire these lines with the help of borrowed funds on the 31st December, 1932, but due, perhaps almost entirely to the difficulty of raising loans, these contracts with the railways have been extended for another five years, the terms and conditions being altered slightly in favour of the State.

The contract with the Assam Bengal Railway, which is a State-owned railway, could have been terminated on the 31st December, 1931, but it was considered that it would not be financially profitable

to purchase the Company's interest in the railway and the contract continues automatically for another 10 years, i.e., up to the 31st December, 1941. Amongst the reasons advanced against the immediate assumption of State control of this railway were the following :

(i) The loss of Indian income-tax on the Company's earnings.

(ii) The high interest charges that would be payable on the sum required to meet the purchase price.

(iii) The possible postponement of the beginning of important projects such as the Bombay Sind connection

and the Decca Aricha Railway, were funds diverted to the transfer of the Assam Bengal Railway.

(iv) The probability of the assumption of the State management of the railway leading to an increase in the cost of staff and the consequent reduction of the net earnings. It will be noticed that all these reasons could be advanced with almost equal strength against the transfer to the State of any Company-managed railway.

XXIV. PURCHASE OF RAILWAY STORES

According to the convention of 1934. Government was committed to the under-

taking that the purchase of stores for the State Railways should be undertaken through the organization of the Stores Purchase Department of the Government. The significance of this undertaking lies in the belief that the latter department owes its genesis to the policy of Government to encourage Indian industries and make its purchases of stores, wherever possible, in India itself. The following figures give some indication of the scale of purchases of State Railways in one year and the vital influences this must necessarily have on the industrial and commercial life of the country.

Value of Railway materials purchased.

(In Crores of Rs.)

VALUE OF IMPORTED MATERIALS										
	Total Purchase 1932-33	Purchased Direct	Purchased through Agents in India	Total Imports materials	Value of indigenous materials	Total Purchases 1931-32	Total Purchases 1930-31	Total Purchases 1929-30		
Rolling Stock ...	1.88	0.47	0.57	1.04	0.29	8.29	6.44	8.91		
Tools and Stores ...	3.11	0.18	1.42	1.55	1.56	3.74	5.68	7.14		
Permanent Way ...	2.07	0.38	0.12	0.15	1.92	3.68	4.05	5.56		
Electric Plant ...	0.63	0.14	0.43	0.62	0.01	0.87	1.40	2.16		
Building and Station materials and fencing ...	0.18	0.01	0.10	0.11	0.07	0.29	0.57	0.57		
Bridge Work ...	0.18	...	0.07	0.07	0.06	0.15	0.32	0.63		
Workshop Machinery ...	0.25	0.07	0.18	0.25	..	0.26	0.46	1.66		
Engineer's Plant ...	0.14	0.03	0.10	0.13	0.01	0.14	0.23	0.44		
Other materials*	3.23	...	0.30	0.30	2.98	3.57	4.60	4.10		
Total ...	11.04	0.88	3.33	4.21	6.83	15.99	23.75	30.06		

* Other materials consist of coal and coke, stone, brick, lime and ballast, etc.

From a comparison of the figures for the purchase of Stores in recent years given above, with those for the earlier years shewn on p. 306, interesting inferences can be drawn. The hectic buying of materials immediately after the Great War must have had repercussions in many directions.

XXV. PURCHASE THROUGH THE INDIAN STORES DEPARTMENT

The value of the annual purchase of stores in a normal year might be taken to be approximately 30 crores of rupees, of which more than half is the cost of imported materials, if the purchase of stone, bricks, lime, ballast, coal and coke included under the head "other materials," is excluded. The bulk of these purchases appears to have been made through the machinery of the Railway Stores Departments, instead of through the Stores Purchase Department of the Government of India, as the following official figures will show:

	(In Thousands of Rupees)		
	1929-30	1930-31	1931-32
1. Textiles ...	41,17	38,24	16,92
2. Cement ...	16,53		
3. Creosote ...	...	
4. Lubricating and Other oils and greases ...	57,44		
5. Paints and Varnishes ...	17,35		
6. Electric Fans, lamps and other electrical stores ...	8,69	89,74	1,09,22
7. Plant and Machinery ...	1		
8. Water supply materials ...	2,11		
9. Structural steel work including bridge girders ...	48		
10. Soaps ...	53		
11. Hardware ...	2,81		
12. Miscellaneous ...	3,33		
Total ...	1,50,45	1,27,98	1,26,14

The above figures show in a general way that increasing use is being made of the

Value of Stores purchased by the Principal Railways (which reported)
(In Lakhs of Rupees)

A.—Value of Stores imported direct.

B.—Value of Imported Stores purchased in India.

C.—Value of Stores of Indian Manufacture or of Indigenous Origin.

N.B.—Materials invariably purchased in India such as bricks, lime and mortar, timber, ballast &c. are not included.

Classes	1915-16			1916-17			1917-18			1918-19			1919-20			1920-21			1921-22		
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
Bridge-work ..	8	1	2	8	...	1	1	...	...	...	...	6	...	...	83	1	2	92	8	1	
Engineer's Plant excluding petty tools ...	4	2	...	1	2	...	...	1	...	1	2	1	1	4	1	4	8	1	18	10	1
Workshop Machinery & heavy tools ...	9	2	...	8	8	...	8	4	...	8	5	...	15	8	...	80	24	...	54	12	1
Permanent Way.																					
1. Rails ...	18	1	14	27	9	27	...	2	4	...	...	50	1,18	...	82	51	...	62	88	20	1,00
2. Steel and Cast-Iron Sleepers and Chairs and fastenings	81	2	14	18	...	86	2	...	18	2	...	14	57	2	84	1,04	4	88	1,28	9	60
8. Wooden Sleepers ...	...	...	...	...	...	...	...	...	...	...	...	1,28	...	...	1,80	16	15	1-56	2	29	2,85
Rolling Stock.																					
1. Locomotive and spare parts ...	1,85	1	5	81	8	8	56	5	4	91	4	5	1,44	4	6	6,54	24	6	5,98	10	6
2. Coaching and Goods Stock including spare parts ...	1,48	5	21	70	11	11	87	14	82	89	82	62	6,44	44	69	5,48	85	1,05	7,05	50	1,47
8. Building and Station Materials and fencing ...	5	5	8	8	12	10	1	11	9	1	11	6	7	15	9	12	20	18	27	23	12
TOOLS AND STORES																					
1. Tools and Cutlery ...	8	3	1	8	7	1	8	11	1	5	18	1	10	11	2	18	18	2	14	14	2
2. Iron, Steel and other metal (excluding Public Way materials)	80	16	15	15	45	21	11	79	...	86	55	57	68	60	78	61	88	68	68	78	59
8. Portland Cement ...	5	1	...	...	8	8	...	2	...	...	...	4	...	1	8	8	5	5	5	8	4
4. All other stores ...	88	60	8,85	28	1,18	4,80	14	1,88	...	18	1,79	8,76	69	2,15	4,15	68	2,22	4,41	1,80	5,25	4,48
5. Electrical Plant and materials	12	7	...	8	11	1	7	11	...	7	17	2	21	28	1	81	86	2	58	85	2
Total	4,81	1,06	4,17	2,10	2,24	5,96	1,85	2,78	6,06	2,48	8,18	7,06	11,48	8,92	8,80	16,28	5,01	9,01	19,72	8,16	10,78
Grand Total for the year	9,54			10,80			10,19			12,72			29,70			80,25			88,61		

central machinery of purchase, such purchases having increased from 104 lakhs in 1928-29 to 150½ lakhs in 1929-30 and dropped to only 126 lakhs in 1930-31. Nevertheless, the proportion of these purchases to the total average of about 30 crores is only about 5 per cent., a rather disappointing ratio to those who believe in the efficiency of centralised purchases.

To those who are interested in the study of the gradual change in the policy of railway stores purchase, the table of figures on page 306 will be informative. Mark how the purchases of stores, (exclusive of brick, lime, ballast, etc.), have increased from 9½ crores in 1915-16 to 38½ crores in 1921-22, and how the value of stores purchased in India has generously increased from year to year.

XXVI. RUPEE TENDER SYSTEM

The new stores purchase rules promulgated with the Government of India, in the Industries Department, Resolution No. S.217 of the 12th December, 1929, came into force from the 1st January and provide that all articles required to be purchased for the public service, except those of special and unusual character, must be purchased on the condition that delivery shall be made in India for payment in India. They also permit of a limited degree of price, preference being accorded to articles produced or manufactured either wholly or partly in India. Departmental regulations have been issued by the Railway Board for the guidance of railway officers in the observance of these rules. The assertion of a more definite preference for stores produced or manufactured wholly or partly in India, which was the feature of the rules made by the Secretary of State more than a decade ago, has thus been followed up by a fairly strict rule requiring purchase in India and in Indian coin.

These rules for stores purchase apply in their entirety only to the State-worked railways. They cannot be made to apply, as a matter of course, to Company-managed State railways as they might be considered to infringe upon the powers of the Companies' Home Boards in these matters. But the Company-managed railways were asked to follow these rules as far as might be practicable. The following percentages of the English grant to the total grant for stores purchases for the last three years bring out the difference between State-managed and Company-managed railways in the matter of observance of the new policy of Government.

	1929-30	1930-31	1931-32
State-managed Railways	24½%	16%	7%
Company-managed Railways	44¾%	81%	80%

While there has been practically no change in the percentage of purchases made by the Company-worked State railways after the "Rupee Tender System" of purchase came into force, that of the State-worked railways has been more than halved.

XXVII. STORES BALANCES

Another interesting statistics in connection with railway stores are the percentages of the balances of stores on hand to the total issues of stores on railways.

(Amount in Lakhs of Rupees)

Year	Receipts	Issue	Closing balance	Percentage of closing balance on issues
1925-26	40,44	42,41	14,87	35
1926-27	41,24	42,18	14,26	34
1927-28	49,55	47,03	16,79	36
1928-29	45,97	46,04	16,73	36
1929-30	41,51	41,70	16,54	40
1930-31	32,74	34,40	14,88	43
1931-32	...	...	18,65	...

Technical opinion is not in favour of laying down definitely a method by which the normal maximum balances of stores of each railway should be calculated, but is of the view that the closing balances of stores should not ordinarily exceed 40 per cent. of the issues. Judged by this criterion, there has been an accretion of stores balances during the last year, perhaps inevitable in view of the economic position.

XXVIII. INDIAN RAILWAY COLLIERIES

There are ten collieries in India which are owned and worked by the State. The capital investor in them up-to-date exceeds 4 crores of rupees and is roughly distributed as follows:

	Lakhs
Land	89
Buildings	51
Plant	99
Rolling Stock	2
Sidings	26
Development	127
Cost of Prospecting etc.	19
Capitalised loss in working	1
	<hr/>
	414
Less, Depreciation cleared off	52
	<hr/>
	862

The output of the collieries has been much curtailed, but is over 2 million tons of coal of all kinds per annum. The out-

lay on each quarry and the output during the years 1931-32 and 1932-33 are shown below:

Colliery.	Owner	Fixed assets value Lakhs of Rs.	Output 1931-32	Tons 1932-33
1. Joint Bokharo and Sawang ...	E. I. & B. N. ...	48	702,345	562,825
2. Kirharbaree and Serampore ...	E. I. ...	68	647,223	569,934
3. Bhurkhunda ...	State ...	54	161,452	148,135
4. Kargali ...	State ...	43	636,429	414,135
5. Argada ...	B. N. ...	29	234,016	194,228
6. Talcher ...	B. N. ...	19	234,016	19,371
7. Jarangdih ...	B. B. & C. I. AND M. & S. M. ...	78	111,124	137,244
8. Talcher ...	M. & S. M. ...	39	32,748	89,561
9. Kurasia ...	B. B. & C. I. ...	8	..	14,204
10. Religara ...	No longer worked ...	20	..	2,140

The Kirharbaree and Serampore collieries are owned entirely by the State, and no royalties are paid to private owners of underground rights. The bulk of the coal from these collieries is mined at a depth of about 1,000 feet below the surface of the earth and heavy expenditure has had to be incurred, on pits, and galleries lifting tackle, pumping and lighting machinery. A fine battery of coke-ovens and an up-to-date recovery plant work in conjunction with these collieries and the outlay in these is included in the amount of the 68 lakhs, constituting the "Block account" of the collieries.

On the other hand, most of the coal in the Bokhara Sawang and Kargali collieries has been *quarried* and not mined. There has been no expensive outlay on pits and galleries, on lighting or pumping. The mining rights have been leased on a royalty basis and capital expenditure which might otherwise have been incurred has thus been avoided.

The 'cost of production' of the best steam coal from the State Railway Collieries varies with each colliery. At the pits' mouth, it is about three rupees per ton in Kargali, but less than Rs. 2-8 per ton at Bokharo, while it is as much as Rs. 4-8 per ton at Giridih, and Rs. 4 per ton at Bhurkunda. The market rates for the same quality of coal have a natural tendency to approximate to an average, irrespective of the cost of production; but the more centrally located collieries have advantages in regard to freight that are no doubt fully taken advantage of, in fixing the selling prices. The opening up of new quarries and collieries in the Central Provinces has served to increase the competition in the Bombay markets, as the lower quality of the coal is more than compensated for by the railway freight. The cost of coal, per ton, purchased by Indian Railways, *exclusive* of freight, varied from Rs. 8.9 per ton paid by the Assam Bengal

Railway, to Rs. 3.44 per ton paid by the Bengal Nagpur Railway. The average cost of coal, per ton, purchased during 1932-33, *inclusive* of freight, varied from Rs. 18.9 per ton paid by the South Indian Railway to Rs. 5.94 per ton paid by the Bengal Nagpur Railway.

Indian railways consumed 6.3 million tons of coal per annum during 1931-32 and 1932-33, which quantity is roughly three times the output of the railway collieries. Most of the collieries, other than those in the Bokaro-Ramgarh field which yield quarry coal of excellent quality at a very low price, produce coal at a greater cost than the rate at which coal could be purchased, probably for the reason that the mines are not worked to maximum capacity.

Indian railways derive a very large revenue from the carriage of coal. The total tonnage of coal coke, etc., despatched by rail averaged over 16 million tons per annum during the last two years and the freight earned was over 8 crores of rupees per annum. Of this, the freight on coal intended for railway consumption was only 2 crores of rupees per annum. Considerable pressure is being brought to bear on the Government of India to adopt a scheme of compulsory restriction of coal in order to help the Indian Coal industry. Any policy accepted or approved by Government for the compulsory restriction of coal output will have repercussions, not only on the policy regulating the development of railway (State) collieries at present, but also on the earnings and expenditure of State Railways.

VIZAGAPATAM

XXIX. A RAILWAY HARBOUR

Situated between the 17th and 18th degree of latitude on the Coromandel Coast of India, Vizagapatam is almost midway between the 1,000 miles of unbroken sea line

served by two systems of railway, linking it with Madras and Calcutta ; and it was only a year ago that a new line of railway, nearly 300 miles long linking the port with Raipur in the Central Provinces of India, was opened for traffic and thus brought an area in the heart of the country of about 87,500 sq. miles into direct touch with the great arteries of sea-borne commerce.

The new Port of Vizagapatam has the distinction of being the only port in India which has been created by the untiring zeal of Indian railways. All the earlier schemes proposed by eminent engineers like Mr. Thorowgood, Sir Alexander Rendle, Sir William Mathews and Sir Francis Spring, contemplated an entirely artificial harbour on the sea-face on the lines of that at Madras, and it was left to the enterprise of the Bengal Nagpur Railway, which obtained sanction nearly 20 years ago for the preparation of a scheme to consist of an inside harbour at Vizagapatam.

The firm of Sir John Wolfe Barry and Partners engaged by the railway is credited with the suggestion for the alternative scheme and the first plans were prepared as early as 1922 by Col. Cartwright Reed, who had the distinction of commencing the work. After his retirement in 1928 the work has been carried on to a successful conclusion by Mr. W. C. Ash, Engineer-in-chief, with the assistance of Captain J. W. Day, who is in charge of the dredging operations.

The Harbour is situated in a natural basin surrounded on all sides by the hills. The entrance to the sea is through a channel half a mile in length and about 300 feet broad, which has been deepened by dredging operations to allow, at present, of ships of a minimum draft of 28 feet 6 inches negotiating it in safety. There are three mooring berths, one of which is reserved for management of the loading being done by lighters. A third quay berth is expected to be available shortly.

The rocky bottom of the channel was attacked with the help of a special Rock Breaker and Dipper Dredger "Waltair" built by Messrs. Lobnitz and Co. of Renfrew, which is equipped with a 6 ton 'needle' with a point of nickel-steel. This 'needle' lifted 6 feet and dropped on the rock bottom a hole of about 3 feet and a succession of such holes at distance of 3 feet is made. When this is done, the "dipper" comes into action and with its steam shovel, picks up the rock and deposits it in barges, to be carried away. More than a million cubic feet of rock have thus been excavated.

The siltation due to the Littoral drift has been kept in check by an artificial breakwater, that has been ingeniously constructed by scutting two ships, the Janus and the Willesdon, in the correct position, stern to stern and by dumping around and about them large boulders. Resting on the sea-bed, these ships have still a free board of about 15 feet. They have been in position for over 18 months and have functioned successfully so far. Under the protection of this novel breakwater, the suction dredger "Vizagapatam" has been able to maintain the channel free from sand and to clear the 'sand-trap' created at the entrance.

The quay wall is over 1,600 feet in length and consists of 39 monoliths, each 40 feet by 25 feet, sunk at the depth of 45 feet below low water, offering considerable room for further dredging. A dry dock measuring 320 large transit sheds 400 feet by 200 feet with ing on the dredger 'Vizagapatam' will accommodate some of the coastal steamers.

Just behind the quay wall are situated largest transit sheds 400 feet by 200 feet with leading platforms at the back and railway sidings on either side of the front and back. Electric cranes are installed to run on rails the whole length of the quay wall. Stacking ground has been reserved for manganese ore, fed by a grid of railway sidings from which narrow gauge lines communicate with the jetties and the steamer. The Great Northern Trunk Road passes through the harbour area and a steam ferry carries vehicular and pedestrian traffic across the harbour basin which cuts the road.

XXX. THE HARDINGE BRIDGE

The bridge was completed in 1915 at a cost of about $3\frac{1}{2}$ crores of rupees or say, £2,600,000 sterling, to replace the wagon and passenger ferry services that originally linked the main lines of the Eastern Bengal Railway located to the south and north of the Ganges, and formed part of the trunk routes between Calcutta and Northern Bengal, Darjeeling and Assam.

When the bridge was completed the main channel of the river was close to the left bank, but it subsequently began to swing over towards the right bank at the point where it passes through the bridge and at the same time swung over further towards the left bank in the reach upstream of the Sara guide bank. This tendency to swing periodically from one side to the other is a normal characteristic of alluvium usually confined within certain limits, which vary for each river and also for different portions of the same river. The tendency of the

Ganges in the vicinity of the Hardinge Bridge in recent years has been to move over towards an old channel, which it had previously occupied in 1868.

On receipt of the first news of a serious breach in the right guide bank in September 1933, the Railway Board cabled to the High Commissioner for India asking him to request Sir Robert Gales—who had been the Engineer-in-Chief in charge of the design and construction of the bridge is now a partner in Messrs. Rendel Palmer and Tritton, Consulting Engineers to the Government of India—to come out to India and advise the Board regarding the damaged guide bank and strengthening the protection works generally. Sir Robert Gales arrived in India at the end of November last and as a result of his inspection of the bridge, it has been decided to provide a mole for the protection of the south or right abutment by adding a curved head to the stamp of the damaged guide bank, and to close the channel which had been formed at the back of the isolated head.

The molehead, which is intended to serve as a temporary protection to the right abutment of the bridge, consists of a stone dyke laid below low water level and an earthwork embankment above and behind it. The face of the embankment is being protected by stonework to guard against erosion by the river. The magnitude of the work involved in the erection of the dyke can be gauged from the fact that many lakhs of cubic feet of stone have been dumped into the river for the purpose, and it has taken the best part of four months to bring the dyke up to low water level.

The backwater bund has necessitated the erection of 2 parallel stone dykes laid in deep water, which have also been brought up to low water level. As an additional safeguard to effect a watertight seal between the two dyke of the back-water bund, a line of steel sheet piling has been driven for a considerable distance. The mole and the backwater bund had to be raised some 40' above low water level to be safe against high floods during the rains. Once the works had been brought up to the surface of the water, it did not take long to complete the upper portion. To ensure an uninterrupted supply of stone, new quarries have been opened in the hills around Asansol, Adra and Gomoh, in addition to the existing ones in the Rajmahal hills.

Apart from the main work near the bridge itself at Paksey subsidiary river training operations are being carried out at three other points, Sara, Raita, and Damukdia.

The guide bank at Damukdia is being lengthened, the stonework completed and a part of it is being realigned to ensure a smoother flow of flood water along the bank. At Sara and Raita the bank is being cut back for a similar purpose.

XXX. INDIAN RAILWAY ELECTRIFICATION

An investigation made by the Railway Board to obtain an accurate picture of the financial results of the electrification of the various railways of the world has shown that there are at present in existence as many as 158 separate electrification schemes that have been carried out by 90 different administrations and which cover services over 10,500 miles. These electrification schemes have been brought into existence for widely varying reasons. The National Electric Light Association has analysed the reasons, considerations and objects which have led to these schemes. The analysis shows that, in the largest number of cases, steep gradients have been the main reason. Next in order of importance, comes that of increasing the capacity of the existing services. The reduction in the consumption of coal, especially imported coal, the availability of cheap hydraulic power, and transportation through long tunnels have been among other considerations. Certain schemes have been provided in order either to increase the number of trains, or to improve the suburban services or to conform to the bye-laws of local authorities relating to the abolition of smoke in inhabited areas, or to develop traffic or for considerations affecting either national economics or national politics. The number of cases in which schemes of electrification have been undertaken for purely financial reasons has been found to be comparatively small.

Enquiries made by the Railway Board of the English Railway Companies of the methods adopted by them to ascertain the financial results of electrification have proved infructuous. The London-Midland and Scottish Ry. stated that no comparative costs between steam and electric traction were kept, as the decision to electrify was not based on cost. The London and North Eastern Railway were unable to supply any particulars to show the results of electrification actually carried out; but suggested that a study of the "Report of the Main Line Electrification Committee" would be helpful in considering future electrifications. The Southern Railway, who keep detailed statistics of the cost of working electric trains, have found it a matter of

extreme difficulty to ascertain the corresponding expenditure saved by the steam services replaced. They also keep statistics of earnings, but are unable to assess the value of traffic retained to the Railway by electrification owing to the reduced travel arising out of the general depression and the fact that cheap fare facilities have been extended to compete with road transport. The only railway to attempt an economic comparison between the two types of operation is the German State Railway which has instituted a detailed enquiry specially for this purpose, the results of which are not yet known.

All the electrification schemes in India have however been justified financially and it should have been possible in normal circumstances to ascertain from actual experience the extent to which anticipations, have been realised. But the unprecedented slump in trade has upset all calculations, reasonably based on the assumption of a normal increase and there is no jump in the gross earnings to be attributed to electrification. On the other hand, the reduction in working expenses consequent on electrification cannot be readily ascertained and the large fall in traffic has a marked effect on the results.

ECONOMICS OF RAILWAY ELECTRIFICATION

The large increase in the interest and depreciation charges of any railway which proposes to invest capital in electrification should be off-set by the reduction in the running expenses, or by the increase in the receipts or by both. Electrification serves frequently to avoid or postpone expenditure on the extension or duplication of tracks, on additional steam rolling stock and yard facilities, which would otherwise have been necessary. Even though the receipts of a railway have not been increased by electrification, the mere substitution of electric for steam traction results in an economic gain ; and the extent of this gain is a measure of the success of electrification. It will naturally be larger if electric traction has had the effect of increasing the receipts simultaneously with the reduction of working expenses.

The peculiarity of electric operation is that it reduces the direct working expenses while increasing those relating to interest and depreciation consequent on the investment of fresh capital. The effects of electrification on the increase in the length of run and weight of the train and the speed have financial aspects which cannot be

neglected in any examination of railway electrification from an economic point of view. The larger traffic capacity of electrified services required that it should be compared with the hypothetical steam traction of the same traffic capacity, that is to say, it would be necessary to take into consideration the expenditure that would have had otherwise to be incurred on increased steam assets.

Out of the one hundred and fifty-eight electrification schemes that are in existence in the world to-day, no less than 81 schemes have been justified either because of steep gradients or of tunnels. The provision of increased traffic capacity has brought forty-five into existence and twenty-seven schemes have been taken up in order to reduce the consumption of coal. These figures go to show what factors have counted most whenever electrification of Railway services has been considered. And in view of these factors, the conditions for electrification are somewhat ideal for the lines between Bombay and Kalyan, to Igatpuri on the North Eastern Section of the G. I. P. and Poona on the South Eastern Section.

About 40 miles parallel to the coast, the land rises suddenly to a level of about 2,000 feet and presents an effective barrier to transport between Bombay and the other parts of India. To negotiate these ghats, the ruling gradients of which vary from 1 in 40 to 1 in 37, the old steam services required reversing stations on the hills, in addition to special ghat engines of tremendous tractive power. Goods trains of the ordinary length and weight could not be run 'through' to their destinations and had to be cut up into smaller sections before they could be taken up or down the ghats. Extensive marshalling yards had to be provided on either side of the ghats in order to facilitate this braking up of trains. As will be readily seen, delays were inevitable and wagon stock was detained with consequent loss of traffic and increase of wagon hire charges. Passenger services were somewhat similarly affected. A reversing station had to be used at Khandala, the speed over the ghat section was not more than 10 to 12 miles per hour, the tunnels were full of smoke and fumes, and there was tremendous waste of fuel in the service. The electrification of the railway from Kalyan to Igatpuri on the North Eastern Section and from Kalyan to Poona on the South Eastern is one of the largest schemes of Main Line Electrification in the World. The traffic is worked by 65 electric locomotives,

of which 24 are high speed passenger locomotives and 41 are heavier goods locomotives. The tractive power of the passenger locomotives is 7,500 pounds at 70 miles per hour, while the maximum exerted by the freight locomotives is 80,000 pounds at 70 miles per hour. These latter are of the regenerating type, *i.e.*, when travelling down the steep gradients of the ghat section the motors in them function as generators and convert the energy out of the pull of gravity into electric power. Simultaneously, this conversion of energy is utilised in braking the train.

All the trains run through to their destination without being broken up and the time taken is much reduced. For instance, the mails from Bombay to Poona which used to take $3\frac{1}{2}$ hours for the journey of about 120 miles are now able to do the trip in about $\frac{2}{3}$ rd of the time. Goods trains used to take 4 to 6 hours between their arrival at Kasara and the departure from Igatpuri, distance of about 5 miles, but the electric trains now run through within an hour's time. All these lead to savings in operating costs.

Financial Results of Electrification.—

The Consulting Engineers who prepared the estimate for the electrification of the Main Line anticipated a reduction in working expenses of over 42 lakhs of rupees per annum for traffic which they estimated to rise in 1932-33 to over 36 lakhs of train miles. They anticipated that this saving would yield a return of 7.73 per cent. of the estimated capital outlay on a capital of a little over $5\frac{1}{2}$ crores of rupees. In 1930-31 owing to the unprecedented slump in trade, the train mileage was below 20 lakhs, about $\frac{1}{2}$ of the estimated amount. After a careful investigation the Railway Board have estimated the present costs of working of the electrified main line system at 59.39 lacs of rupees. They believe that had steam services been in existence the working expense of such services would have been 81.83 lacs. The savings that may therefore

be considered to have been realised as a result of electrification are thus nearly 22 $\frac{1}{2}$ lacs of rupees. Compared to the estimates of the Electrical Engineers, these savings are roughly in proportion to the traffic that has actually run in 1930-31.

The savings are due to the reduction in the cost of fuel of over 12 $\frac{1}{2}$ lacs, savings in repairs of nearly 13 lacs, savings in charges for water, oil etc., of nearly 7 lacs and of shunting charges, traffic delays etc. of about 2 lakhs. The savings of 22.44 lakhs rendered possible by electric traction are equivalent to a return of 4.49 per cent. and the whole capital outlay of a little over 5 crores of rupees. This return would have been substantially higher had the estimated volume of traffic been realised and can surely be regarded as a satisfactory return for a railway that has failed in recent years to yield a net return on capital outlay of anything more than 2 per cent.

The extension of the electrification of the North Eastern main line from Igatpuri to Manmad would turn out to be a good investment. This line contains some steep gradients, more than 7 miles of which average 1 in 145 and the maximum of which is 1 in 132. The traffic is comparatively dense. The electric power station at Kalyan is of sufficiently large capacity to supply the additional quantity of current that would be found necessary and the rate per unit of current generated in this power house is sufficiently attractive. The price of materials of all kinds are phenomenally low, money is comparatively cheap, and the obtained from electrification are sufficiently financial results that appear to have been encouraging for a further step to be taken. The Railway Board have always evinced great interest in the problem of electrification and if their experts find that an extension of the electrified services could be both financially and technically justified, it is not at all improbable that the present Main Line Services will in due course cover a length of route.

STOCK EXCHANGES IN INDIA

The Stock Exchange has been described as the nerve-centre of the politics and finances of nations and as the barometer of their prosperity and adversity. The political and financial changes with regard to the Government of a country are immediately focussed and find instantaneous expression in the Stock markets. A mere glance at the tone of this market would indicate the credit of a nation or the position of an industry.

The credit for the introduction of the Stock Exchange business in India goes to the Europeans; and it is only about a century old in India. Share-broking is said to have had its origin in London as early as the beginning of the 18th century at Garraway's and Jonathan's coffee houses, where sprouted a number of sharebrokers, whose bulk spread, in the wake of time, to its present size of a world-wide organisation. But, the stock and share business attained its full shape and importance only after the enactment

of the Companies Act in 1860 and 1862, establishing the principle of limited liability companies. Industrial and commercial development is, to a great extent, essential for the growth of this business; and, until recent years, India had been very backward in such development. Side by side with the growth of limited companies and the renovation of various industries in the country, the Stock Exchange business also came into existence in India, and rose from strength to strength, until it has now established itself as a great financial organisation. The City of Bombay was the gateway for the British Stock Exchange enterprise. Speculation in shares sprouted in Bombay as early as 1840 among five or six brokers, who were, at that time, rich local merchants. Gradually, it spread wider and gained admission into the eastern capital, Calcutta. In 1875, about 300 brokers formed themselves into an organised association, which has now developed into one of the greatest and most well-organised Stock markets in the world.

CALCUTTA STOCK EXCHANGE

The Stock and Share business in Calcutta can be traced back to as far as 1885. In those days, there existed no organised association for the conduct of business as there is now. No authentic written records, which would throw light on the details of the actual conduct of business in those remote days, are available. But, what little information can be gathered from some of the oldest speculators of Calcutta, are enumerated in the following paragraphs.

The rendezvous of the few brokers who assembled to do some business in stocks and shares was, it is said, the site in Clive Street, where the Chartered Bank Buildings and Messrs. James Finlay's offices are, at present, situated. The verandah of one Messrs. J. Deb & Co., tobacconists, and the welcome shelter provided by the only big tree, served as the chief counters, where the Marwaries and Chowbeys of the time bought and sold securities and shares. There were about 50 Indian brokers at the time and

four or five Europeans. The shares were mainly those of tea and coal companies managed by European managing agents. There were also a few jute shares.

The emergence of an organised association out of these elements was the result of an incident connected with the rude behaviour of a certain Chowbey broker, somewhere about 1904. Up till then, business was conducted on cash basis, without any hitch or untoward incident. An organisation somewhat akin to the present association, but on a small scale, with a managing committee mostly consisting of Europeans, had been started under the initiative of one Mr. Overend of the firm of Place Siddons. But it was only in 1908 that a properly organised association was started under the name and style of "Calcutta Stock Exchange Association." By June 15, 1908, the Association had rented the premises, No. 2, New China Bazar Road (now called No. 2, Royal Exchange Place).

The finance for the starting of the Association was secured by donations collected by the promoters, amounting to Rs. 3,525, which was spent for the preliminary expenses of furnishing and supplying the rooms with electric lights and fans.

The first President of the Association was Mr. P. L. B. Siddons of Messrs. Place Siddons and Gough, and the Hon. Secretary, Mr. S. C. Berridge, was also of the same firm. The President and Secretary were generally elected from Messrs. Place Siddons for a number of years. Babu Baldeo Das was the Honorary Treasurer, and was continuously elected for the post for the next 12 years, till his death.

At the commencement, there were 157 members ; now the total number of members exceeds 217 firms, with a personnel of more than 470 individual members. The subscription at the beginning was Rs. 8 per mensem per member, but it was gradually reduced to Rs. 6 in 1910, Rs. 5 in 1911, and again to Rs. 4 in 1912. Now the monthly subscription is Rs. 4 per member. The total subscription collected during the first year amounted to Rs. 19,835, whereas in 1935 the total subscriptions totalled Rs. 31,124. The admission fee, which at the beginning, was only Rs. 500 per member, has been steadily increased with the progress of the Association, and is, at present, Rs. 5,000 per member. The total admission fees collected in the first year amounted to only Rs. 1,284, as compared with Rs. 57,900 in 1935, the record being Rs. 87,300 collected in the previous year. Rents realised for rooms and offices let for members in the first year amounted to Rs. 2,703, which now aggregate Rs. 26,000. Expenses for rent and taxes, establishment and sundries amounted to about Rs. 18,000 in the first year, as compared with more than Rs. 61,000 in 1935.

From the above figures, it can be ascertained that, from humble beginnings, the pace of progress of the Calcutta Stock Exchange Association has been rapid. Today, the Stock Exchange Association of Calcutta is one of the most up-to-date, stable and well-managed organisations of like nature in the world.

The finances of the Association encountered many a pitfall in the earlier days. Every year, there were many members who either resigned, or were expelled from membership owing to disputes ; and the membership was reduced to 96 firms or 146 individuals in the third year of the starting of the Association. In March 1910, the Committee, owing to financial difficulties, even arranged to wind

up the Association by passing a resolution at an extraordinary meeting. But for the timely help of Mr. Galstaun, the owner of the premises, who reduced the rent from Rs. 1,050 to Rs. 675 per mensem, the Association would have suffered a natural death.

The credit of having found and steered the Association must, of course, go to the few European members existing at that time. The members in the Working Committee at the initial stages numbered 9, consisting of 6 Europeans and 3 Indians. This state of affairs in the management continued up to the end of 1913, when the number of Committee members was increased to 11, comprising 6 Europeans and 5 Indians. Later, on 9th May 1918, at an Extraordinary General Meeting, the Committee was reformed. The number of members was raised to 12, comprising 4 Europeans, 4 Marwarris and 4 Bengalis, and a new rule was passed that restricted the admission of assistants to members of the Association of 3 years standing only. In 1921, two additional members, elected from 'Hindustani' communities, were added to the Committee, thus increasing the membership to fourteen.

The progress of the Association year by year was, on the whole, very satisfactory, and its popularity increased daily. Every year a number of new members were admitted, and in 1923, the Association's membership increased to 209 firms and 442 individuals. Talks of incorporating the Association as a registered body were in the air even in 1921, and arrangements were completed, at the beginning of August 1923, for the incorporation. At that time, the finances of the Association were in a very sound condition. There was a capital reserve of Rs. 5,88,117, and the liabilities were only Rs. 2,319. The Association had investments amounting to Rs. 5,42,763. Interest and outstandings amounted to Rs. 10,993 and cash to Rs. 36,680.

The Association was registered in August, with an authorised capital of Rs. 3,00,000, divided into 300 shares of Rs. 1,000 each. One share to each of the 210 members on the role was issued in pursuance of the agreement dated 9th July, 1923 and credited as fully paid up, in consideration of the purchase of the assets and undertaking of the Calcutta Stock Exchange Association. The balance of Rs. 3,78,117 was appropriated as Capital Reserve.

From 1922 up to the end of 1927, the stewardship of the Association was in the hands of Mr. C. A. Jones, the President. Under his able guidance, the steady progress of the Association was, indeed, gratifying.

Every year, the working has been resulting in a surplus of more than a lakh of rupees, and at the close of 1926, the reserves accumulated amounted to Rs. 3,03,416. In the following year, premises No. 7, Lyons Range, were taken on lease at Rs. 1,500 a month, and it was decided to construct a suitable building for the Association. A Building Suspense Account was created, and in 1928, the Association occupied its own building. The cost of the building amounted to about Rs. 4,11,000.

The years 1930 and 1931 were outstanding years in the history of the Calcutta Stock Exchange Association. In the former year, the Association declared a bonus of Rs. 1,000 on each share from the large accumulated reserve, and in view of the increasing profits every year. In 1931 was elected, for the first time, an Indian President, and the honour went to Mr. Kedarnath Khandelwal. His able administrative talents at the helm of the Calcutta Stock Exchange Association were very much appreciated by the members; so much so, that he was called to resume the same position every year for the next five years. After a lapse of one year, he is once again elected to occupy the Chair. During his regime, many important and useful changes in the bye-laws were effected. Every year, the Association declared a bonus of Rs. 500; in 1934, the bonus was Rs. 1,000. The share value of the Association soared higher and higher and reached a level above Rs. 20,000. At present, the share value is well above Rs. 17,000. In 1932, for the first time, an Indian Honorary Secretary was appointed, and Mr. S. R. Mitra of Messrs. Mitra Bannerjee & Co., Stock and Share Brokers, proved to be a great asset in that position. The outstanding event in 1933 was the acquisition, at a cost of Rs. 3,65,300, of the land on which the Association had enacted its building in 1928. Prior to this purchase, the Association held the land only on lease.

The total profits earned by the Association, since its inception in 1923 up to the end of 1935, amounted to Rs. 10,40,971, and the total amount of bonuses declared came to Rs. 8,12,700 at Rs. 3,850 per share. During the above period, the Association collected subscriptions amounting to Rs. 2,76,300, entrance fees to Rs. 5,44,700, and fees for investigation, etc., by the Committee, amounting to Rs. 88,000. Interest secured on investments aggregated Rs. 3,52,000; the total rent collected from members accounted for Rs. 3,03,000; and the profits from the publication of quotation lists totalled Rs. 60,300. On the expenditure side, the

Association spent Rs. 2,57,000 for rent and taxes and Rs. 1,86,000 for establishment; other expenditure totalled Rs. 2,13,000.

The working of the Association at present is quite smooth and organised. The rooms of the Association are open to business from 10-30 a.m. to 5-30 p.m. on all working days. Every partner, or authorised assistant of the members, has to pay an entrance fee of Rs. 500 for transacting business in the Exchange, besides a subscription of Rs. 4 per month. Every member must hold one share in the Association and has to pay an admission fee of Rs. 5,000.

Transactions are carried on cash delivery basis, and delivery is to be effected on or after the second working day after the date of the contract, and at or before 3 p.m. on that day. Government securities are transacted on Ready delivery or delivery on, Receipt-of-Scrip basis. In the former case, delivery is to be effected on or after the second working day after the date of the contract, but in the latter case, the seller can deliver within 14 days after the date of transaction. The seller is entitled to interest for a maximum of 14 days for Government securities and of 21 days for other interest-bearing securities, including the date of contract. Interest-bearing securities are to be delivered up to 1-45 p.m. and the buyer must pay the cheque by 2-15 p.m. If, however, delivery is given after 1-45 p.m. and before 3 p.m., the buyer must accept, but he can pay after banking hours. The buyer might refuse delivery of Government securities if interest has accumulated for 8 calendar months or over, or if there are less than two unused gates or cages.

Any failure, on the part of the seller, to deliver must be reported by the buyer to the Committee, who after hearing the case, may give the buyer the option of either cancelling the contract, or buying the shares in the open market at the risk of the seller. But this rule is not strictly enforced by the members, as it is only optional to the buyer, and the buyer rarely exercises his right save in the case of abnormal delay in deliveries.

The Committee of the Association now consists, as stated above, of 14 members; 4 members each from the European, Marwari and Bengali communities, and 2 members from the Hindustani community. Under this Committee, there are four Complaints Sub-Committee, consisting of 3 complaints Sub-committees consisting of 3 members each, who hear all disputes between members and pass impartial decisions. Each Sub-Committee sits practically every day. The members have got the option of appeal-

ing to the original Committee against any decision of the Sub-Committee within 7 days of each decision. The decision of the Committee is final and binding on all members, and in the event of failure of any member to comply with the decision of the Committee, he is liable to be dealt with under Article 21 (b) of the Association, which deals with expulsion of members. All complaints and appeals must be accompanied by a fee of Rs. 16, which the party found to be at fault will lose. The Committee sits every Thursday, and seven members form a quorum at the meeting.

The following is the schedule of brokerage charges determined by the Committee:—

On 3% and 3½% Government paper	...	...	1/16%
On other Government securities			1/8%

The minimum charge for brokerage on Government securities is Re. 1.

On Municipal and Port Trust debentures	...	...	½%
On Joint Stock debentures	...	...	½%

For other shares in Joint Stock companies:—

Shares up to a consideration money of Rs. 50	As. 4 per share
Above Rs. 50 consideration money, but below Rs. 100	As. 8 per share
Thereafter, for every Rs. 100 or part thereof	As. 8 per share additional.

The wide range of stocks and shares covered by the Calcutta market offers large scope of investment for investors of all shades, and this gives a unique position to the Calcutta market. Transactions are done in all kinds of Government securities. A large number of Port Trust and Municipal debentures are on the list of the Association. There are about 70 debentures of Joint Stock companies, varying from 4½% to 8% interest.

The following is the list of Government securities in the market:—

Securities	Present Quotations.
	Rs.
2½% New Loan (1942-52)	100.4
8% Government Paper (1896-97)	90
8% " (1941)	104
8% " New (1951-54)	108
8½% "	98.8

Securities	Present Quotations
8½% Loan (1947-50)	107
4% " (1960-70)	115
4% " (1948)	110.8
4½% " (1955-60)	119
5% " (1939-44)	108.8
5% " (19 0-43)	110.12
5% " (1945-55)	120.8
5% U. P. Bonds (1944)	115.4
5½% Loan (1938-40)	107.4
4% Punjab Loan New (1948)	110.4
5½% Punjab Bonds of (1937)	104.8

Another section, which is of equal interest to investors as well as speculators, is that of Jute Mill shares. Jute, being one of the most profitable indigenous industries of India, and Indian mills being the largest suppliers of jute manufactures to the world, jute companies have been in a position to declare high dividends. This has been the cause of the great demand for jute shares during the last so many years. A dividend of 30 to 40 per cent. per annum is usual in the case of good companies. Debenture shares, of interest varying from 6 per cent. to 9 per cent., are available in the case of almost all companies. Some of the shares, such as Howrahs and Kamarhattys, are most speculative in character and violent oscillations are not unfrequent in the prices of these shares.

The following list gives a rough idea of the importance of jute shares to investors as well as to speculators:—

Name	Paid up per Share Rs.	Dividend per cent for half-year Rs.	Current Quotation Rs.	Highest Price in 1935 Rs.
Howrah	10	15	48	67.4
Kamarhatty	100	15	480	698.8
National	10	6½	28	80.4
Anglo-India	100	12½	390	600
Bally	100	6	180	...
Fort Gloster	100	12½	460	780
Gouripore	100	15	580	925
Kelvin	100	12½	460	...
Reliance	10	22½	65	88

The total capital invested in this industry amounts to about Rs. 19 crores, distributed among 70 companies, most of which are situated in or around Bengal.

Coal shares have been the centre of attraction since the beginning of the present century, when there was a big boom in coal shares. These are 62 coal mining companies in the list of the Association, and dividends of even 80 per cent. have been declared by some of the companies. But, this industry is in a sorry plight due to over-production and fall in demand; and profit have con-

siderably come down. Yet, some of the best companies are able to declare good dividends, the highest declared last year being 45 per cent. by the New Manbhoom Coal company. In the speculative counter, Equitable, Amalgamated, Raneegunge, Standard, Pench Valley are the most important. There are more than 200 companies registered in India for coal mining; and the total capital invested in this industry approximates to Rs. 11 crores.

A large number of tea companies' shares are also dealt in the Calcutta market, the number of companies in the list amounting to 136. During the post-war period, tea companies have been declaring very high dividends and shares of these companies soared high. The condition of this industry, of late, has very much deteriorated and large speculative transactions in tea shares are rarely seen. Yet, some of the big companies are even now, maintaining a high rate of dividend. The following are a selection from the most prominent of these:—

Name	Dividend%	Paid up per share	Current Quotations
	Rs.	Rs.	Rs.
Nagalsurree	60	100	1,015
New Dooars	45	100	670

Name	Dividend%	Paid up per share	Current Quotations
Runglee			
Rungliot	45	100	890
Okayti	40	100	895
Hasimara	52	10	88

The total capital invested in this industry aggregates Rs. 13 crores distributed among 470 companies, of which about 430 are registered in Bengal and Assam.

Sugar shares number about 30. About Rs. 25 crores are invested in this industry. Prominent among the sugar shares in the Calcutta market are, Cawnpores, Balrampur, Punjab, Nawabgunj, Basti, Carew and Co., New Savan and Champaran. The dividends declared on the above shares range from Rs. 10 to Rs. 22½ per cent.

Besides, a large number of other industrial shares are available in the market. The Association's list includes 24 public utility concerns, 18 engineering companies, 24 railway companies, 57 rubber companies, 7 shipping companies, 4 paper companies, 13 cotton mills, 6 insurance companies and 7 mining companies. Other miscellaneous number about 50 in all.

BOMBAY STOCK EXCHANGE

The honour of being the pioneer in stock and share transactions in India goes to Bombay, which is celebrating, this year, the diamond jubilee of its Stock Exchange. Stocks and shares business in Bombay can be traced as far back as about a century, although it was only on July 9, 1875, that the Share Bazaar was officially founded. There were about 6 brokers only in 1840. This number sufficed for the limited business then existing in the shares of banks and presses. Till the year 1855, the meeting place of brokers was on the Cotton Green, where Elphinstone Circle is now situate. Thereafter, the brokers met between the old Fort walls and the old Mercantile Bank building. The American Civil War of 1861 diverted the demand for cotton to Bombay and brought vast wealth to the merchants, most of whom were share brokers. These brokers, under their acknowledged leader, the late Mr. Premchand Roychand, became possessed of great influence, authority and wealth. Between the years 1863 and 1865, when there was a gold share boom and the public were possessed of a great mania to acquire shares,

the membership rose to 250. In 1877, they numbered 318 and assembled in Dalal Street to do business. The majority of the brokers consisted, as now, of Gujarati Hindus and Parsis.

In those days, the brokers had to suffer many hardships. Business was conducted in the open air and there was no fixed business place. The police dispersed their congregation and drove them from post to post, while managers of banks and owners of shops cleared them off the steps of their premises. It was only in 1874, that some of the principal brokers realized the necessity of some organisation and accommodation for the conduct of their business. A place was selected in 1874 in what is now known as Dalal Street. In July 9, 1875, the brokers held a meeting in which it was resolved to establish a properly regulated association to protect the interest and status of share-brokers and provide a suitable hall for their use. Later, by a indenture dated 3rd December 1887, the Native Share and Stock Brokers' Association was formally constituted.

At the time of constitution, the Association possessed Rs. 38,000 made up of sale

of 25 shares in the Victoria Manufacturing Company, Ltd., which were given to the Association by Sir Manockjee Petit, in consideration of the service rendered by certain members of the Association in the promotion of that Company; Rs. 7,000 collected from members; and a further sum given by Sir Dinshaw Manockjee Petit. A building was acquired for Rs. 1,00,000 and was opened by Mr. J. M. MacLean, M.P., in January 1899. In April 1920, an adjoining building was purchased for Rs. 10,30,000.

The Bombay Stock Exchange has to-day developed into a powerful and influential organisation. When the Association opened its doors 60 years ago, it consisted of 300 members; to-day there are 472 members. In 1877, the fund of the Association was Rs. 2,500 only, while, to-day, it stands at Rs. 25,00,000.

Admission fee for membership was originally Rs. 51 only. It was afterwards raised to Rs. 1,000, then in 1917 to Rs. 7,000, and in 1920 as much as Rs. 40,000 was paid to the Association for the right of admission into the Brokers' Hall. It is now about Rs. 20,000.

Mr. Choonilal Motilal of Cambay was the first President and held that position for 20 years till his death. Mr. Somnarayan Harinarayan was the first Honourary Secretary, which post he held till his death in 1889. Among the other promoters were Mr. Premchand Roychand and Sir Shapoorji Broacha. Sir Shapoorji was the President for the next 20 years after the death of the first President. On his death in 1920, he was succeeded by Mr. Kikabhai Premchand, who resigned the post in 1922. For some months, the post of President lay vacant, and finally Mr. K. R. P. Shroff took the helm in his hand and continues in the same position until to-day, exercising an authority which is undisputed.

On 14th September 1923, the Government of Bombay appointed a Committee of 6 members, under Sir Wilfred Atley as Chairman, to enquire into the constitution, government, practices, rules and regulations, etc., of the Native Share and Stock Brokers'

Association of Bombay (as it was then called) to investigate into any complaints of the public and to formulate definite proposals for the future constitution and control of the Exchange. This Committee submitted its report in January 1924, in which several important recommendations were made. These recommendations were adopted by the Association and various useful changes in the constitution and rules were effected.

As jute shares are in Calcutta, cotton mills shares are in the Bombay Stock Exchange. The total capital invested in this industry in India exceeds Rs. 40 crores, distributed among more than 330 mills, of which about 200 are in and around Bombay. The following list of cotton shares would give an idea of the importance of these shares:—

Shares	Paid-up per Share	Last Dividend per cent	Current Price	Highest in 1935
	Rs.	Rs.	Rs.	Rs.
Ahmedabad Advance	150	15	275	820-10
Bombay Dyeing ...	250	10	670	997-8
Century ...	100	Nil	185	836-4
Gokak ...	100	7	160	238-12
Lakshmi ...	250	5	585	825
Morarjee ...	1,000	Nil	705	1,545

Tata Iron & Steel Company shares, Hydro-electric shares and Cement shares are the other most important sections in the Bombay market. Tata Steels, Tata Power and Tata Hydro-electric shares are highly speculative sections. Tata Steels Ordinary now quote Rs. 184, Deferred Rs. 740, First Preference Rs. 188 and Second Preference Rs. 164. Tata Hydro-electric Ordinary quote Rs. 180, while Tata Power Ordinary stands above Rs. 1,660.

Bombay is the home of the cement industry and very valuable cement shares are dealt in the Exchange. Among them, Bundi, Shahabad, Indian, Katni and Okha are in great demand and the prices of these shares have gone up by four to five times their paid up values.

LAHORE STOCK EXCHANGE

The Stock Exchange business in Lahore is of recent date. Holders of securities and shares have been dealing mostly with Bombay and Calcutta markets. It was only by the end of 1934 that some five or six brokers formed themselves into an association under the name of the "Lahore

Stock Exchange" and began doing business under the rules formed by this private association. Efforts were made, a few years ago, under the initiative of Lala Harkishen Lal, to establish a registered Stock Exchange, but all attempts made by the sponsors were foiled by the late Lala Lajpat Rai,

who started anti-propaganda stating that speculation in the Stock Exchange would be against the interests of the nation.

Towards the close of 1935, renewed attempts were made to start a registered association under the initiative and leadership of Sardar Balwant Singh Shihn, Rais and Zamindar ; and in January 1936, "The Punjab Stock Exchange Ltd." came into existence. The capital of the Exchange is Rs. 1,00,000, divided into 100 shares of Rs. 1,000 each. The establishment of the Exchange was so well received by the public, that as soon as the issue of the shares was announced, there was a scramble for buying, and within a short time, the shares rose to a premium of Rs. 400.

The objects of the Exchange are, among others, as stated in the Memorandum of Association, to take over and conduct the affairs of the unincorporated Association called "The Lahore Stock Exchange." The rules and regulations are mostly on the lines of the Calcutta and Bombay Associations. The first Committee, as laid down in the Articles, consisted of 7 members. The entrance fee for membership is fixed at Rs. 500. Partners or assistants are required to pay Rs. 50 as admission fee and Rs. 10 per mensem as subscription. The membership subscription is Rs. 15 per month for each local member and Rs. 5 per month for each out-station member. The business hours are from 10-30 A.M. to 5 P.M. Contracts are entered into on cash delivery basis, as in Calcutta, i.e., delivery on or after the next working day after the date of the contract and cash to be paid on delivery. The bye-laws provide that, on the failure of the seller to deliver the shares within 30 days, and in the case of Government securities within 14 days, the buyer

might report to the Committee requiring the cancellation of the contract, or for buying in the open market at seller's risks. Complaints and disputes among members are adjudicated by the Committee. The investing public are also allowed to lodge complaints against any member, which would be settled by the Committee, and the fee for each complaint has been fixed at Rs. 5.

The schedule of brokerage rates is as follows:

8½ per cent Paper	1 anna % on face value
All other Govt. Securities ...	2 annas ,, ,,
Municipal and Port Trust Securities ..	4 ,, ,, ,,
Corporation Loans and Debenture Bonds ...	8 ,, ,, ,,

For shares, when the consideration money does not exceed Rs. 5 the brokerage per share is 1 anna

When the consideration money is above Rs. 5 but below Rs. 10, the brokerage per share is 2 annas

For consideration money up to Rs. 25 per share 4 annas

For consideration money up to Rs. 50 per share 8 annas

For consideration money up to Rs. 75 per share 12 annas

For consideration money up to Rs. 100 per share 1 rupee

When the consideration money is above Rs. 100, the brokerage is Re. 1 for the first Rs. 100 and additional As. 4 for each subsequent Rs. 50 or part thereof.

As compared with Calcutta and Bombay, the Punjab Stock Exchange deals in very few shares. The total number of companies on the list of the Exchange amounts to about 60, including 4 banks, 6 insurance companies, 13 electric supply companies, 13 sugar companies and 16 miscellaneous companies.

MADRAS STOCK EXCHANGE

Being backward in industrial and commercial enterprise as compared with the sister provinces of Bombay and Bengal, Madras has not established a Stock Exchange of her own as yet. Business in stocks and shares had been, however, carried on by a handful of brokers for the last two decades and a half, but the bulk of the business is done by these brokers with Bombay and Calcutta. In recent years, more enterprise in this direction is shown by South India and many sound and well-planned industrial concerns have been sprouting up. So much so, at present, there exists a number of companies in the Madras Presidency whose shares are available in the Madras

Market. Now that a number of giant electrical projects have been completed, South India had added to its potentiality of developing large scale industries.

The recent failure of a leading firm of stock and share brokers in Madras was a hard blow to many investors and speculators. There are now about a dozen good and sound firms of brokers in the city. A well-organised share bazaar on the lines of those of Calcutta or Bombay is the dire need of Madras to-day.

Shares of about 90 limited companies, apart from Government securities, are dealt in Madras by the brokers. There are number of bank shares, public utilities cotton mills,

cement companies, tea and rubber plantations and sugar companies in the Madras circle. The Madras brokers are efficient and enterprising and these qualities should be reflected in the establishment of an organised Madras Stock Exchange in the near future.

The following are some of the important shares dealt in the Madras market, with their current quotations and last dividend declared:—

Shares	Paid up	Dividend Per cent	Current Quotation
	Rs.	Rs.	Rs.
Indian Bank ...	50	15	131½
" " ...	10	15	28
Bank of Mysore Travancore	100	14	283
National	50	9	58
Indo-Commer- cial Bank 'A'	100	6	112

Quilon Bank	25	9	27½
Madras Tele- phone Co.	10	9	20½
Vellore Electric Supply	10	6½	14
Trichy-Sri- rangam	100	10	186
Bangalore Woolen	100	7	160
Buckingham & Carnatic	100	10	200
Kaleeswar Mills	100	20	290
Madura Mills Co.	15	10	82
Coimbatore Cement	90	New	175
Highland Produce Tea	10	15	18
Peermade Tea	10	17½	22
Malankara Rubbers	80	7½	42½
Mysore Sugars	10	11½	80
Deccan Sugars	100	85	420

BANKING SECTION:

BANKING IN INDIA 1935-36

It has been a difficult year for banks in 1935-36 and the improvement noticed in the previous year was not maintained. Easy money market and a slackening in the demand for trade advances made it difficult for banks to utilize their funds. As a consequence there has been a reduction in the profits of banks for the year 1935 from those of 1934.

The demand for money showed some improvement during the early part of 1935, but the financial requirements for trade and industry were on a comparatively small scale. Stock Exchange settlements and silver speculation kept money in demand for a time, but in June the usual easy monetary conditions prevailed. In the second half-year of 1935 there was a decline in the demand for money. The advances and bills discounted in India of the Scheduled Banks which stood at 106½ crores on the 5th July fell away to Rs. 85 crores by 20th December, while the bank's deposits in India increased from Rs. 207½ crores to Rs. 221½ crores, in the same period. There has been some improvement in advance and bills since the year end.

The violent fluctuations in the silver market during the latter half of 1935 upset the course of events in the stock exchanges in India. There were two crises. The first one was in August, which was due to wild forward speculation in anticipation of continuous increases in the American buying price which increases did not materialise. Towards the close of the year a fresh crisis arose with China officially going off silver currency. The United States also changed their silver policy. Prices reacted violently. The losses incurred on account of the fluctuations in the prices of silver to a great extent affected the stock exchange by the fluctuations in the price of silver. But once the difficulties of the sil-

ver crises were got over the giltedge market recovered and at the close of 1935 terminable loans were quoting at their peak for the year.

Government floated a 3 per cent. sterling loan 1949-52 at 98, in July for £10,000,000. The issue was heavily oversubscribed in a few minutes. A rupee loan was floated in India in August. It was a 3 per cent. loan 1951-54 at Rs. 96-8 for Rs. 15 crores. This issue also was over-subscribed in a few minutes. The sterling loan is now quoting at £100½ and the rupee loan at Rs. 103½.

The condition of the money market remained easy throughout and money was practically unlendable. The bank rate was reduced on 28th November, 1935 from 3½ per cent. to 3 per cent. The 3 per cent. loan did not in any way help the market, because 5 per cent. bonds 1935 and 6½ per cent. Treasury Bonds 1935 were repaid.

The Reserve Bank commenced sales of Treasury Bills by tender on the 16th April, 1935. The total of sales of Bills including Intermediates during 1935 amounted to Rs. 76.77 crores as against Rs. 103.80 crores in 1934. The highest and lowest yields per cent. per annum on the bills were Rs. 2-0-2 and As. 8 in 1935-36 against Rs. 2-0-11 and As. 12-4 respectively in 1934-35.

In view of the difficult conditions mentioned above it is quite natural that there has been a decline in the profits of banks for 1935 on those of 1934.

From the table given below it will be evident that the Indian joint stock banks have experienced a bad year. Excepting the Bank of India the profits of all banks have declined. The dividends have been maintained. The Bank of India declared a bonus of 1 per cent. owing to increased

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profits and the Central Bank of India a Silver Jubilee bonus of 2 per cent.

	Profit		Dividend % p. a.	
	1935 Rs.	1934 Rs.	1935	1934
Imperial Bank	67,81,110	85,28,265	12	12
Central Bank	19,88,919	28,84,692	8*	6
Bank of India	18,62,016	17,64,660	11†	10
Allahabad Bank	5,64,585	6,15,495	18	18
Indian Bank	2,58,575	4,27,818	15	14
Chartered Bank	£498,642	£466,043	14	14
Mercantile Bank	£174,266	£178,898	12	12

* Includes 2 per cent Silver Jubilee Bonus.

† Includes 1 per cent Bonus.

The exchange banks in India have not been so much affected by the difficult conditions and the improvement in conditions abroad have enabled them to maintain the profits of the previous year.

Owing to the maintenance of dividends prices of bank shares remained steady throughout. The table below gives the prices of select shares at the end of March, 1935 and 1936. Prices are more or less unchanged.

	30th March, 30th March,	
	1935. Rs.	1936. Rs.
Imperial Bank (fully paid) ...	1,530	1,527
(Contributerics) ...	82	87
Central Bank ...	85	81½
Bank of India ...	128½	124
Allahabad Bank ...	898	888
Chartered Bank ...	£14½	£18½
Mercantile Bank ...	£31½	£31½

The important event during the period under review was the inauguration of the Reserve Bank of India in April, 1935. The Bank took over the control of the Issue Department from the Government and the management of Public Debt and Government accounts from the Imperial Bank of India on the 1st of April, 1935. It was, however, not till the 4th of July 1935 that

the bank assumed one of its most important functions as Central Bank by announcing the first official Bank Rate of the country. The next step was to establish contact officially with the scheduled banks. This was accomplished in the 5th July, 1935, the date on which the scheduled banks lodged their statutory deposits with the banks in accordance with the provisions of Section 42 of the Reserve Bank of India Act.

The net profit of the period ended nine months December, 1935, after payment of expenses of administration and provision for sundry liabilities and con- Of this amount Rs. 13,12,500 was utilised for payment to shareholders of a dividend at the rate of 3½ per cent. per annum and the surplus of Rs. 42,93,244 was paid to the Governor-General-in-Council in accordance with Section 47 of the Reserve Bank of India Act, 1934.

Co-operative banks did not show any signs of improvement during the period under review. The proposals to form an Agricultural Department in the Reserve Bank were accepted by the Central Board in 1935 and it was decided to request the Local Governments through the Government of India to collect and furnish to the Bank particulars about co-operative banks, credit societies and other agencies. When active steps are taken towards this effect the position of co-operative banks will improve.

1935-36 has been a 'difficult year for banks in India, but it is an important year in the history of banking. The inauguration of the Reserve Bank of India marks the beginning of a new era. Conditions at the present time have not to any great extent improved. The period 1936-37 may, perhaps, prove to be uneventful.

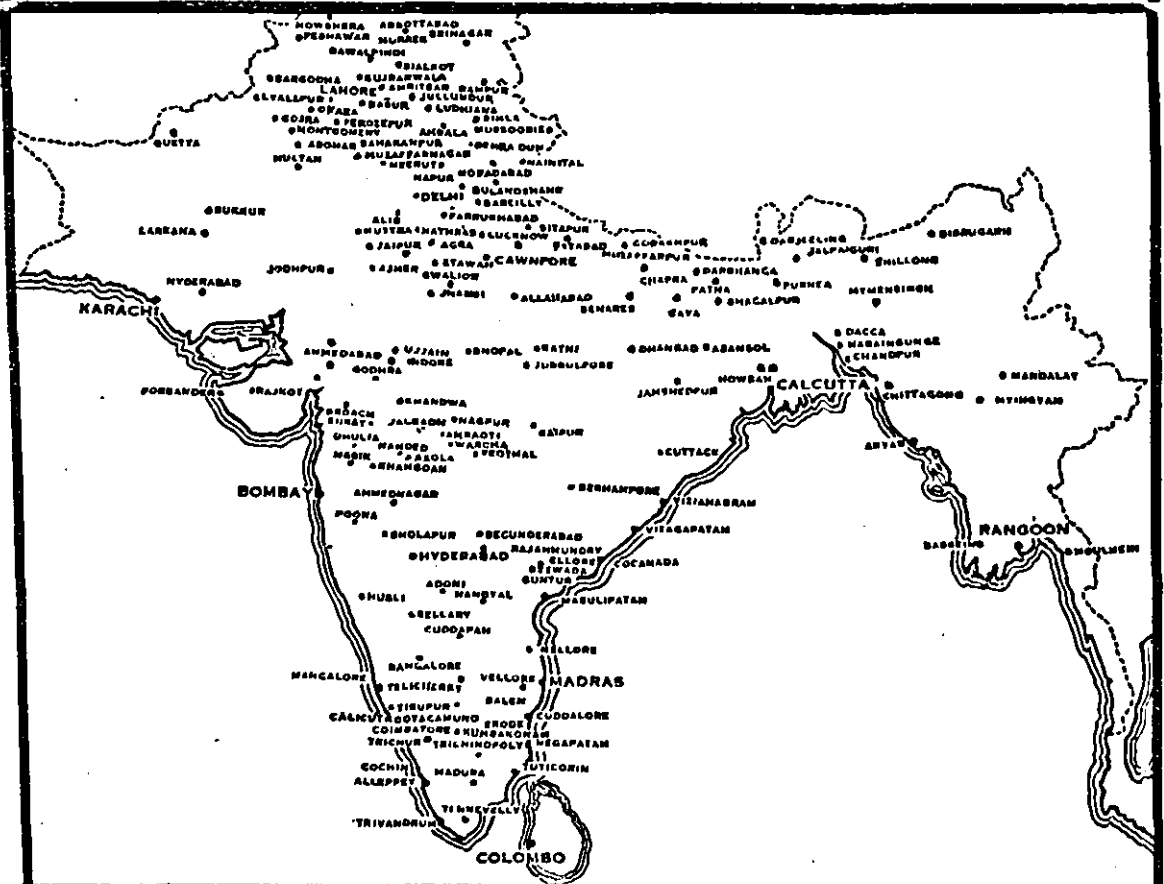
IMPERIAL BANK OF INDIA

CONSTITUTED UNDER THE IMPERIAL BANK OF INDIA ACT, 1920

For the purpose of taking over the undertakings of the Bank of Bengal (established in 1806), the Bank of Bombay (established in 1840) and the Bank of Madras (established in 1843)

Authorised Capital	Rs. 11,25,00,000	Reserve Fund	Rs. 5,50,00,000
Paid-up Capital	„ 5,62,50,000	Reserve Liability of Shareholders	„	„	5,62,50,000

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BANKING SECTION:

REVIEWS OF BALANCE SHEETS

(OF THE MORE IMPORTANT BANKS DOING BUSINESS IN INDIA)

RESERVE BANK OF INDIA

The Reserve Bank of India was inaugurated on April 1, 1935. The Bank took over the control of the Issue Department from Government and the management of Public Debt and Government accounts from the Imperial Bank of India on April 1, 1935. It was, however, not till July 4, 1935 that the Bank assumed one of its most important functions as a Central Bank by announcing the first official contact officially with the scheduled banks. This was accomplished on July 5, 1935 the date on which the scheduled banks lodged their statutory deposits with the Bank in accordance with the provisions of Section 42 of the Reserve Bank of India Act.

The capital paid-up is Rs. 5 crores in shares of Rs. 100 each. The net profit for the nine months ended December 1935, after payment of expenses of Administration and provision for sundry liabilities and contingencies is Rs. 56,05,744. A sum of Rs. 13,12,500 was utilised for payment of a dividend at the rate of $3\frac{1}{2}$ per cent. per annum, being the cumulative rate fixed by the Governor-General-in-Council in accordance with Section 47 of the Reserve Bank of India Act 1934. The surplus of Rs. 42,93,244 was paid to the Governor-General-in-Council in accordance with the said section.

(Issue Department)	1935
Liabilities—	Rs.
Notes held in the Banking Department ...	21,48,68,747
Notes in circulation ...	171,78,89,818
Total ...	193,27,08,066

Assets—	
Gold coin & bullion:	
Held in India ...	41,55,19,156
Held outside India ...	2,86,97,782
Sterling securities ...	66,18,83,085
Rupee Coin ...	57,11,64,292
Government of India Rupee securities ...	25,54,48,811
Internal bills of exchange and other commercial paper ...	...
Total ...	193,27,08,066

(Banking Department)		Rs.
Liabilities—		
Capital paid up ...	5,00,00,000	
Reserve Fund ...	5,00,00,000	
Deposits:		
Government ...	6,04,51,054	
Banks ...	28,84,28,269	
Others ...	26,44,598	
Bills payable ...	11,29,498	
Other liabilities ...	70,83,088	
Total ...	45,47,81,507	

Assets—	
Notes ...	21,48,68,748
Rupee coin ...	4,45,633
Subsidiary coin ...	4,28,667
Bills discounted:	
Internal ...	...
External ...	...
Government of India Treasury Bills ...	...
Balances held abroad ...	*17,88,77,970
Loans and Advances to the	
Government ...	1,00,00,000
Other loans and Advances ...	...
Investments ...	5,29,24,719
Other assets ...	21,85,770
Total ...	45,47,81,507

* Includes Cash and Short-term securities.

IMPERIAL BANK

The Imperial Bank of India was constituted by special legislation in 1920 by the amalgamation of the three presidency banks and commenced business in January, 1921. Since the inauguration of the Reserve Bank

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Cawnpore.	Lucknow.	Patna.
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of India in April 1, 1935, it is no more the Government's bank in the sense it was before. The Reserve Bank of India commenced operations on April 1, 1935 when it assumed control of the Government Currency Offices and Public Debt Offices and took over the Public Accounts Departments of the Imperial Bank in Bombay, Calcutta, Delhi, Madras and Rangoon. Elsewhere the Imperial Bank continues to conduct the Government Treasury business as agents of the Reserve Bank. With the coming into force of the Imperial Bank of India (Amendment) Act on 1st April, 1935, advantage was taken of the removal of restriction on business to establish Executor and Trustee Departments at the three Local Head Offices and to expand the scope of the business in accordance with the extended charter.

Nevertheless, the difficult conditions of the year 1935 have reflected on the profits of the bank which have declined from Rs. 85,28,264 in the year ended December, 1934 to Rs. 80,42,584 in the year ended December, 1935. The decrease in trading advances and the low return thereon coupled with a smaller yield obtainable on Treasury bills adversely affected the profits. Rs. 12.5 lakhs against the same previously has been transferred to Reserve Fund and Rs. 2,47,500 against Rs. 1,48,700 has been transferred to Pension Funds. The dividend has been maintained at 12 per cent. per annum and the amount carried forward is Rs. 28,60,295 against Rs. 30,65,211 in December, 1934.

Liabilities—	(000's omitted)		
	1933	1934	1935
	Rs.	Rs.	Rs.
Capital ...	5,62,50	5,62,50	5,62,50
Reserve ...	5,22,50	5,85,00	5,47,50
Public Deposits ...	6,44,11	6,72,20	...
Other deposits ...	74,12,77	74,27,95	79,09,16
Sundries ...	88,17	93,43	88,09
Profit & Loss Account ...	...	...	28,60
Total Rs. ...	92,30,05	92,91,18	90,85,85

Assets—	(000's omitted)		
	1933	1934	1935
	Rs.	Rs.	Rs.
Cash & other Items ...	18,76,76	19,02,63	19,58,64
Investments ...	47,02,96	41,55,70	46,87,78
Way & Means advances to Govt., of India ...	1,50,00	5,00,00	...
Loans and Cash Credit ...	19,45,56	21,42,44	18,57,46
Bills discounted ...	2,08,08	2,59,82	8,00,88
Dead Stock ...	2,58,95	2,45,90	2,31,02
Sundries ...	97,74	85,14	50,62
Total Rs. ...	92,80,05	92,91,18	90,85,85

Percentage of Capital & Reserve to deposits	18.5	18.5	14.0
Percentage of Cash to Deposits...	28.8	28.5	24.8

Profit and Loss items—	1933	1934	1935
	Rs.	Rs.	Rs.
Brought forward ...	25,46	26,86	30,65
Net profit ...	75,12	85,28	80,42
Dividend Distribution	67,50	67,50	67,50
Allocation to funds ..	6,22	13,99	14,98
Carry Forward ...	26,86	30,65	28,60
Dividend per cent ...	12	12	12

THE ALLAHABAD BANK LIMITED

The Allahabad Bank is one of the oldest of Indian joint stock banks, established in the year 1865. Its original Head Office was Allahabad but since its affiliation to the P. & O. Banking Corporation about 10 years ago, its registered office has been transferred to Calcutta. The Allahabad Bank has devoted special attention to branch banking and finance of produce. Its branches are spread practically throughout the United Provinces and a good part of the Punjab. The bank has also branches at other important centres like Bombay, Rangoon, Karachi, Nagpur, etc. In the yield of produce finance, it did considerable pioneer work; and though new entrants into the field seek to cut in to its business, the facilities which the Allahabad Bank has always offered, and is ever in a position to offer, should retain for it, its own clients and connections and business.

During the year ended March 1936, deposits were decreased at Rs. 9,76,36,318 against Rs. 10,11,55,263 in the previous year. But loans and advances were considerably diminished at Rs. 3,72,59,870 against Rs. 5,47,85,001. Consequently profits for the year were lower at Rs. 5,64,585 against Rs. 6,15,495 previously. Rs. 2,00,000 against nothing previously has been transferred to Reserve Fund and nothing against Rs. 1,50,000 has been transferred to contingencies. The dividend and bonus have been maintained at 12 per cent. and 6 per cent. respectively and the amount carried forward is lower at Rs. 4,03,542 against Rs. 4,97,958 brought in.

Liabilities—	(000's omitted)		
	1934	1935	1936
	Rs.	Rs.	Rs.
Capital ...	85,50	85,50	85,50
Reserves ...	44,50	44,50	44,50
Provident Fund ..	16,89	17,94	19,18
Deposits ...	10,25,18	10,11,55	9,76,86
Other ites ...	4,65	5,80	5,94
Profit & Loss Account ...	7,21	7,27	8,33
Total ...	11,83,88	11,22,56	10,89,76

BANK OF BARODA LIMITED

UNDER THE PATRONAGE OF AND LARGELY SUPPORTED BY THE
GOVERNMENT OF H. H. THE MAHARAJA GAEKWAR OF BARODA.

(Registered under the Baroda Companies' Act III of 1897)

CAPITAL SUBSCRIBED	... Rs. 60,00,000
CAPITAL CALLED-UP	... Rs. 30,00,000
RESERVE FUND	... Rs. 23,50,000

Head Office :
MANDVI, BARODA

Branches :
AHMEDABAD, BOMBAY, SURAT, NAVSARI, KARJAN, DABHOI, MEHSANA,
PATAN, PETLAD, PORT OKHA, KALOL, KADI, SIDHPUR, BHAVNAGAR,
AMRELI, DWARKA, KAPADWANJ AND HARIJ (North Gujrat).

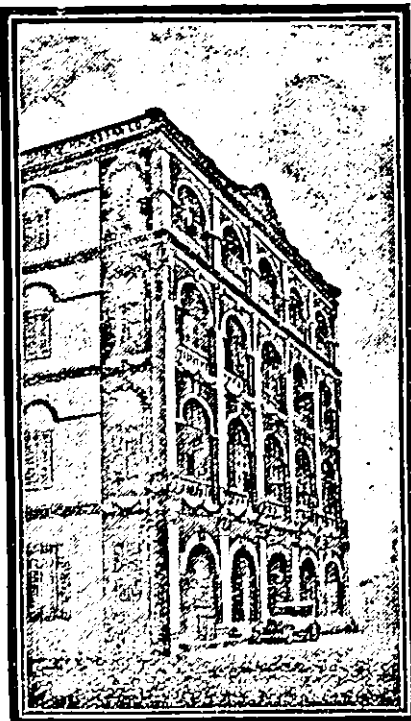
London Agents :
THE EASTERN BANK, LTD.

Current Accounts :—Fixed, Short, Savings Bank and Savings Bank Deposits received on terms which may be ascertained on application.

Loans, Overdrafts and Cash Credits.

The Bank grants accommodation on terms to be arranged against approved securities.

W. G. GROUNDWATER,
General Manager.



BANK OF HINDUSTAN LD.

Head Office : M A D R A S

Local Office : TRIPLICANE

Branches :
Bezwada, Bombay, Calicut, Coimbatore, Cannanore,
Madura, Pollachi, Tiruppt and Tellicherry.

Called and Paid-up Capital ₹. Rs. 10,00,000

Deposits—Current, Savings, Fixed Deposits and Tim^e.
Deposits accepted at all Offices of the Bank

Loans—Overdrafts and Cash Credits are granted by
the Bank against approved securities.

Purchase and Sale of Government Securities and Stock
and shares undertaken for Constituents.

All kinds of Banking Business undertaken
(Enquiries invited)

DIRECTORS :

- M. Jamal Mahomed Saheb Bahadur, Esq., of
Messrs. M. Jamal Moideen Saib & Co., Madras
M. R. Ry., K. Nagoswara Rao Pantulu Garu, M.L.A.
Proprietor, "Amrutanjan Depot" and "Andhra Patrika"
M. R. Ry., T. R. Venkatarama Sastriar Avl.,
B.A., B.L., C.I.E. *Ex-Advocate General, Madras*
Naracasherry S. Krishnan, Esq., Merchant, Calicut
Pandit Vidya Sagar Pandya, *Managing Director*
Kilpauk, Madras

Assets—			
Cash ...	1,88,81	1,65,76	2,54,22
Investments ...	4,86,84	8,55,58	4,07,99
Loans, Advances, etc. ...	4,51,82	5,47,85	8,72,60
Property ...	49,85	46,64	44,05
Other items ...	6,56	6,78	9,90
Total ...	11,88,88	11,22,56	10,89,76
Percentage of Capital & Re- serves to De- posits ...	7.8	7.9	8.2
Percentage of cash to Deposits	18.4	16.4	26.2
Percentage of liquid assets to deposits ...	61.0	51.6	68.0
Profit and Loss items—			
Brought forward	4,85	4,91	4,98
Net profits ...	5,91	6,15	5,65
Dividend Distri- bution ...	4,59	4,59	4,59
Allocation to funds ...	1,50	1,50	2,00
Carry forward ...	4,91	4,98	4,08
Dividend Percent	18	18	18

THE BANK OF BARODA, LTD.

The Bank of Baroda was founded in 1909 under the patronage of and largely supported by, the Government of H. H. the Maharaja of Gaekwar of Baroda. The Chairman of the Bank is Sir Lallubhai Samaldas, Kt., C.I.E., and the general manager is Mr. W. G. Groundwater. The bank has 17 branches and a good number of them are situated in the Baroda State.

The year 1934 was an exceptionally good year for the bank, but it found the year 1935 somewhat trying. The bank was not embarrassed with an increase in the deposits but, on the other hand, they were considerably diminished at Rs. 5,77,39,396 against Rs. 6,28,62,682 in the previous year. Advances, cash credits and bills discounted were lower at Rs. 1,87,29,987 against Rs. 2,36,64,326. There were considerable maturities in the investments in Government securities and the cash balance has swollen up to Rs. 1,30,90,828 from Rs. 97,85,795. Consequently there was a slight diminution in profits from Rs. 4,47,535 in 1934 to Rs. 4,27,702. The dividend has been maintained at 10 per cent. and Rs. 1,00,000 against the same is transferred to Reserve Fund and the amount carried forward is slightly higher at Rs. 79,129 against Rs. 78,427. The

financial position is strong, the percentage of liquid assets to deposits being 75 per cent.

Liabilities—			
(In thousands of Rupees)			
	1938	1934	1935
Capital ...	80,00	80,00	80,00
Reserve Fund ...	20,75	21,50	22,50
Provident Fund ...	4,41	4,78	5,16
Deposits ...	5,89,22	6,28,68	5,77,89
Other items ...	1,78	2,01	5,59
Profit & Loss A/c. ...	8,06	8,58	8,56
Total ...	5,99,22	6,90,45	6,44,20
Assets—			
	1938	1934	1935
Cash ...	78,55	97,86	1,80,91
Investments ...	8,87,62	8,81,85	8,01,20
Loans & Advances ...	1,65,74	2,86,64	1,87,80
Property ...	21,84	22,41	22,28
Other items ...	47	1,69	2,56
Total ...	5,99,22	6,90,45	6,44,20

Profit and Loss Account.

Brought forward ...	60	56	78
Net Profit ...	8,56	4,48	4,28
Dividend Distribution	8,00	8,00	8,00
Allocation to Funds...	75	1,00	1,00
Bonus to staff ...	25	25	27
Carried forward ...	56	78	79
Dividend Rate % ...	10	10	10
Percentage of total capital and Reserve to deposits ..	9.5	8.2	9.1
Percentage of cash to deposits ..	18.6	15.6	22.7
Percentage of liquid assets to deposits ...	76.2	68.8	74.8

BANK OF HINDUSTAN LIMITED.

The Bank was started in July 1929 with an authorised capital of Rs. 25,00,000 and called and paid up capital of Rs. 10,00,000 in shares of Rs. 100 each and Rs. 50 paid up. It has got a powerful and influential Directorate. Soon after a year its deposits rose to Rs. 18,15,000. At present the total deposits stand at Rs. 30,42,789. The investments also show a steady increase. The object of the Bank is only to improve the indigenous banking on modern lines in all its branches, including Trustee and Executorship business. It is under the direct supervision of Pandit Vidya Sagar Pandya, who has long practical banking experience in India and England. The Bank has got a safe and conservative investment policy, as can be seen from the condensed balance sheet of the Bank. The Bank has got 10 branches.

THE BANK OF INDIA, LTD.

Established 7th September, 1906.

CAPITAL SUBSCRIBED ...	Rs. 2,00,00,000
CAPITAL PAID UP ...	Rs. 1,00,00,000
RESERVE FUND ...	Rs. 1,04,00,000

Head Office:

ORIENTAL BUILDINGS, BOMBAY

Branches:

Bullion Exchange Branch (Shaikh Memon Street, Bombay), Bandra (near Bombay), Kalbadevi Road, Malabar Hill (3/4, Hughes Road, Bombay), Ahmedabad, Ahmedabad (Station Branch), Calcutta, Calcutta (Bara Bazar), Poona, Poona City, Rajkot, Surat, Nagpur City.

London Agents:

THE WESTMINSTER BANK, LD.

Directors:

Sir Chunilal V. Mehta, K.C.S.I., *Chairman.*
Mr. Ambalal Sarabhai.
Sir Joseph Kay, Kt.
Mr. Andrew Geddis.

Mr. Paliram Mathradas.
Sir Cowasjee Jehangir, Baronet,
K.C.I.E., O.B.E.
Mr. Dinsha K. Daji.

Current Deposit Accounts—Interest is allowed on daily balances from Rs. 800 to Rs. 1,00,000 @ $\frac{1}{2}$ % per annum. Interest on balances in excess of Rs. 1,00,000 allowed only by special arrangement. No credit will be given in account for interest amounting to less than Rs. 5 per half-year.

Fixed Deposits—Deposits are received fixed for one year or for shorter periods at rates of interest which can be ascertained on application.

Savings Bank—Accounts opened on favourable terms. Rules on application.

The Bank acts as Executor and Trustee under Wills and Settlements, and undertakes Trustee business generally.—Rules may be obtained on application.

General Banking Business transacted, rules for which can be obtained upon application.

A. G. GRAY
Manager.

THE BANK OF MYSORE, LD.

(Bankers to the Government of H. H. The Maharaja of Mysore)

Authorised Capital ...	Rs. 20,00,000
Subscribed and Paid-up ...	Rs. 20,00,000
Reserve Funds ...	Rs. 24,25,000

Head Office:

AVENUE ROAD, BANGALORE CITY

Branches:

Arsikere	Chickmagalur	C. & M. Station	Harihar	Mysore	Shimoga
Channapatna	Chintamani	(Bangalore)	Hassan	Oorgaum	Tiptur
Chickballapur	Chitaldroog	Davangere	Kolar	Sagar	Tumkur

London Agents:

THE EASTERN BANK, LTD.

Chairman of the Board of Directors:

Sir K. P. PUTTANNA CHETTY, Kt., C.I.E.

CURRENT ACCOUNTS opened and interest allowed at 1% per annum upto Rs. 10,000.
LOANS and CASH CREDITS are granted on approved securities.

FIXED DEPOSITS for Six and Twelve months received at rates which may be ascertained on application.

THRIFT DEPOSIT ACCOUNTS are opened and interest allowed at $2\frac{1}{2}$ % per annum upto Rs. 2,500.

Banking Business of every description transacted on terms which may be ascertained on application

M. H. DASTUR
Offg. Manager

The net profit for the year ended December 1935 is lower at Rs. 42,518 against Rs. 52,553. Rs. 10,000 against Rs. 5,000 has been written off preliminary expenses and Rs. 930 against Rs. 2,500 has been placed to Contingent Fund. Nothing against Rs. 10,000 has been transferred to Reserve Fund. The dividend has been maintained at 3 per cent, per annum and the amount carried forward is Rs. 2,589 against 5,719.

(000's omitted)

	1933 Rs.	1934 Rs.	1935 Rs.
Liabilities—			
Capital ...	10,00	10,00	10,00
Reserve ...	20	20	82
Deposits ...	25,42	30,45	30,48
Bill for collection as per contra ...	58	58	77
Other items ...	87	52	48
Profit and Loss Account	46	62	79
Total ...	37,08	42,87	42,79
Assets—			
Cash ...	7,15	12,00	9,21
Investments ...	5,64	3,00	3,00
Loans, Advances etc. ...	22,64	25,54	28,28
Premises ...	84	88	86
Bills for collection as per contra ...	58	56	77
Other items ...	68	94	1,1
Total ...	37,08	42,87	42,7
Percentage of total of capital and reserve to deposits ...	40.1	38.5	33.9
Percentage of cash to deposits ...	23.1	39.4	30.3
Percentage of liquid assets to deposits ...	51.8	51.1	42.6
Profit & Loss Items—			
Brought forward ...	22	9	6
Net profit ...	41	58	43
Dividend distribution ...	80	30	30
Allocation to funds ...	5	18	10
Carry forward ...	11	6	8
Dividend per cent ..	3	3	3

THE BANK OF INDIA LTD.

The Bank of India, registered in 1906, is by far the most comfortably situated amongst Indian banks. Its Balance Sheet is neat and natty; and its business is of the soundest description. The Directors have never sought to achieve anything sensational and have ever been content with slow progress so long as it is steady. The Bank of India has a most illustrious and influential Board of Directors, with Sir Chunilal V. Mehta, K.C.S.I., as Chairman. The Manager is Mr. A. G. Gray.

The Bank has had a successful year in 1935. There was around increase in business. The profits for the year were

Rs. 18,62,016 against Rs. 17,64,660. Alone of all banks the bank has been able to declare a bonus of 1 per cent, besides the dividend of 10 per cent, owing to increased profits. Rs. 1,00,000 against Rs. 1,50,000 has been placed to Bank's property Account. Rs. 2,50,000 against Rs. 1,50,000 to Reserve Fund and nothing against Rs. 1,00,000 to Reserve for Contingencies. The amount carried forward is considerably higher at Rs. 6,03,990 against Rs. 5,20,674.

(In Rs. 000's omitted.)

	1933 Rs.	1934 Rs.	1935 Rs.
Liabilities—			
Capital ...	1,00,00	1,00,00	1,00,00
Reserve ...	1,01,50	1,01,50	1,01,50
Deposits ...	14,49,82	14,65,19	16,16,50
Other items ...	1,41	6,29	1,13
Profit and loss account ...	10,68	14,97	16,83
Total ...	16,63,41	16,87,95	18,38,46
Assets—			
Cash ...	2,44,78	1,66,46	2,19,00
Loans and advances ...	5,75,82	7,62,45	8,10,65
Bills ...	8,96	22,71	11,22
Investments ...	8,26,02	7,26,10	7,85,78
Property etc. ...	12,83	10,28	11,86
Total ...	16,63,41	16,87,95	18,38,46
Percentage of capital and reserve to deposits ...	18.9	13.8	12.6
Percentage of cash to total deposits ...	16.9	11.4	13.5
Percentage of liquid assets to deposits ...	74.1	62.5	62.8
Profit and Loss Items—			
Brought forward ...	341	4,82	521
Net Profit ...	18,52	17,65	18,62
Dividend Distribution ...	10,00	10,00	11,00
Allocation to funds ...	1,00	4,00	4,00
Carry forward ...	4,32	5,21	6,04
Dividend per cent	10	10	11*

*Includes bonus of one per cent. per annum.

BANK OF MYSORE LIMITED

The Bank of Mysore was started in 1913, and its progress has been steady and satisfactory. The Reserves considerably exceed the total paid-up capital. The bank has been one of the few to show an increase in the profits for 1935 in spite of the difficult conditions of the year. Deposits have increased from Rs. 1,93,66,013 to Rs. 2,13,83,807. There has been an increase in total advances and bills receivable

to Rs. 1,54,26,290 from Rs. 1,43,28,569. Investments are lower at Rs. 61,70,396 against Rs. 68,50,198 and cash and other balances are higher at Rs. 44,51,906 against Rs. 26,68,639. The profit for the year 1935 was Rs. 5,10,726 against Rs. 4,89,607. Rs. 1,75,000 against Rs. 1,50,000 has been allocated to funds, and the dividend and bonus have been maintained at 12 per cent. and 2 per cent. respectively. The amount carried forward is Rs. 1,07,603 against Rs. 74,944.

		(000's omitted)		
		1933	1934	1935
		Rs.	Rs.	Rs.
Liabilities—				
Capital ..	...	20,00	20,00	20,00
Reserve Fund ..	...	18,75	22,25	23,25
Building Fund ..	...	2,25*	...	...
Staff Provident Fund	...	2,68	3,01	3,85
Deposits ..	...	1,98,79	1,93,66	2,18,84
Unclaimed Dividend	...	17	15	14
Profit & Loss Account	...	3,25	3,35	3,69
Total ..		2,40,84	2,42,42	2,64,27
Assets—				
Cash ..	...	23,22	26,69	44,52
Investments ..	...	65,68	68,50	61,70
Loans & Advances ..	...	1,37,86	1,37,99	1,43,64
Bills discounted and purchased	...	5,30	5,30	10,62
Property, etc.	...	4,28	3,94	3,79
Total ..		2,40,84	2,42,42	2,64,27
Percentage of capital and reserve to total deposits ..	...	21.0	21.8	20.2
Percentage of liquid assets to total deposits ..	...	50.1	51.9	54.6
Percentage of cash to deposits ..	...	14.6	18.8	20.8
Profit and Loss Account.				
Brought forward ..	...	51	85	78
Net profits ..	...	4,44	4,90	5,11
Dividend distribution	...	2,60	2,80	2,80
Allocation to funds ..	...	1,75	1,50	1,75
Bonus to Staff ..	...	20	20	20
Carry forward ..	...	40	75	1,08
Dividend per cent ..	...	12	12	12
Bonus ..	...	1	2	2

*The amount of Rs. 225,000 held under Building Fund has been transferred to Reserve Fund.

CENTRAL BANK OF INDIA LIMITED

The Central Bank of India was started in 1911 mainly due to the efforts, enthusiasm

and organising skill of Mr. S. N. Pochkhana-wala. The latter was fortunate in securing Sir Pherozshah Mehta as the first Chairman of the Bank. Equally lucky was he in having as his lieutenant Mr. A. S. Balsekar who has, in a large measure, shared all the stress and strain of this institution in the various stages of its growth. The capital of the Bank was increased, in successive stages, till early in the last decade it stood at Rs. 50 lakhs paid-up. The amalgamation of the Tata Industrial Bank to itself brought up the capital to Rs. 1,68 lakhs so that the Central Bank has been, since then, the largest institution amongst the India joint stock banks. Its deposit figures also were higher than those of the others. In range of business, largeness of *clientele*, new and newer modes of service, the Central Bank has always been in the forefront. An institution, so flourishing and so steadfastly marching onwards, has had, necessarily, its distractors and even unreasoning critics. The Bank has come out successful in all the vexatious litigation to which some of its enemies have subjected it. This kind of persecution has meant the maintenance of an unduly large liquid position so as to be prepared for runs at any time. Excessive liquid assets mean lesser margin of profits. And runs mean disorganisation of normal business. The management of the Central Bank have had to contend against heaviest odds. Despite such difficulties, the progress of the Bank has been kept up. At all times, it has been ready and able to weather even the strongest storm. That it has stood up through good support and evil report and strengthened its position all the time, is a measure of its intrinsic vitality and its sound business methods; it also shows how much headier its growth would have been if it had been left to develop unharassed and unhampered.

The Bank in common with other banks had to face difficult condition in 1935. Deposits rose from Rs. 24,47,25,505 to Rs. 27,73,41,033. There was an increase in the total advances by Rs. 71.5 lakhs to Rs. 9,52,51,466. But a good amount on securities matured and there were lack of facilities for short-term investments. It was also otherwise difficult to find remunerative investments. The cash balance is more than doubled at Rs. 8,81,44,539 against Rs. 4,08,63,819. In the circumstances the profit for the year at Rs. 19,83,919 against Rs. 23,84,693 should be considered satisfactory. Rs. 5,00,000 against Rs. 11,75,000 previously has been provided for bad and doubtful debts and Rs. 2,00,000 against the

same previously has been transferred to Sinking Fund in respect of Land and Buildings. The total of bad and doubtful debts has been reduced from Rs. 22,30,000 to Rs. 5,54,000 which includes Rs. 2,04,000 pending legal decisions. The dividend has been maintained at 6 per cent. but a bonus of 2 per cent. against nothing previously has been declared in addition, making the successful conclusion of twenty-five years' of yeomen service to the public by the bank. The amount carried forward is lower at Rs. 4,05,588 against Rs. 5,16,725.

	(000's omitted)		
	1938 Rs.	1934 Rs.	1935 Rs.
Liabilities—			
Capital ...	1,68,18	1,68,10	1,68,18
Reserve & other Funds ...	82,69	79,49	76,76
Deposits ...	27,78,41	24,47,26	22,22,82
Bills Payable ..	8,46	5,68	8,84
Acceptances for customers as per contra ...	57,07	54,71	61,65
Bills for collection as per contra ...	67,05	55,70	88,69
Branch adjustment ...	18,15	14,49	7,50
Other Items ...	11,57	12,80	4,17
Profit and Loss Account ...	12,46	10,21	10,70
Total ...	81,98,99	28,48,42	25,94,26
Assets—			
Cash ...	8,81,45	4,08,64	4,01,80
Investments ...	10,98,60	18,18,67	12,96,81
Loans and Advances ...	9,52,51	8,81,07	6,75,71
Acceptances for customers per contra ...	57,07	54,71	61,65
Bills receivable...	67,95	55,70	88,69
Premises etc., ...	1,87,81	4,68	1,19,60
Total ...	81,98,99	28,48,42	25,94,26
Percentage of total of Capital and Reserve to total deposits ...	9'0	10'1	11'0
Percentage of Cash and Investments to total deposits ...	78'8	72'6	78'2
Percentage of Cash to deposits ...	81'8	16'7	18'1
Profit and Loss—			
Brought forward ...	8,56	5,66	5,17
Net profits ...	14,69	23,85	19,84
Dividend distribution	10,09	10,09	18,45
Allocation to Funds ...	2,00	18,75	7,00
Carry forward ...	5,66	5,17	4,06
Dividend rate %	6	6	6*

*2 per cent. Bonus for Jubilee year was also declared.

COMILLA UNION BANK LIMITED.

The Comilla Union Bank Limited was established in Comilla in the year 1922 and from a small beginning it has now come to the forefront of the indigenous Banks of Bengal having 13 Branches scattered all over East Bengal and Assam. It is one of the few Banks of Bengal, scheduled to the Reserve Bank of India.

The Paid up Share Capital, as we find in the Condensed Balance Sheet as at 13th April, 1936, is Rs. 2,90,835 and Reserve Funds exceed Rs. 3,24,000. Total Deposits of the Bank on that date exceed Rs. 59,00,000. Cash and Bank Balances at call were Rs. 8,95,810 plus a further sum of Rs. 3,18,678 in the shape of Statutory and other Deposits with Reserve Bank of India, and the holding of Government Securities amounts to Rs. 7,71,668.

The liquid strength of the Bank is very satisfactory, and the steady increase of the Reserve Funds shows that the authorities are pursuing a very cautious policy in bringing this Bank to its happy position. The Bank has been paying dividend at of 15 per cent. per annum for the several years past, and the directors have recommended a dividend of 15 per cent. per annum this year also.

	(000's omitted)		
	1938 Rs.	1934 Rs.	1935 Rs.
Liabilities—			
Capital ...	1,62	2,44	2,91
Reserves ...	2,20	2,73	3,81
Deposits including fixed, etc. ...	26,76	39,84	59,04
Other items ...	1,88	2,05	6,29
Profit & Loss Account	17	24	37
Total	82,18	47,81	71,91
Assets—			
Cash ...	2,23	7,65	8,96
Investments ...	5,69	7,16	11,75
Loans & Advances ...	22,16	27,41	44,96
Bills ...	52	2,19	3,42
Other items ..	1,53	2,90	2,82
Total	82,18	47,81	71,91
Percentage of capital and reserve to deposits	14'3	18'0	10'5
Percentage of cash to deposits ...	8'8	19'2	15'2
Percentage of liquid assets to deposits ...	29'6	37'2	35'1

GRINDLAY & COMPANY, LTD.

(Incorporated in Great Britain)

Founded in 1828, as an agency for "facilitating passages to and from India,"

THE COMILLA UNION BANK, LIMITED

(Scheduled to The Reserve Bank of India)

ESTABLISHED 1922

Head Office : **COMILLA**

Branches : **10, CLIVE STREET, CALCUTTA**
and at important trade centres of Bengal and Assam

Paid-up Share Capital	...	...	Rs. 2,90,835
Reserve Funds	...	...	„ 3,24,290
Deposits exceed	...	...	„ 59,00,000
Working Funds exceed	...	...	„ 71,00,000

(as at 13th April, 1936)

INDIAN BANK, LIMITED

HEAD OFFICE : **MADRAS: North Beach Road.**

LOCAL OFFICES :	ESPLANADE : Popham's Broadway.	BRANCHES :	ALLEPPEY, BANGALORE,
	TRIPPLICANE : Big Street.		BOMBAY, BEZWADA, COCHIN,
	MYLAPORE : North Mada Street.		COIMBATORE, COLOMBO,
	THIAGARAYANAGAR :		GUNTUR, MADURA,
	PURASAWALKAM : Prakasam Road.		TUTICORIN and TIRUVARUR.

SUB-OFFICES : GUDIVADA, JAFFNA, TENALI and TIRUPPUR.

CURRENT ACCOUNTS are opened **FREE OF CHARGE** and interest allowed on **DAILY BALANCES** at 1 per cent. per annum. **NO INCIDENTAL CHARGES MADE.**

SAYINGS BANK DEPOSIT Accounts opened with sums as low as Rs. 5 and interest allowed on **DAILY BALANCES** at 8 per cent. per annum. *Withdrawals can be made by cheque forms*

FIXED DEPOSITS : Rs. 100 and over at 2½ per cent. per annum for one year, and 8 per cent. per annum for two years.

RATES OF INTEREST for deposits for shorter periods may be ascertained on application.

EITHER OR SURVIVOR Accounts may be opened in the joint names of two or more persons, Either or the Survivor or Survivors of them being at liberty to operate.

LOANS, OYERDRAFTS and CASH CREDITS : The Bank grants accommodation against approved securities on terms which may be ascertained.

GOVERNMENT SECURITIES, Stocks Shares, etc., sold and purchased. Securities, Jewellery and other valuables received for safe custody. Interest and Dividends, Pay and Pension Bills collected. Cheques of outstations, Hundies, Bills and Promissory Notes bought, collected and discounted.

All General Banking Business transacted. For Rules of Business and other particulars, please apply to any Office.

(By Order of the Board)

S. GURUSWAMI PILLAI,

Secretary.

this firm had built up a prosperous business in London and India, which, through their position as bankers and agents for the Indian Army, brought them into contact with a large number of Government officials. For this reason, the Bank has enjoyed a special status and prestige.

Branches were opened at Calcutta in 1854, Bombay 1865, Simla 1923 and Delhi 1924. Since then branches have been opened at Lahore Cantt., Peshawar City, Peshawar Cantonment, New Delhi and Quetta.

In 1924, the whole of the share capital of the old banking business of Grindlay & Company Limited was purchased by the National Provincial Bank, one of the London "Big Five." At present, therefore, Messrs. Grindlay and Company represent the National Provincial Bank in India.

Sir Austin Low C. I. E., who was senior partner in the old partnership, has since been the Chairman of the Company. He is also a director of the National Provincial Bank.

That the Bank is owned by the National Provincial Bank is sufficient testimony to the soundness of the concern, apart from the fact that it has been rendering valuable service to officers and merchant firms and has long and valuable connections in India.

(000's omitted)

	1933	1934	1935
	£	£	£
Liabilities			
Capital ...	250	250	250
Reserve Fund ...	100	100	100
Current deposit and other account ...	8,094	8,122	8,848
Liabilities for acceptances, endowments etc. as per contra...	154	158	171
Total ...	8,598	8,625	8,864

Assets			
Cash, Notes, balances and cheques, money at call and short notice ...	874	858	870
Investments ...	1,928	1,851	1,962
Loans, Bills discounted etc. ...	1,088	1,209	1,307
Bank Premises ...	54	54	54
Liabilities for acceptances, endowments etc., as per contra ...	154	158	171
Total ...	8,598	8,625	8,864

INDIAN BANK LIMITED

The founder of the Indian Bank was the late Mr. V. Krishnaswamy Iyer no less renowned as a patriot and a Congress worker than as a judge of the High Court and a Member of the Executive Council of Madras. The bank was the recipient of considerable patronage of local depositors partly as a recoil from the Arbuthnot disaster and partly by its appeal to parochial patriotism. On the advice of Sir Lallubhai Samaldas, Mr. Vidyasagar Pandya was appointed as the first Secretary and he served the bank in this capacity for more than two decades. The bank with its head office at Madras has 19 branches and sub-offices distributed throughout South India. Its subscribed capital is Rs. 48 lakhs while the paid-up capital is about 12.79 lakhs. The Reserve Fund which was Rs. 9 lakhs in 1929 has grown to Rs. 13 lakhs in 1935. There is a Contingency Fund of Rs. 1.77 lakhs and a Dividend Equilisation Fund of Rs. 1.80 lakhs. Thus the total reserves are considerably in excess of the total capital.

Deposits were considerably increased at Rs. 2,62,49,343 against Rs. 2,20,02,004 in the previous year and the amount of loans, advances and bills receivable has been almost stationary with the result that profits are considerably lower at Rs. 2,58,576 against Rs. 4,27,318 in the previous year. Rs. 5,000 against the same has been transferred to Bank Premises Account, Rs. 23,005 against Rs. 28,500 to Contingent Fund, and nothing against Rs. 1,30,000 to Dividend Equalisation Fund. The dividend declared is maintained at 12 per cent. but the bonus is higher at 3 per cent. against 2 per cent. in the previous year. The amount carried forward is lower at Rs. 31,840 against Rs. 76,200.

(In thousands of Rupees.)

	1933	1934	1935
	Rs.	Rs.	Rs.
Liabilities—			
Capital ...	12,79	12,79	12,79
Reserve and other funds ...	14,07	15,47	16,57
Deposits ...	2,26,47	2,20,02	2,62,49
Bills for collections ...	4,17	8,74	9,06
Other items ...	1,81	2,18	6,75
Profit and Loss Account ...	8,26	4,02	2,42
Total ...	2,62,57	2,58,22	3,10,08

INDO-COMMERCIAL BANK, Ltd.

MAYAVARAM

Paid-up Capital as on 30th May, 1936 ... Rs. 11,22,244

BRANCHES

MADRAS OFFICES :

107, Armenian Street.	New Place, Luz, Mylapore and
260, China Bazaar Road.	95, Big Street, Triplicane.

Chidambaram, Conjeevaram, Erode, Karaikudi, Kumbakonam. Madura, Pudukottah, Salem Town, Shevapet—Salem, Shiyall, Tanjore, Tinnevely, Tiruvarur, Trichinopoly, Tuticorin, Virudhunagar and Vizianagaram.

All kinds of Banking Business undertaken on terms which may be ascertained on application.

107, Armenian Street,
MADRAS

S. N. N. SANKARALINGA IYER,
Managing Director

THE QUILON BANK LTD.

(Incorporated in Travancore 1919)

Head Office: QULION

Authorised and Subscribed Capital	... Rs.	25,00,000
Paid-up Capital and Reserve Exceed	... ..	2,00,000
Total Resources Exceed	... ..	₹5,00,000

Branches at all important places in South India and Ceylon.

Agencies at all important centres in India.

Banking business of every description undertaken.

Fixed deposits are now accepted at the following rates:—

6 Months	... 8½%		12 Months	... 4½%
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8 YEARS CASH CERTIFICATE giving 5% yield are now available at all the offices of the Bank.

Advances are made on Gold, Merchandise and other securities on favourable terms.

For details apply to any of the offices of the Bank at

Alleppey	Ernakulam	Madras	Tenkasi
Alwaye	Erode	Mount Road	Tinnevely Jn.
Bangalore City	Hyderabad Dn.	Madura	Tinnevely Town
Bangalore Cantonment	Jaffna	Mysore	Trichinopoly
Chirayinkil	Kandy	Nagercoil	Trivandrum
Cochin	Karaikudi	Royapettah	Tuticorin
Coonoor	Kayamkulam	Secunderabad	Vellore
Coimbatore	Kottayam	Shertallai	

C. P. MATTHEN, B.A., B.L.

Managing Director.

Assets—			
Cash ...	44,85	38,86	80,55
Investments ...	1,04,89	75,20	80,29
Loans, Advances, etc. ...	1,01,88	1,88,59	1,88,63
Bills for collection ...	4,17	3,74	9,06
Premises, etc. ...	1,27	1,22	1,42
Sundries ...	5,51	1,11	5,18
Total ...	2,62,57	2,58,22	8,10,08
Percentage of total, Capital and Reserve to deposits ...			
...	11.9	12.9	11.2
Percentage of Cash to deposits ...			
...	10.9	17.4	30.7
Percentage of liquid assets to deposits ...			
...	67.9	58.8	64.8
Profit and Loss Items—			
Brought forward	82	57	60
Net profit ...			
Dividend distribution ...	8,71	4,27	2,59
Allocation to fund ...	1,54	1,79	1,92
Bonus to staff ...	1,88	2,18	78
Carry forward ...	9	16	17
Dividend rate %	57	76	32
	12	14	15

INDO-COMMERCIAL BANK

The Indo-Commercial Bank was, started on November 17, 1932. The objects of the bank were "to start and work an up-to-date bank to serve the needs of the Country by incorporating the economy and adaptability of the indigenous bankers and modern methods of Western institutions," as recommended by the Central Banking Enquiry Committee. The progress of the bank during the last three years has been remarkable and it is at the present day one of the leading banks in India. The authorised capital is Rs. 25,00,000, Rs. 10 lakhs in "A" shares of Rs. 100 each, Rs. 5 lakhs in "B" shares of Rs. 50 each and Rs. 10 lakhs in "C" shares of Rs. 50 each. The subscribed capital at the end of 1934 was Rs. 6,25,000 in 6,250 "A" shares of Rs. 100 each. The paid-up capital was 4,70,680. In February, 1935 the "B" shares were issued at a premium of Rs. 1 per share; "C" shares at par. The subscribed capital at the end of 1935 was Rs. 14,37,500, Rs. 6,25,000 being in 6,250 "A" shares of Rs. 100 each, Rs. 5,00,000 in 10,000 "B" shares of Rs. 50 each and Rs. 3,12,500 in 6,250 "C" shares of Rs. 50 each. The paid-up capital was Rs. 10,87,741.

The year 1935 was a difficult year for the bank in common with other banks. Deposits increased by nearly Rs. 7 lakhs. Loans and advances declined. The net profit for the year was down by Rs. 4,000 at Rs. 71,997. With the increase in paid-up capital a greater amount was necessary to pay a 6 per cent. per annum dividend against 6½ per cent. in 1934. No allocation to reserve against Rs. 27,000 in the previous year could be made. The amount carried forward is Rs. 5,722 against Rs. 891.

(In 000's omitted)

	1934	1935
	Rs.	Rs.
Liabilities—		
Capital ...	4,85	10,88
Reserve Fund ...		
Deposit and Other accounts ...	8	27
Bills for collection ...	44,92	51,89
Other items ...	2,97	2,54
Profit and Loss Accounts	4,16	1,60
	68	49
Total ...	57,61	67,67
Assets—		
Cash ...	5,22	12,89
Investments ...	19,42	23,69
Loan ...	28,78	26,96
Bills for collection as per contra ...	2,97	2,54
Property ...	82	71
Other items ..	90	98
Total ...	57,61	67,67
Percentage of capital and reserve to deposits ...		
...	11.9	21.5
Percentage of cash to deposits ...		
...	11.6	25.0
Percentage of liquid assets to deposits ...		
...	61.5	75.4
Profit and Loss Items—		
Brought forward ...	1	1
Net profit ...	76	72
Dividend distribution ...	25	58
Allocation to funds ...	27	..
Carry forward ...	1	6
Dividend per cent. ...	6½	6

QUILON BANK

Incorporated in Travancore seventeen years ago, the Quilon Bank Limited was not known for great achievement until 1930. Since then, however, the progress has been hydra-headed. This bank is the pioneer of the branch banking system in South India and has been responsible for thus providing the individual and even the smallest South Indian town with banking facilities. From

THE BIHAR AND ORISSA PROVINCIAL CO-OPERATIVE BANK, LTD.

P A T N A

(ESTABLISHED IN 1914)

President : Dr. Sir SYED SULTAN AHMED, Kt., D. L., Bar-at-Law

Managing Director : RAI BAHADUR DURGA PRASAD

Capital Subscribed	...	...	Rs. 15,20,000
Capital Paid-up	...	...	Rs. 6,11,000
Statutory and other Reserves	...	...	Rs. 6,97,000

APEX BANK OF THE CO-OPERATIVE MOVEMENT IN BIHAR AND ORISSA

Fixed, Savings and Current Deposits accepted, at rates which will be supplied on application.

Collection of bills and issue of drafts on Calcutta and Bombay and all important towns in Bihar and Orissa undertaken.

Advances made only to registered societies in Bihar and Orissa.

V. M. THAKORE
Secretary.

THE TRAVANCORE NATIONAL BANK LTD.

(Incorporated in Travancore 1912)

Head Office : ALLEPPEY

Bombay Office :
25, Churchgate Street
Fort, BOMBAY

Four Offices in Madras :
Main Office at
164-65, BROADWAY, MADRAS

Colombo Office :
Consistory Buildings
COLOMBO

Member :
RESERVE BANK OF INDIA
Clearing Houses at
BOMBAY, MADRAS AND COLOMBO

Branches and Agencies :
Throughout
INDIA, BURMA AND
CEYLON

London Agents :
MIDLAND BANK LTD.
Overseas Branch :
LONDON, E.C. 2.

CAPITAL—1936, MAY

ISSUED AND SUBSCRIBED	...	...	Rs. 30,00,000
PAID-UP CAPITAL AND RESERVES	...	...	Rs. 13,19,000
TOTAL WORKING FUNDS	...	...	Rs. 1,77,00,000

PROGRESS STATEMENT

Year	Paid-up Capital	Reserve Funds	Deposits	Investments in G. P. Notes	Cash	Total Working Capital
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1932	4,22,000	2,00,000	36,69,000	4,30,000	5,86,000	58,18,000
1936 (May)	10,69,000	2,50,000	1,40,01,000	8,86,000	18,65,000	1,77,00,000

All kinds of Banking Business undertaken.

Please address Head Office or any of the Branches for further particulars.

K. C. EAPEN, B.A.
Managing Director

18 branches in 1931 the number has increased to 30 at the end of 1935. The bank has got an ambitious programme and has done well so far under the able guidance of Mr. C. P. Matthen, the Managing Director. At the end of 1933 the authorised capital and subscribed capital was increased from Rs. 10 to Rs. 15 lakhs and the additional capital was subscribed for in a short time. In order to place the Bank on a stronger capitalised position, the authorised capital was increased from Rs. 15 to Rs. 25 lakhs towards the close of last year. The paid-up capital is Rs. 6,30,835 in 30,000 shares of Rs. 50 each, Rs. 25 paid up. The march of progress during last year has been unimpeded by the difficult banking conditions. There has been an increase in business in all branches. Deposits are higher at Rs. 78,49,696 against Rs. 59,64,724. Loans and advances have increased to Rs. 69,11,143 from Rs. 52,47,428. Bills lodged for collection are Rs. 6,15,967 against Rs. 4,08,961. Investments are Rs. 10,18,136 against Rs. 6,20,707 and cash Rs. 14,04,818 against Rs. 8,64,724. The net profit for the year was Rs. 81,135 against Rs. 70,293. As during last year, Rs. 20,000 has been transferred to General Reserve Fund and Rs. 5,000 to reserve for bad and doubtful debts. The dividend declared has been maintained at 9 per cent. and the amount carried forward is Rs. 8,617 against Rs. 9,692 brought in.

(000's omitted)

	1933	1934	1935
	Rs.	Rs.	Rs.
Liabilities—			
Capital ...	8,45	4,27	6,81
Reserve ...	90	1,05	1,80
Deposits ...	42,18	59,65	78,50
Bills for collection ...	8,08	4,09	6,16
Other items ...	8,94	4,74	9,28
Profit and Loss Account ...	57	77	91
Total ...	54,07	74,57	102,46
Assets—			
Cash ...	6,70	8,65	14,05
Investments ...	5,74	6,21	10,18
Loans etc., ...	34,66	52,47	69,11
Property ...	74	1,07	1,48
Bills ...	8,08	4,09	6,16
Other items ...	8,20	2,08	1,48
Total ...	54,07	74,57	102,46

Percentage of total Capital and Reserve to deposits ...	10.1	9.0	9.7
Percentage of Cash to deposits ...	15.9	14.5	17.9
Percentage of liquid assets to deposits ...	29.5	25.0	30.9
Profit and Loss Items—			
Brought forward ...	5	6	9
Net profit ...	52	70	81
Dividend distribution ...	27	35	49
Allocation to funds ...	15	25	28
Carry forward ...	6	10	9
Dividend per cent. ...	9	9	9

TRAVANCORE NATIONAL BANK

The Travancore National Bank Limited incorporated in Travancore 24 years ago has been making heady progress during the last three years. It is one of the leading banks in South India at the present day. 1935 was a very difficult year for banks; and the Travancore National Bank has been one of the few to register a rise in the profits for 1935 over those of the previous year. The net profit for the year was Rs. 94,288 against Rs. 80,767 in the previous year. Total deposits were higher at Rs. 1,28,25,771 in 1935 against Rs. 94,46,548 in 1934. Loans and advances were Rs. 84,67,454 against Rs. 57,14,286 and chitty advances were Rs. 18,22,706 against Rs. 17,11,583. Bills lodged for collection were Rs. 7,87,464 against Rs. 5,84,922. The financial position of the Bank has more than maintained its strength. The paid-up capital of the Bank is increased at Rs. 7,50,101 against Rs. 6,76,811. There has been no allocation to funds against Rs. 30,000 previously and the dividend declared is maintained at 9 per cent. The amount carried forward is Rs. 31,074 against Rs. 6,596.

(000's omitted.)

	1933	1934	1935
	Rs.	Rs.	Rs.
Liabilities—			
Capital ...	5,20	6,77	7,50
Reserves ...	2,20	2,50	2,50
Deposits ...	58,88	79,00	1,00,52
Chitty Deposits ...	14,00	15,47	18,74
Bills for collection as per contra ...	3,46	5,85	7,87
Other items ...	2,50	5,87	7,96
Profit and Loss Account ...	38	37	67
Total ...	86,02	1,15,88	1,54,76

Assets—			
Cash	8.88	14.80	22.13
Investments	10.46	12.49	11.76
Loans, Advances etc.,	41.27	57.14	84.67
Bills for collection per			
contra	3.45	5.85	7.87
Chitty advances	15.95	17.12	18.23
Premises	2.47	3.83	4.86
Other items	4.03	4.60	5.74
Total	86.02	1.15.83	1.54.76

Percentage of Capital and Reserves to deposits including Chitty deposits ...	10.2	9.8	7.7
Percentage of Cash to deposits including Chitty deposits ...	11.6	15.7	17.3
Percentage of liquid assets to deposits including chitty deposits ...	30.8	35.1	32.6

Profit and Loss items—			
Brought forward ...	2	10	7
Net Profit ...	70	81	94
Dividend Distribution	42	54	70
Allocation to funds ...	20	30	...
Carry forward ...	10	7	31
Dividend per cent ...	9	9	9

UNION BANK OF INDIA LIMITED

The Union Bank of India Limited was started in 1919; and the capital in the earlier years was Rs. 60 lakhs paid up. Since its inauguration, business conditions in Bombay, to which centre the Bank's activity is confined, have been consistently and persistently bad. And what with all the competition offered by the numerous banks in the City, the Union Bank could not make any headway. The Bank was also unfortunate in regard to some of the investments, and particularly in regard to the building which it purchased for its office. In 1922-23, however, the Central Bank of India secured a controlling interest in the Union Bank by purchasing a considerable number of the shares of the latter, as a result of which the Central Bank of India Ltd. was appointed as the Managing Agents. The result is that the Union Bank is the unique instance of a bank being managed by another bank as managing agents. Soon after the transfer of the management to the Central Bank, a reconstruction of capital was effected, so that the present position is that the paid up capital is Rs. 40 lakhs. Bad investments were provided for in the writing down of capital as well as the difference between the purchase price and the intrinsic value of the building. The Union Bank has not set

before itself any high-sounding or ambitious programme but carries on a simple, straightforward business in a small, but sure, way.

The position of the Bank has improved very much during recent years. In spite of the fact that deposits increased in 1935-36 to Rs. 99,30,277 from Rs. 66,64,466 in 1934-35. The Bank has been able to maintain profits despite easy money conditions and slack trade demand. No doubt, loans and advances are higher at Rs. 53,99,920 against Rs. 40,95,148. Investments have increased to Rs. 63,36,838 from Rs. 56,75,663 and the cash balance is nearly doubled at Rs. 29,17,046 against Rs. 15,46,763. The profit for the year ended March 1936 was Rs. 2,62,409 against Rs. 2,60,683 previously. As in the previous year, Rs. 10,000 is written off premises account and Rs. 25,000 against nothing is transferred to Reserve Fund. The dividend is maintained at 5 per cent. per annum and the amount carried forward is higher at Rs. 93,066 against Rs. 85,157.

	(000's omitted)		
	1934 Rs.	1935 Rs.	1936 Rs.
Liabilities—			
Capital	89.90	89.90	80.90
Amount received on			
forfeited shares	5	5	5
Reserve Fund	7.00	7.00	7.00
Deposits	51.07	66.64	99.80
Bills for collection	11	45	21
Other items	1.00	1.07	1.07
Profit and loss A/c. ...	2.84	3.15	3.48
Total	1.01.97	1.18.26	1.51.01

Assets—			
Investments	10.27	15.47	29.17
Loan, Advance etc. ...	55.89	56.76	68.87
Bills receivable	31.81	40.95	54.00
Bank premises	11	45	21
Bank premises	3.70	3.60	3.50
Other items	1.19	1.03	76
Total	1.01.97	1.18.26	1.51.01

Percentage of total capital and reserve to deposits ...	91.9	70.5	47.8
Percentage of cash to deposits ...	20.1	28.2	29.4
Percentage of liquid assets to deposits ...	185.8	109.1	98.4

Profit and Loss items—			
Brought forward ...	56	54	85
Net Profit ...	228	261	262
Dividend Distribution	200	200	200
Allocation to funds ..	10	10	25
Carry forward ...	54	85	98
Dividend per cent ...	5	5	5

**THE MADRAS PROVINCIAL
CO-OPERATIVE BANK LTD.**

Head Office: Luz, Mylapore, Madras.

The Madras Provincial Co-operative Bank is, perhaps, the most puissant of the provincial central co-operative banks. The Bank has a Reserve Fund of Rs. 14.5 lakhs and a Depreciation Reserve Fund of Rs. 2.65 lakhs. The Madras Provincial Co-operative Bank has the unique good fortune of enjoying the good will of such clients as would normally place their deposits. It is, perforce, obliged to have considerable investment in Government securities, which amount to nearly Rs. 1.42 lakhs. Cash and other balances are Rs. 4.62 lakhs. Fixed deposits with other banks are Rs. 10.00 lakhs. The liquid assets exceed Rs. 157.13 lakhs—an extraordinarily strong position for a co-operative bank. The chairman of the bank is Mr. Ramdas Pantulu and the Secretary is Mr. V. C. Rangaswami whose great popularity with the influential sections of Madras is largely responsible for its prosperity. The profit for the year ended June 1935 was lower at Rs. 2,04,462 against Rs. 2,30,516 in the previous year. Rs. 51,115 being one-fourth of the net profit against Rs. 57,629 is transferred to Reserve. Rs. 15,350 against Rs. 17,000 is transferred to Common Good Fund, Rs. 20,000 against Rs. 33,362 to Building Fund, Rs. 35,000 against Rs. 50,000 to Depreciation Reserve and Rs. 23,884 against Rs. 6,371 to Reserve Fund. The dividend declared is maintained at 5 per cent. per annum and the amount carried forward is Rs. 37,386 against Rs. 42,466.

Liabilities—	1933	1934	1935
Capital ...	6.59	6.59	6.59
Reserve ..	18.50	18.86	14.50
Other Funds ..	8.09	3.89	4.22
Debentures ...	2.15	2.15	2.15
Provident Fund ...	92	1.04	1.15
Deposits ...	2,08,86	1,67,82	1,46,19
Other items ...	5.32	8.20	14.17
Profit & Loss Account	1.86	2.71	2.47
Total ...	2,41,79	2,00,26	1,91,44
Assets—			
Cash ...	25.28	9.07	4.62
Investments ...	1,89,47	1,72,04	1,52,51
Loans, Advances etc....	23.65	16.74	31.81
Lands ...	18	18	18
Other items ...	8.21	2.23	2.81
Total ...	2,41,79	2,00,26	1,91,44

Profit & Loss Items—

Brought Forward ...	46	41	42
Net Profit ...	1,40	2,31	2,04
Dividend Distribution	59	59	59
Allocation to funds	81	165	145
Carry forward ...	41	42	37
Dividend per cent ...	9	9	9

**THE CHARTERED BANK OF INDIA,
AUSTRALIA AND CHINA**

Among the Eastern Exchange Banks operating in India, the Chartered Bank of India, Australia and China, is a premier institution, alike in the size of its capital and the extent of its banking resources. The bank was founded in 1853 and is one of the few banks which are at present operating under Royal Charter. It has a widespread branch organisation in India, Dutch East Indies, China, Japan and Federated Malay States and has important offices in New York and Hamburg. It owns nearly 80 per cent. of the capital of the P. & O. Banking Corporation and through it, controls the Allahabad Bank.

Considering that in recent years the bank has had to operate under particularly difficult conditions in India and the Far East, it has done well during the year ended December, 1935. It was not embarrassed with an increase in deposits, and loans and advances did not show any appreciable decline. Investments have increased from £17,359,970 to £19,439,188. Cash and other balances are £5,260,777 against £7,845,503. The profit for the year was £466,038 against £462,395 in the previous year. £50,000 against £25,000 previously is transferred to Officer's Pension Fund and £25,000 against nothing is written off contingencies account. Nothing against £50,000 is transferred to Contingencies Fund. The dividend, has been maintained at 14 per cent. per annum. The amount carried forward is £181,038 against £177,395.

(000's omitted)

	1933	1934	1935
	£	£	£
Liabilities—			
Capital ...	8,000	8,000	8,000
Reserve Fund ...	3,000	3,000	3,000
Notes in circulation ...	1,857	1,851	1,685
Deposits ...	46,606	40,548	45,986
Bills payable ...	2,736	1,721	1,699
Acceptances on customer's account ...	608	885	598
Other item's ...	2,550	4,184	3,129
Profit & Loss Account	441	462	466
Total ...	60,298	61,651	59,558

Assets:—			
Cash ...	12,004	7,846	5,261
Investments ...	17,188	17,860	19,489
P & O Banking Corporation ...	2,301	2,806	2,313
Bills of Exchange including Treasury Bills ...	7,495	9,611	8,946
Bills & Loans ...	18,576	21,646	21,117
Acceptances for customers ...	608	885	598
Bank Premises ...	1,523	1,574	1,585
Other Items ...	568	423	304
Total ...	60,298	61,651	59,558

Percentage of capital and reserve to deposits	12.9	12.9	13.0
Percentage of cash to deposits ..	26.0	17.0	11.4
Percentage of liquid assets to deposits ...	73.8	74.8	73.2

Profit & Loss Items—			
Brought forward ...	184	206	177
Net Profit ...	467	466	499
Dividend Distribution	420	420	420
Allocation to funds ...	25	75	75
Carry forward ...	206	177	181
Dividend... ..	14	14	14

THE EASTERN BANK LIMITED

Head Office 2 & 3 Crossby Square,

London E. C. 3.

The Eastern Bank, a comparatively late entrant into the field of Eastern Exchange, was founded in 1909 and has established branches not only in India, but in Mesopotamia, Singapore and Ceylon. This Bank experienced a very difficult year in 1935. Deposits increased by nearly £250,000 to £6,799,954 and though there was a slight increase in the total advances by £73,000 over the previous year, to £2,268,765, bills receivable fell from £652,668 in the previous year to £514,337. It was very difficult to find remunerative investments. Investments show an increase of only £12,000 at £5,611,560 whereas cash and other balances have increased from £1,165,011 to £1,202,691. Consequently, profits fell down by nearly £4,600 to £125,386. £55,000 against £40,000 has been allocated to funds. The dividend has been maintained at 6 per cent. but no bonus has been declared against a bonus of 3 sh. in the previous year owing to the Silver Jubilee. The carry forward is higher at £62,152 against £51,761.

The financial position, as will be seen from the table given below, is exceptional-

ly strong, the percentage of liquid assets to total deposits being nearly 108 per cent.

	(In thousands of £)		
	1933	1934	1935
Liabilities—			
Capital ...	1,000	1,000	1,000
Reserve Fund ...	500	500	500
Deposits ...	5,605	6,430	6,800
Bills of Acceptance ...	1,227	998	982
Loans payable against ...	..	..	..
Bills and securities ...	1,094	1,544	1,165
Other items ...	59	52	45
Profit and Loss A/c....	187	152	147
Total ...	9,622	10,696	10,689

Assets—			
Cash ...	1,258	1,165	1,202
Investments ...	4,582	5,100	5,612
Bills receivable ...	605	658	514
Customer's Liabilities for Acceptance ...	979	781	788
Loans and Advances... ..	1,806	2,196	2,268
Property ...	190	190	193
Other Items ...	202	111	67
Total ...	9,622	10,697	10,689

Percentage of total capital and reserves to deposits ...	26.6	28.8	22.6
Percentage of cash to deposits ...	22.4	13.1	17.7
Percentage of total liquid assets to deposits ...	115.0	115.0	107.8

Profit & Loss Items—			
Brought forward ...	41	52	52
Net Profit ...	126	180	125
Dividend distribution	60	90	60
Allocation to funds ...	55	40	55
Carried forward ...	52	52	62
Dividend rate percent	6	6†	6

† Plus bonus of 8s. per share

LLOYDS BANK, LIMITED.

Head Office: 71, Lombard Street.

London E. C. 3.

Lloyds Bank Ltd., is the only Bank among the Big Five of London to operate in India through direct branches. Amongst British Banks, Lloyds Bank is the second largest in England (apart from the Bank of England). It has 1,900 offices in England and Wales. The strength, influence, resources, connections and branches which Lloyd Bank has in Britain are the result of a series of fusions or amalgamations of

a number of banking institutions. While the activity at home was thus broadened and strengthened, Lloyds Bank, has, at the same time, taken steps to develop its business in overseas centres. Through its affiliates, it has many branches in France, in centres like Brussels, Antwerp and Geneva, in Italy, South America, West Africa, New Zealand, Egypt, India and Burma. The Indian business (which was acquired through the purchase of Cox & Co.) is controlled by a special Eastern Department of the Bank in London.

The Deposits for the year have increased by £8.2 millions. The profits for the year ended December 1935, is £1,642,785 against £1,651,505 in 1934. £250,000 against the same has been transferred to Contingencies Account and the dividend is maintained at 12 and 5 per cent. on the A and B shares, respectively. The amount carried forward is slightly higher at £515,635 against Rs. 515,230.

(In thousands of £.)

Liabilities—	1938 £	1934 £	1935 £
Capital ...	15,810	15,810	15,810
Reserve Fund ...	8,000	8,500	8,500
Deposits ...	864,469	872,036	400,258
Acceptances ...	8,111	8,702	8,825
Endorsements etc. ...	89,580	42,518	27,916
Other items ...	91	111	118
Profit and Loss Account ...	1,180	1,211	1,212
Total ...	482,191	448,888	457,639

Assets—	1938	1934	1935
Cash ...	77,751	98,167	92,859
Investments ...	158,081	187,449	163,619
Bills receivable	8,197	7,505	6,787
Investments in subsidiary Companies ...	5,091	5,091	5,089
Loans and Advances ...	182,966	186,802	141,807
Customers acceptances ...	8,111	8,702	8,825
Endorsements, etc. ...	89,580	42,518	27,916
Property ...	12,485	11,594	10,181
Other items ...	5,029	6,560	6,106
Total ...	482,191	448,888	457,639

Percentage of Capital and Reserve to deposits ...	6.5	6.5	6.1
Percentage of Cash to deposits ...	21.8	25.0	28.2
Percentage of liquid assets to deposits ...	64.2	68.4	65.7

Profit and Loss items—	1938	1934	1935
Brought forward	515	506	515
Net profit	1,489	1,652	1,648
Dividend distribution ...	1,847	1,892	1,892
Allocation funds	100	250	250
Carry forward	506	515	515
Dividend per cent. ...	(a) 12 (b) 5	(a) 12 (b) 5	(a) 12 (b) 5
(a) Shares			
(b) Shares			

MERCANTILE BANK OF INDIA LTD.

The Mercantile Bank of India was registered in 1892 ; and it has had long and influential connections in India. In addition, the bank has branches and agencies in Ceylon, Malaya, China, Siam and Mauritius. The bank is in the happy position of being able to report an increase in profits for the year ended December 1935, in spite of the fact that deposits increased by nearly £1 million and loans and advances showed a slight decline. Bills receivable are higher at £2.18 millions against £1.84 millions. Investments are £6.67 millions against £6.14 millions and cash £2.02 millions against £1.76 millions. The profit for the year was £174,266 against £173,398 previously. £12,000 against the same is transferred to Officer's Pensions Fund, £10,000 against the same has been written of Premises Account, and £25,000 against the same has been transferred to Contingencies Account. The dividend has been maintained at 12 per cent. for the year and the amount carried forward is £174,007 against £172,831.

(In £ 000's omitted.)

Liabilities—	1938 £	1934 £	1935 £
Capital ...	1,050	1,050	1,050
Reserve Fund ...	1,075	1,075	1,075
Notes in circulation ...	104	156	160
Current fixed deposits ...	12,248	12,974	18,917
Bills payable ...	417	587	512
Loans payable against security ...	...	450	...
Balance due to subsidiary companies ...	38	38	38
Acceptance for customers ...	125	214	171
Profits and Loss account ...	235	236	237
Total ...	15,292	16,780	17,160

NATIONAL BANK OF INDIA, LD.

(INCORPORATED IN THE UNITED KINGDOM)

(ESTABLISHED IN INDIA 1863)

Subscribed Capital	-	-	-	£4,000,000
Paid-up Capital	-	-	-	£2,000,000
Reserve Fund	-	-	-	£2,200,000

HEAD OFFICE:

26, BISHOPSGATE, LONDON, E. C. 2.

BANKERS TO THE GOVERNMENT IN KENYA COLONY AND UGANDA

Branches:

INDIA.	BURMA.	KENYA COLONY	UGANDA.
CALCUTTA	RANGOON	MOMBASA	ENTEBBE
BOMBAY	MANDALAY	NAIROBI	KAMPALA
MADRAS		NAKURU	JINJA
KARACHI	CEYLON.	KISUMU	
CHITTAGONG	COLOMBO	ZANZIBAR	
AMRITSAR	KANDY	TANGANYIKA	
CAWNPORE	NEWARA-ELIYA	TERRITORY	
DELHI	ARABIA	MWAMZA	
LAHORE	ADEN	TANGA	
TUTICORIN	STEAMER POINT.	DAR-ES-SALAAM	
COCHIN	ADEN		

CURRENT ACCOUNTS are opened and FIXED DEPOSITS are received on terms which may be ascertained on application.

The Bank issues LETTERS OF CREDIT and transacts GENERAL BANKING and EXCHANGE BUSINESS of every description with the principal commercial cities of the world.

The Bank's London Office undertakes to act as Trustee or Executor, prepares claims for recovery of British Income Tax overpaid and compiles Income Tax and Super Tax Returns for the purpose of assessment on terms which may be learned on application.

CALCUTTA OFFICE, 10½, Clive Street.

T. T. K. ALLAN *Manager.*

THE P. & O. BANKING CORPORATION LIMITED

(Incorporated in England.)

With which is affiliated The Allahabad Bank Ltd.

Authorised Capital	...	...	...	£5,000,000
Subscribed Capital	...	...	...	£2,594,160
Paid-Up Capital	...	...	...	£2,594,160
Reserve Fund	...	...	...	£ 180,000

Head Office:—122, LEADENHALL STREET, LONDON, E. C. 3.

West End Branch:—14-16, Cockspur Street, S. W. 1.

BRANCHES:

CALCUTTA, BOMBAY, MADRAS, COLOMBO, CALCUT, COIMBATORE, SHANGHAI, SINGAPORE, HONGKONG.

The P. & O. Bank can transact business on behalf of its constituents at all centres where Branches of the Allahabad Bank. Ltd., are established.

Current Accounts opened and Fixed Deposits received on terms which may be ascertained on application.

Savings Bank Deposit Accounts opened and interest allowed at 1½ per cent. per annum. Full particulars on application.

British Income-tax recovered. Executorship and trusteeship undertaken.

1, Fairlie Place, Calcutta.

W. S. RYDE, *Manager.*

Assets—			
Cash and bullion	1,958	1,761	2,025
Deposits against note issue ...	812	828	804
Investments ...	6,006	6,146	6,668
Bills receivable	1,700	1,888	2,180
Bills discounted	28	29	19
Loans and advances ...	4,632	5,902	5,108
Customers liabilities for acceptance ...	125	214	171
Premises ...	359	351	342
Other items ...	172	166	343
Total ...	15,292	16,780	17,160

Percentage of total capital and reserve to total deposits	17·8	16·4	15·8
Percentage of total of cash to deposits ...	16·0	13·6	14·5
Percentage of liquid assets to total deposits ...	80·0	77·7	80·4

Profit and Loss Item—			
Brought forward	172	172	173
Net Profits ...	162	173	174
Dividend distribution ...	126	126	126
Allocation to fund ...	35	47	47
Carry forward...	172	173	174
Dividend rate per cent ..	12	12	12

NATIONAL BANK

The National Bank of India Limited was originally founded in Calcutta as a Rupee company in 1863 but was soon after registered in England and converted into a sterling company. Its principal sphere of activity is India, but it has important business in East Africa, Kenya and Uganda. The accounts for the year ended December 1935, show an increase in deposits at £29,382,941 against £28,703,042. Loans and advances are slightly lower at £10,283,643 against £10,515,597. Investment have increased to £14,810,267 from £14,631,944 and the cash balance also has swelled to £4,608,316 from £4,069,490. In view of these facts the profit for the year of £457,668 against £460,310 in the previous year must be considered satisfactory. £50,000 against the same has been transferred to Officer's Pension Fund, £50,000 against nothing to contingencies account and nothing against £50,000 has been written off House Property Account.

The amount carried forward is lower at £247,669 against £250,100.

(In thousands of £)

	1933 £	1934 £	1935 £
Liabilities—			
Capital ...	2,000	2,000	2,000
Reserve Fund ...	2,200	2,200	2,200
To current fixed deposit and other accounts including provision for Bad and Doubtful debts and contingencies ...	29,686	28,703	29,883
Bill payable ...	751	756	660
Acceptance for customers ...	883	851	408
Profit and loss account ..	500	530	523
Total ...	35,480	34,540	35,179

Assets—			
Cash and bullion	4,673	4,069	4,608
Investments ...	15,874	14,682	14,810
Bills of Exchange including Treasury Bills ...	8,553	4,281	4,427
Loans and discounts ...	10,806	10,516	10,284
Customers liabilities for acceptance ...	383	351	403
Premises, etc. ...	691	691	642
Total ..	35,480	34,540	35,179

Percentage of total capital and reserves to deposits ...	14·2	14·6	14·3
Percentage of cash to deposits ...	15·8	14·2	15·7
Percentage of total of liquid assets to deposits ...	80·9	81·3	82·5

Profit and Loss Items—			
Brought forward	124	280	205
Net profits ...	451	460	458
Dividend distribution	400	360	360
Allocation to funds ...	50	100	100
Carried forward	250	250	248
Dividend rate per cent. ...	20	18	18

THE P. & O. BANKING CORPORATION LIMITED.

The P. & O. Banking Corporation was founded in 1920 and among the original

allotees of shares in this Bank were the Westminster Bank, Lloyds Bank, the National Provincial Bank and the P. & O. Steam Navigation Company.

In spite of these the Bank has secured, for itself an important position among the Eastern Exchange Banks. Towards the end of 1920, the Bank acquired practically all the ordinary capital of the Allahabad Bank Limited, and through it controls a prosperous inland banking business. In 1927, however, the P. & O. Bank, in its turn, was affiliated to the Chartered Bank of India, Australia and China.

During the year ended March 1936, deposits decreased by £326,000. Loans and advances and bills also should a decline. The profit for the year was £111,610 against £113,442 in the previous year. The usual dividend of 5 per cent. has been declared. £4,500 is transferred to a newly inaugurated Pension Fund, and £5,608 against £5,000 in 1934-35 is written off Bank premises and furniture account. The balance carried forward is £56,014 against £55,143.

(000's omitted)

	1934	1935	1936
Liabilities—			
Capital ...	2,594	2,594	2,595
Reserve Fund ...	180	180	180
Current and other accounts ...	6,488	7,170	6,844
Secured loans ...	5,166	5,916	4,475
Acceptances etc. ...	429	441	464
Profit and Loss Account ...	157	161	157
Total	14,959	16,462	14,714

Assets—

Cash etc., ...	1,958	1,796	1,487
Investments ...	6,808	5,446	4,562
Bills ...	2,184	8,710	8,201
Loans and Advances ...	8,520	4,944	4,884
Acceptances etc., ...	401	489	464
Premises etc., ...	188	127	116
Total	14,959	16,462	14,714

Percentage of capital and reserve to deposits ...

Percentage of cash to deposits...

Profit and Loss Items—

Brought forward ...	45	52	55
Net profit ...	112	118	112
Dividend distribution	105	105	105
Carried forward ...	52	55	56
Dividend per cent ...	5	5	5

THOS. COOK & SON (BANKERS) LTD.

Thos. Cook & Son (Bankers) Ltd., was formed a few years ago to take over the banking business from the travel organisation of Thos. Cook and Son. The balance sheet as at October 31, 1935 shows that the financial position is very sound, the percentage of liquid assets to deposits being 82.8 per cent. The improvement in evidence in 1934 has been maintained during 1935 also. There has been an allround increase in business. Deposits have increased from £3,182,993 to £3,241,664 and loans and advances have jumped to £209,510 from £160,403.

	(In Thousands of £)		
Liabilities	1933	1934	1935
Capital ...	125	125	125
Reserve Fund ..	125	125	125
Current deposits and other accounts ...	2,905	3,183	3,241
Balance due to Subsidiary companies	86	55	66
Liability to customers as per contra	15	15	18
Total ...	3,206	3,508	3,575

Assets

Cash and other balances ...	21,49	2,585	2,683
Investments ...	4,74	551	486
Bills discounted ...	8,41	164	108
Investment in subsidiary companies ...	20	20	20
Advances ...	1,48	160	209
Bank premises ...	59	58	56
Liability to customers for engagements as per contra	15	15	18
Total ...	3,206	3,508	3,575

Percentage of capital and reserve to deposits ...

Percentage of cash to deposits ...

THE AMERICAN EXPRESS CO., INC.

The American Express Company, Inc., and the companies with which it is affiliated, offer an international service in three closely related fields—financial, shipping, and travel. This service is available at offices in the principal commercial and tourist centres of the globe and through approximately ten

thousand banking, travel and shipping correspondents.

(In Dollars—000's omitted)

Liabilities—	1933	1934	1935
Capital ...	6,000	6,000	6,000
Surplus and undivided profits ...	2,087	2,184	2,240
Reserves ...	1,996	871	898
Deposits ...	16,845	18,914	17,585
Cheques and drafts not yet presented for payment ...	2,072	3,717	4,631
Acceptance and letters of credit for customers ...	891	543	549
Other Liabilities	4,728	8,270	2,908
Total \$...	34,614	35,499	34,811

Assets—	1933	1934	1935
Cash ...	14,838	15,123	10,629
Accounts with Affiliated and Subsidiary Companies ...	6,103	11	...
Investments ...	2,168	6,589	13,222
Loans and discounts ...	5,652	6,468	5,275
Property ...	2,058	2,628	2,594
Customers' liability for acceptances and letters of credit ...	891	543	549
Other assets ...	2,509	4,142	2,572
Total \$...	34,614	35,499	34,811

Percentage of total Capital and Reserve to deposits ...	47.5	43.3	47.0
Percentage of cash to deposits ..	85.1	80.0	60.4

THE HONGKONG AND SHANGHAI BANKING CORPORATION.

The Hongkong and Shanghai Banking Corporation owes its existence to a special ordinance of the Legislative Council of Hongkong in 1867. The Bank has a particularly strong reserve position, there being a sterling reserve of £6.5 million. In these calculations sterling exchange has been taken at rs. 3 5/8d. Adopting the same exchange rate, deposits amount to £50.5 millions, and the notes in circulation £7.7 million. Against these the Bank has, in cash and bullion £17.6 millions Giltedge securities amount to

£17.0 million. It will thus be seen that the Bank has not only a tremendous reserve position, but a substantial liquid position. That a bank of this size and with these resources should have felt the effects of the economic blizzard is somewhat surprising—but not so surprising if it is remembered that a large part of the operations of the Bank are done in China which has had its political troubles and currency fluctuations. In spite of the difficult conditions in which the Bank has had to carry on its business, it has been able to meet the exceptional losses from current profits, which shows that the earning power of the Bank is as sound as ever.

(£,000's omitted)

	1933	1934	1935
	£	£	£
Liabilities—			
Capital ..	20,000	20,000	20,000
Sterling reserve			
Silver reserve ...	89,784	76,097	99,840
Notes in circulation ...	10,000	10,000	10,000
Deposits, etc. ...	146,535	133,946	119,011
Bills payable ..	873,954	683,898	776,160
Acceptance on Account of constituents ...	13,728	9,690	12,424
Profit and Loss Account ...	2,860	4,917	2,366
	11,598	9,914	11,700
Total ...	1,168,454	947,962	1,051,501

Assets—	1933	1934	1935
Cash and bullion	384,561	315,309	196,091
Investments ...	229,570	194,414	262,233
Loans and Advances, etc. ...	388,314	318,955	435,863
Bills receivable	144,490	92,248	132,777
Liabilities of constituents as per contra ...	2,860	4,917	2,366
Bank premises	18,659	22,119	22,171
Total ...	1,168,454	947,962	1,051,501

Percentage of capital and reserve to deposits ...	13.7	15.4	16.9
Percentage of cash to deposits	44.0	46.1	25.7

Profit and Loss Items—	1933	1934	1935
Brought forward	3,439	3,468	3,295
Net profit ...	18,646	13,003	15,386
Dividend distribution ...	13,611	12,110	10,996
Allocation funds	1,500	1,000	1,000
Carry forward...	3,468	3,295	3,327
Dividend per share ...	£6	£6	£5½

THE NATIONAL CITY BANK OF NEW YORK.

Till a few years ago, the National City Bank of New York had the distinction of being the largest Bank in the world alike in regard to capital, reserves and deposits. The first place has now, however, been secured by the Chase National Bank, which as a result of the latest amalgamation, has now the world record figure for capital, reserves and deposits. It may be said that the National City Bank of New York is, to-day, the second largest bank in the world. The paid-up capital is \$127.5 millions. Surplus is \$30 millions and undivided profits are \$10.6 millions. The bank had to pass through unusual conditions in 1935. Despite the increase in business activity at home there was no demand for loans and advances from big institutions and corporation on which the bank depends. Deposits at the year end stood at \$1,652 millions, the highest in the history of the Bank, the increase being by \$57 millions. Investments and loans were higher by \$156 millions at \$547 millions. The net operating earnings for the year without including recoveries, after customary reserves amounting to \$2,209,000 and depreciation of bank premises amounting \$1,676,648 and reserves of \$550,000 for Federal Deposit Insurance assessments, amounted to \$13,048,190 against \$14,623,463, after customary reserves amounting to \$2,405,000 and depreciation of bank premises, amounting to \$1,865,762. Dividends on the Preferred stock of \$763,605 and Common stock dividends of \$6,200,000 were either paid or reserved for. \$2,713,605 also has been set aside to cover the 1936 estimated requirements for Federal Deposit Insurance and those in connection with preferred stock requirements. The balance of the net earnings \$2,370,980 was added to the Undivided Profits which account stood at the end of the year at \$10,644,278.

(\$ 000's omitted)

	1933	1934	1935
	\$	\$	\$
Liabilities—			
Capital ...	127,500	127,500	127,500
Reserve ...	8,214	10,576	16,112
Surplus ...	80,000	80,000	80,000
Notes in circulation ...	25,000	...	...
Deposits ...	1,117,159	1,394,504	1,652,866
Acceptances and Bills ...	78,878	65,870	44,058
Other items ...	...	8,878	...
Undivided profits	5,088	8,278	10,644
Total ...	1,386,886	1,640,111	1,880,680

Assets—

Cash ...	864,532	450,286	527,491
Investments ...	860,182	567,456	690,531
Loans & Advances	497,027	482,835	547,224
Acceptances for customers ...	68,839	56,678	80,634
Stock in Federal Reserve Bank	6,600	6,600	4,725
Bank Premises ...	56,654	58,168	54,216
Other items ...	83,055	18,094	25,839
Total ...	1,886,839	1,640,111	1,880,680

YOKOHAMA SPECIE BANK

In Japan there was a tendency towards over-production and therefore loans and advances declined. But this was compensated by a good increase in bills owing to expansion in the export trade. Deposits increased by nearly 55 million yen and this is reflected in an increase in investments and cash. In view of these circumstances it is satisfactory to note that the profits of the bank were maintained at almost the same level.

(In thousands of Yen)

Liabilities—	1933	1934	1935
Capital ...	100,000	100,000	100,000
Reserves ...	124,852	127,890	147,940
Notes in circulation ...	4,265	4,245	8,840
Deposits ...	600,508	598,468	651,760
Other accounts	708,855	718,769	755,528
Total ...	1,537,980	1,544,867	1,659,098
Assets—			
Cash ...	94,170	71,189	144,815
Investments ...	460,864	369,164	405,278
Advance to customers ...	465,037	494,169	852,854
Bills discounted and other accounts ...	496,808	530,795	640,742
Bills receivable, etc. ...	...	...	...
Bank premises	22,106	20,050	20,879
Total ...	1,537,980	1,544,867	1,659,098
Percentage of capital and reserve to deposits ...	87.8	88.4	88.0
Percentage of cash to deposits ...	15.7	12.0	22.1

THE NETHERLANDS INDIA COMMERCIAL BANK N. V.

The Netherlands India Commercial Bank N. V. was established at Amsterdam in 1863. Through its extensive organisation the Bank is able to offer accommodation to every description of banking business in Holland and its colonies, and also in many important parts in British India, China and Japan.

During last year according to the Reconstruction Scheme the Capital was reduced to 33 million guilders. 20 per cent. was written off capital and 20 per cent. was returned to shareholders in cash.

(In Guilders,—000's omitted)

	1934 Jan.	1935 Jan.	1936 Jan.
Liabilities—			
Capital ...	55,000	55,000	33,000
Reserve Fund ...	26,698	27,688	18,200
Deposits ...	90,388	86,453	89,973
Acceptances and Bills Payable ...	9,830	8,028	7,967
Profit and Loss A/c....	86	29	1,187
Total ...	181,862	177,193	145,277
Assets—			
Cash ...	26,201	15,968	10,794
Investments ...	80,274	80,788	20,557
Bankers Abroad ...	9,820	11,438	10,321
Treasury Bills ...	20,791	19,550	21,750
Bullion and Bills Receivable ...	27,801	24,217	21,800
Loans and Advances...	68,457	71,520	57,662
Property ...	4,011	3,667	2,898
Total ...	181,862	177,193	145,277
Percentage of Total Capital and Reserves to deposits ...	90.5	95.6	51.8
Percentage of cash to deposits ...	29.0	18.4	12.0

GRINDLAY & Co., Ltd.

(INCORPORATED IN ENGLAND)

Estd. 1828.

Head Office: 54, PARLIAMENT STREET, LONDON

Affiliated with

NATIONAL PROVINCIAL BANK LIMITED

CURRENT ACCOUNTS opened and interest allowed at $\frac{1}{2}$ per cent. per annum from Rs. 1,000 to Rs. 1,00,000. Other terms by arrangement.

FIXED DEPOSITS are received for 6 and 12 months and for shorter periods at rates that may be ascertained on application.

SAVINGS BANK ACCOUNTS opened. Interest at $1\frac{1}{2}$ per cent. per annum.

Copies of rules may be obtained from all Branches on application.

PASSAGE AND INSURANCE BUSINESS TRANSACTED. NO COMMISSION CHARGED. ENQUIRIES ARE INVITED.

INCOME-TAX recovered at all offices in India and in London.

The Bank undertakes TRUSTEESHIPS and EXECUTORSHIPS.

Offices in India:

BOMBAY, CALCUTTA, DELHI, NEW DELHI, LAHORE, LAHORE CANTT., PESHAWAR CITY, PESHAWAR CANTT., QUETTA, SIMLA.

CALCUTTA OFFICE: 6, CHURCH LANE

THE YOKOHAMA SPECIE BANK, LTD.

(REGISTERED IN JAPAN)

ESTABLISHED 1880

SUBSCRIBED CAPITAL	...	Yen 100,000,000.00
PAID-UP CAPITAL	...	„ 100,000,000.00
RESERVE FUND	...	„ 125,800,000.00

Head Office: YOKOHAMA

Branches:

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Manager.

NATIONAL INSURANCE COMPANY, LIMITED

Head Office:

7, COUNCIL HOUSE STREET
CALCUTTA

Phone: CAL. 5726, 5727 and 5728

IMPRESSIVE FIGURES :

New Business in 1935 exceeds	...	Rs. 1,73,00,000
Life Assurance Fund exceeds	... ..	2,52,00,000
Total Assurance in force exceeds	... ..	10,56,00,000
Total Claims Paid exceed	... ..	1,60,00,000
Total Assets exceed...	... ..	2,76,00,000
Expense Ratio	... ..	25·8%

BONUS DECLARED

At the Valuation as at
31st December, 1935 on
Current Rates of Premium

**W H O L E
L I F E**

Rs. **18** per Rs. 1,000
per annum

**ENDOWMENT
ASSURANCE**

Rs. **16** per Rs. 1,000
per annum

INSURANCE SECTION:

INSURANCE IN INDIA

The origin of insurance is lost in antiquity. It is known that as far back as two thousand years before Christ, people travelling in caravans had some arrangement for sharing losses that might be caused by robbery on the journey. The joint family system prevailing in India from times immemorial, may be also said to contain some principles of insurance in that the widows, invalids, orphans and the unfortunate members of the family are provided for by the rest of the members.

In India, the pioneers in the field of insurance, as in other modern economic fields, were the British Agency houses of Calcutta and Madras. Along with their export, import and other trading activities, they conducted insurance business as well during the eighteen and the first half of the nineteenth century. The Madras Presidency, which has been labelled the benighted province of India, however, had the honour to possess the first organised modern institution in insurance and in banking. The Modern Equitable was started by the famous Madras Agency House. After successfully carrying on business for nearly a century, the Company went into liquidation in 1920 for a variety of reasons. The Bombay Mutual, established in 1871, the Oriental of Bombay started in 1874 are the oldest mutual and proprietary companies respectively now in existence.

The total number of insurance companies working in this country according to the latest Indian Insurance Year Book is 341. Out of it 194 companies are constructed in India. 74 companies are established in Bombay, 36 in Bengal, 31 in Madras, 22 in the Punjab, 9 in Delhi, 7 in the U. P., 5 in Bihar and Orissa, 4 in C. P., 3 in Ajmer-Marwara and 1 each in Burma, Assam and N. W. F. Province. Of the 147 non-India companies, 70 are constructed in the U. K., 30 in the British Dominion and colonies, 17 in the Continent of Europe, 16 in the U. S. A., 9 in Japan and 5 in Java. While most of the Indian companies carry on life business, the majority of the non-Indian

companies conduct non-life insurance business.

While the development of insurance in India is nothing phenomenal, it cannot be denied that its progress was fairly steady, especially during recent years. The total business transacted by the Indian companies has risen from Rs. 31 crores in 1920 to Rs. 119 crores in 1933. In other words there has been a rise of $3\frac{1}{2}$ times in the course of 14 years. The following are the figures relating to the new business transacted and the total business remaining in force between 1920 and 1933.

Year	New Business Written during the year.	Total Business Remaining in force at the end of the year.
(in crores of rupees)		
1920	5.47	31
1921	5.47	34
1922	5.64	37
1923	5.85	39
1924	6.89	42
1925	8.15	47
1926	10.35	53
1927	12.77	60
1928	15.41	71
1929	17.29	82
1930	16.50	89
1931	17.76	98
1932	19.66	106
1933	24.83	119

The total business in force of both Indian as well as non-Indian companies has risen, as the following table illustrates from Rs. 124 crores in 1928 to Rs. 193 crores in 1933.

	(In crores of Rupees)					
	1928	1929	1930	1931	1932	1933
Total Business in force ...	124	142	154	168	178	198
Share of Indian companies ...	58	60	69	70	76	79
Share of non-Indian companies	71	82	85	98	102	114

The number of policies in force in India has risen from 564,000 in 1928 to 876,000 in 1933. Of this the share of the Indian Companies in 1928 was 412,000 and 1933, 636,000. The premium income of all the life offices amounted in 1933 to Rs. 9 2/3 crores, the share of the Indian companies being Rs. 5 1/3 crores. The figures cited clearly illustrate the fact that the Indian companies are progressing more rapidly than the non-Indian concerns. These figures do not include the business transacted by the Post Office Insurance Fund, which was opened in 1893 by the Government of India and which is restricted from doing business with other than the Government employees. The business of the Post Office Fund during the last six years is as follows:—

Year ending 31st March	New Business effected during the year		Total business remaining in force at year-end			
	No. of poli- cies	Total sums assured	No. of poli- cies	Total sums assured & business	Total Income	Life Assu- rance Fund at year-end
(In thousands of Rs.)						
1929	7,582	1,43,41	64,474	18,02,47	63,17	3,64,44
1930	8,894	1,49,56	71,479	14,17,81	69,86	4,02,80
1931	9,710	1,50,88	79,058	15,32,85	76,05	4,46,46
1932	6,484	98,15	83,165	15,88,89	81,89	4,91,47
1933	4,215	81,17	84,726	16,24,89	84,24	5,89,00
1934	5,292	1,05,90	87,494	17,86,47	88,43	5,98,78

The Life Fund of the Indian life offices has increased from Rs. 5.83 crores in 1913 to Rs. 28.75 crores in 1933. The growth is shown below:—

Year	(In Crores of Rupees) Life Assurance	
1913	...	5.83
1915	...	6.77
1920	...	8.47
1925	...	12.57
1930	...	20.53
1931	...	22.44
1932	...	25.07
1933	...	28.75

The total assets of the Indian life offices amounted in 1933 to Rs. 36½ crores. Of this, stock exchange securities account for Rs. 25 crores, mortgage loans on policies and on stocks and shares Rs. 4½ crores, land and house property Rs. 2 crores, cash and stamps Rs. 1½ crores, agents' balances and other outstanding items Rs. 1½ crores and

bank or personal security and other miscellaneous assets Rs. 1½ crores. Investments of Indian companies outside India are mainly in the shape of stock exchange securities and amount to nearly rupees half a crore.

The rates of interest realised by Indian life offices are said to be as follows during the last five years:—

1929	...	...	5.49
1930	...	...	5.44
1931	...	...	5.42
1932	...	...	5.17
1933	...	...	5.17

The total assets held in India by non-Indian companies amounted in 1933 to Rs. 41 crores. Out of that Rs. 35 crores represents the Indian assets held by the companies constituted in the U. K., 5½ crores of companies constituted in the Dominions and Canada. The Indian assets of American companies amount to Rs. 2 lakhs, and of the Japanese to Rs. 9 lakhs. Out of the total amount of Rs. 41 crores, 36½ crores represent the Indian assets of the companies which carry on life business in India either solely or along with other insurance business.

Although life insurance in this country has been making a certain amount of steady progress during the recent years, the development even at present can be styled only, as an infantile one when compared to the mammoth figures reached by insurance companies in other countries. The *per capita* insurance in India is only about Rs. 5.5, whereas in the U.S.A. and Canada, it is Rs. 2,318 and Rs. 1,760. The following would serve to show the puny development of insurance in India when compared to the other countries.

	Per Capita Insurance	
U. S. A.	...	2,318
Canada	...	1,760
New Zealand	...	984
Australia	...	751
United Kingdom	...	732
Sweden	...	563
Italy	...	418
Norway	...	377
Netherlands	...	338

Even taking into consideration the very low earnings of the average worker and the small amount of national dividend (small, of course, compared to the size, resources and the population) it cannot be denied that life assurance has yet plenty of scope to develop in this country.

Insurance has been occupying the attention of the public during the last few years to a very considerable extent. The defective nature of the existing laws, the lack of healthy development in certain matters such as the bad investment of funds and the flotation of mushroom enterprises with a view to cheat the credulous public, to speak of only a few, are the problems facing Indian insurance. The Indian Insurance Act of 1912 has allowed the fullest freedom to insurance companies. Barring the provision for Rs. 2 lakhs of deposits in government securities, no control whatsoever is exercised on the insurance companies. The result is that all sorts of abuses are slowly creeping in. As there is no guidance whatsoever as regards investments under the existing laws, large scale investments in landed properties of indeterminate value and in stocks and shares of unreliable joint stock companies, have been resorted to by certain life offices. While the present yield on giltedge securities is only somewhere about $3\frac{1}{2}$ per cent., the rates of interest usually assumed in the valuation of most of the companies are between 4 and 5 per cent. All these defects and more and the gradual recognition of the fact that insurance is a public utility service of utmost importance to the community at large have led to a strong agitation for a

detailed insurance legislation with provision for utilising and guiding the activities of the insurance enterprises of the country.

As a result of this public feeling, the Government appointed sometime back Mr. L. C. Sen to inquire into the question and draft new legislation. Although Mr. Sen is said to have submitted his report in February last, the Government of India have for some reasons of their own, thought fit not to publish it. It is, however, some consolation to learn from the statement of Sir N. N. Sarkar, Law Member in the Legislative Assembly, that the Government of India are considering the appointment of a small committee to go into the report of Mr. Sen. It is to be hoped that the Government will not repeat the performance staged by them in regard to the amendment of the company law. In the committee to be appointed, the interests of the companies as well as the policyholders must be equally represented. In addition, a few insurance experts, other than these two interests, must also be appointed. The Committee when appointed must seriously devote its attention to the question of establishing a Central Department of Insurance with widest powers for supervising and regulating the insurance activities of the country.

THE UNITED INDIA LIFE ASSURANCE COMPANY, LIMITED

ESTABLISHED IN 1906

Head Office : MADRAS

Trustee :

THE OFFICIAL TRUSTEE OF MADRAS

Policies in force exceed - Rs. 3 Crores
Annual Income exceeds - „ 19 Lakhs
Total Assets exceed - - „ 77 Lakhs

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Complete and absolute safety of investments.

Prompt and equitable settlement of claims.

Economical Management.

Moderate rates of premiums combined with attractive bonuses.

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“UNITED INDIA ASSURANCE BUILDINGS”

SEMBUDOSS STREET

Post Box No. 281, MADRAS

M. K. SRINIVASAN,
Managing Director.

INSURANCE SECTION:

FIRE AND MARINE INSURANCE

If the development of life assurance in India is inadequate, the progress of non-life insurance such as fire and marine is still more so. Unlike life insurance, the bulk of fire and marine insurance is written even to-day by the non-Indian companies. Although the Triton Insurance Company was founded in Calcutta with ample capital as long ago as 1850 and the Bombay Mercantile Insurance was started in Bombay in 1907, it was not till 1919, that Indian companies were organised with a view to develop a distinctly national insurance market outside the sphere of life assurance.

The following table gives the names of the Indian general insurance offices with their paid up capital, date and place of registration.

Name of Companies	Date of registration	Place of registration	Capital Paid up
New India Assurance	1919	Bombay	71,21,000
Jupiter General Insurance ...	1919	Bombay	23,75,000
Vulcan Insurance ...	1919	Bombay	15,99,000
Triton Insurance ...	1850	Calcutta	5,75,000
Universal Fire and General Insurance ...	1919	Bombay	6,85,000
British India General Insurance ...	1919	Bombay	10,00,000
Indian Mercantile Insurance ...	1907	Bombay	4,23,000
Hukumchand Insurance ...	1929	Calcutta	10,00,000
Crescent Insurance ...	1919	Bombay	1,47,000
Burma Fire and Marine Insurance ...	1919	Rangoon	15,00,000
Clive Insurance Co. ...	1917	Calcutta	...
General Assurance Trust ...	1928	Bombay	...
Indian Globe Insurance Company ...	1980	Bombay	...
National Fire & General	1981	Calcutta	...
	Total	...	1,68,75,000

With the exception of the Burma Fire and Marine Insurance Company, Limited, which was floated in Rangoon in 1919 and the Hukumchand Insurance Company, and National Fire and General which were incorporated as late as 1929 in Calcutta, all the other newly established offices have their head-quarters in Bombay. The Burma Fire and Marine Insurance Company, after a successful career of 12 years, was wound up voluntarily in the year 1931. The Crescent Insurance Company, although originally incorporated with the object of transacting all classes of business, has latterly confined itself more or less to life assurance business. There are a few other companies with comparatively small paid up capital transacting miscellaneous business, such as motor car and employers' liability insurance.

The aggregate net premium income of all these companies from business underwritten in India in 1933 amounted to only Rs. 71 lakhs against a net total premium income of both Indian and non-Indian companies of Rs. 250 lakhs. The New India, the Jupiter, the Vulcan, The Triton and the Universal have also important business connections outside India and derived a net premium income of nearly Rs. 100 lakhs in 1933 from their operations in the foreign field. The total premium income inclusive of foreign revenue, was Rs. 157 lakhs. During 1933 and 1934 though no official figures are available as yet, the amount of business done by Indian Companies in common with that done by European Companies has shrunk considerably, for which the acute world-wide depression is chiefly responsible. The amount of business which Indian Companies have so far been able to under-write in a year is small in comparison with their capitalisation. A much larger business can be handled by them with the resources in their command.

The distribution of premium income among the non-Indian companies during 1933 is shown by the following table:—

Country of Incorporation	No. of Companies included	Fire	Marine	Miscellaneous	Total
Great Britain ..	79	67	18	43½	128½
Dominions & Colonies ..		15	19	4	38
United States ...	10	10	8	...	18
Continent of Europe ...	15	4½	¾	...	5
Others ...	14	1½	¾	...	2
Total ..	118	97½	86½	47½	1,81½

Statistics are not available in respect of the gross premium income derived from all classes of insurance business and the figures given in the official *Insurance Year-Book* are net figures after deduction of re-insurance premia. The total premium income of Rs. 250 lakhs for the year 1933 is composed of Rs. 125 lakhs from fire, Rs. 42 lakhs

from marine, and Rs. 80½ lakhs from miscellaneous insurance.

Under the Insurance Companies act of 1928, companies transacting business in India are obliged to furnish the Government with statistics of only the net premium income derived from India for which credit is taken in the accounts. This is not a satisfactory state of affairs. The time has come when the Government should consider the desirability of amending the said Act, making it obligatory on Insurance companies to disclose their gross premium and net income on their Indian business.

Strange as it may seem the Indian Insurance Act does not apply to these companies transacting non-life business. This anomaly is accounted for by the fact that, when the Act was passed in 1912, the Indian companies doing non-life business were only two and no legislation was considered necessary. As there are a number of Indian companies now doing this business, it goes without saying that the new insurance legislation must be made applicable to these also.

INSURANCE SECTION:

REVIEWS OF BALANCE SHEETS

INDIAN INSURANCE COMPANIES

ARYASTHAN INSURANCE COMPANY

(Established 1934)

Head Office: Calcutta.

The first annual report and accounts of the Aryasthan Insurance Company founded early in 1934, with Acharya Sir P. C. Ray as President of the Board of Directors, show that the Company has made a good start. Unlike many other new life insurance companies of the present day, Aryasthan has not, wisely, aspired for spectacular first year's new business irrespective of quality or cost. We have often pointed out in these columns that one of the great obstacles to the healthy growth of Indian life insurance business is the spurting up of new mushroom companies with insufficient capital and bad management but with big ambitions to produce spectacular figures somehow, anyhow. Many of such companies come to grief later in spite of their big show in the first few years. We are glad to note that Aryasthan does not belong to this class of new companies but has seriously begun to transact sound business, relying on slow but steady progress. It has secured the services of an influential board of directors including Acharya Sir P. C. Ray, and the management is in the capable hands of Mr. S. C. Ray.

During the first year ending March 31, 1935, the Company received 641 proposals for a sum of Rs. 9.72 lakhs, of which 478 resulted into policies assuring a sum of Rs. 7.62 lakhs. The total premium income for the year amounted to Rs. 23,155 and interest income to Rs. 1,290. A sum of Rs. 1,689, being the appreciation in the value of stock exchange securities held by the Company, is taken as income; but it is not quite a sound principle to take credit for unrealised appreciation in the book values of securities particularly in case of life insurance companies. Management

expenses are shown at Rs. 22,321 which works out to an expense ratio of 96 per cent. Though this is not bad for a new company, we trust the expense ratio will be brought down in rapid strides in the coming few years. It is noteworthy that the Company has written off as expenses in the revenue account a sum of nearly Rs. 2,000 out of the total preliminary organisation expenses of Rs. 14,000, the balance of Rs. 12,000 being shown as assets in the balance sheet. We hope even this will be written off gradually in a few years. The Company has been able to build up a life fund of Rs. 1,104 at the end of the year.

The balance-sheet shows a paid-up capital of Rs. 47,505, a life fund of Rs. 1,104 and other liabilities amounting to Rs. 5,205. On the assets side, giltedge securities held by the Company amount to Rs. 22,375 and cash to Rs. 7,585 and other miscellaneous assets amount to Rs. 23,854; a good proportion of the miscellaneous assets seem to be intangible assets and we trust the Directors will try to write them off as early as possible.

Life Account.

(In Thousands of Rs.)

	1934-35.
New Business:—	
Number of policies	4,78
Amount Assured	7,62
Total premiums	23
Claims	1
Expenses	22
Life fund at the end of year	1
Expense ratio	96%

Balance Sheet

Liabilities:—	
Paid-up-capital	48
Life fund	1
Other liabilities	5
Total	54



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GENERAL ASSURANCE SOCIETY LIMITED

(ESTABLISHED 1907)

VALUATION YEAR 1936

LAST BONUS AMONG HIGHEST.

Funds Exceed Rs. 70,00,000

Claims Paid Exceed „ 37,00,000

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Agency Terms—Highly remunerative with Hereditary Commission.

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P. D. BHARGOVA,

General Manager, AJMER

Assets—			
Giltedge securities	23
Preliminary Organisation expenses	12
Cash	...	...	8
Other Assets	...	...	11
Total			54

THE ASIAN ASSURANCE CO., LTD.

(Established—1910.)

Head Office:—BOMBAY.

Since the Asian Assurance Company came to receive the co-operation as Chairman of Mr. Jamnadas Mehta and since Mr. Fozdar has been its Manager, this Company has made remarkable progress as will be shown by the following table:

	1932	1933	1934
Number of proposals	2,724	3,877	5,228
Number of policies issued	2,066	2,520	3,990
Face value of proposals	46,19,500	62,13,050	82,60,720
Amount assured	22,03,125	45,30,575	61,63,920
Total premium income	7,88,537	9,20,161	11,16,89
Total business in force	1,48,40,801	1,80,11,530	2,18,06
Life Fund	24,50,235	25,66,044	3,02,333

In 1934 the Company underwrote new business of Rs. 62 lakhs which is the highest recorded amount in the history of the company and at the end of the year the life fund stood at Rs. 34.02 lakhs. Against total assets of Rs. 39.44 lakhs, the Asian has invested Rs. 17 lakhs in giltedge and bonds; Rs. 3.91 lakhs in mortgages on property; Rs. 5.25 lakhs in Loans on policies; Rs. 3.88 lakhs in secured loans and Rs. 6.18 lakhs on buildings. On the whole the investments of the Company are well distributed and carefully selected. The only remark that one may make is that the buildings, situated in Ballard Bier, Bombay, on which they have spent a considerable sum is a somewhat unfortunate investment as the land rent payable to the Port Trust is very high and as, owing to trade depression, letting out offices is extremely difficult in Bombay. The Directors have, therefore, wisely started a sinking fund for the company's building; the sinking fund stands now at Rs. 69,653. It is expected that this sum accumulating at 6 per cent. compound interest will, in the course of 48 years, amount to the full cost of the building. There are still 85 years

to run in respect of the lease from the Port Trust.

Life Account.

(In thousands of Rs.)

	1932.	1933.	1934.
New Business—			
Number	2,066	2,820	3,990
Amount	32,53	45,30	61,64
Premiums on New Business	1,74	2,11	1,97
Total Premiums	7,89	9,20	11,17
Claims	2,52	2,14	2,61
Expenses	2,85	3,53	4,41
Life fund at the beginning of the year	20,80	24,50	28,66
Life fund at the end of the year	24,50	28,66	34,02
Ratio of expenses to premium	36.1%	38.4%	39.3%

Balance Sheet.

Liabilities—			
Capital	2,04	2,04	2,04
Life fund	24,50	28,66	34,02
Reserve funds	20	72	78
Other items	3,01	2,69	2,60
Total			39,44

Assets—			
Giltedge securities	6,86	10,86	11,71
Bonds and Preference shares	3,70	2,00	5,10
Loans on life policies	4,36	4,69	5,25
Other loans and Mortgages	4,23	7,90	7,83
House Property	6,18	6,18	6,18
Other items	4,45	2,48	3,37
Total			39,44

THE ASIATIC GOVERNMENT SECURITY LIFE ASSURANCE CO., LTD.

(Established 1913—Life Dept. 1922)

Head Office:—BANGALORE.

This company was incorporated under the Mysore State Companies Regulations and is one of the pioneers of Insurance business in that State. It is a progressive company with a neat and natty financial position. The accounts of the company are presented in a clear and lucid way, so that any lay man can interpret them. The results for the year ended December 31, 1934 show an all-round improvement on those of 1933. New policies numbering 1,423 were issued, assuring a total sum of Rs. 15.55 lakhs, as against 1034 policies assuring Rs. 12.00 lakhs in 1933. The total premium income

was Rs. 2.46 lakhs. The Life Fund at the end of 1934 was Rs. 6.34 lakhs showing an increase of Rs. 1.12 thousands over the previous year. The ratio of expenses to premium income at 39.5 per cent. has been considerably reduced from 40.6 per cent., in the previous year and 48 per cent., in 1932. The Directorate includes some of the most influential gentlemen in the State. The Chairman of the Board is Dr. F. H. Noronha, and the management is in the capable hands of Mr. V. Rangaswami. A sub-office of the company has been opened at 137, Canning Street, Calcutta.

New Business—	1932.	1933	1934
Policies ...	773	1,034	1,428
Sum Assured ...	10,18	12,00	1,555
Premiums ...	1,75	2,02	246
Claims ...	88	82	49
Expenses (management) ...	84	82	97
Life Assurance Fund at the beginning of the year ...	3,51	4,07	5,22
Life Assurance Fund at the end of the year ...	4,07	5,32	6,84
Net increase ...	56	1,25	1,12
Ratio of expenses to Premium ...	48%	40.6%	39.5%

Liabilities—	Balance Sheet			
Capital ...	1,69	1,69	1,69	
Life Assurance fund ...	4,07	5,32	6,84	
Reserves ...	1,02	48	58	
Outstanding claims ...	22	23	33	
Other items ...	50	36	43	
Total ...	7,50	8,08	9,87	

Assets—				
Giltedged Securities and bonds ...	3,12	2,85	3,01	
Loans on policies ...	49	1,07	76	
Other mortgages and loans ...	1,27	76	1,00	
Fixed Deposits ...	1,05	1,20	95	
House Property ...	33	24	1,34	
Cash ...	53	1,06	1,03	
Other items ...	71	90	1,28	
Total ...	7,50	8,08	9,87	

THE BOMBAY LIFE ASSURANCE CO., LTD.

(Established 1908)

Head Office: 45-47 Churchgate Street, Bombay

The annual report and accounts of the Bombay Life Assurance Company for the year ended December 31, 1936, show that the company has experienced yet another

successful year. Bombay Life has been growing from strength to strength, since its inception; and the progress made by the Company particularly during the past three or four years has been so rapid as to be called sensational. During the year under review, the Company has reported a further substantial increase of about 20 per cent. in the new business which stands at Rs. 1.23 crores. It is remarkable that, with all these rapid increases in new business, the Company has managed to reduce its expense ratio gradually from 41.4 per cent. in 1933 to 40.0 per cent. in 1934 and 37.7 per cent. in the year 1935. The premium income has advanced by Rs. 3.69 lakhs to Rs. 22.55 lakhs while the total income at Rs. 25.5 lakhs shows an increase of more than Rs. 4 lakhs, and the life fund at Rs. 68 lakhs represents an increase of Rs. 10 lakhs.

During the year ending December 31, 1935, the Company received 7,438 proposals to the face value of Rs. 1½ crores of which 6,334 proposals assuring a sum of Rs. 1.23 crores resulted into policies, as against 5,589 policies assuring a sum of Rs. 1.04 crores in the previous year. The total premium income amounted to Rs. 22.25 lakhs and interest income to Rs. 2.94 lakhs. On the disbursements side, claims by death and maturity absorbed Rs. 5.75 lakhs as against Rs. 4.89 lakhs in 1934. Surrenders including bonuses paid in cash took Rs. 31,000 and management expenses including commission amounted to Rs. 8½ lakhs, working out to an expense ratio of 37.7 per cent. as against 40 per cent. of the year preceding. The Life Fund has been increased by the substantial sum of Rs. 10 lakhs to Rs. 68 lakhs.

The balance sheet shows, on the liabilities side, a paid-up capital of Rs. 1.35 lakhs, a Life Fund of Rs. 68.02 lakhs, Reserve Fund amounting to Rs. 1.87 lakhs, Depreciation Fund of Rs. 1.03 lakhs, Outstanding Claims amounting to Rs. 4.24 lakhs and other miscellaneous assets totalling Rs. 4.16 lakhs. On the assets side, Rs. 52.48 lakhs or nearly 65 per cent. of the total assets amounting to Rs. 80.67 lakhs is invested in stock exchange securities, the major portion of which is giltedged. It seems that the stock exchange securities are all taken credit for at market price. It would have been advisable not to inflate the book values by taking credit for the market price of the securities particularly; all the same, these are mere paper entries which do not affect the intrinsic merits of the balance-sheet. Mortgages on

properties account for Rs. 6.29 lakhs, loans on policies amount to Rs. 7.41 lakhs, household properties owned by the Company amount to Rs. 7.50 lakhs, cash in hand and with bankers Rs. 2.50 lakhs and other miscellaneous assets Rs. 4.49 lakhs. The financial position of the Company well as its investment plan reflects the highest credit on the management which is in the able hands of an influential Directorate headed by Sir Lalubhai Samaldas and of Mr. J. L. Mehta, the Manager of the Company.

New Business— (In thousands of Rs.)

	1933.	1934.	1935.
Number of Policies ...	5,119	5,589	6,324
Amount ...	94,16	1,04,34	1,23,29
New Premiums ...	4,04	4,99	6,51
Total Premiums ...	15,18	18,86	22,55
Claims ...	8,54	4,89	5,75
Expenses and commissions ...	6,26	7,62	8,50
Life fund at the beginning of the year ...	38,40	49,98	58,08
Life fund at the end of the year ...	50,05	58,08	68,02
Net increase ...	11,65	8,05	9,99
Ratio of expenses to premium ...	41.4%	40.0%	37.7%

Balance Sheet.

(In thousands of Rs.)

	1933.	1934.	1935.
Liabilities—			
Capital ...	90	1,32	68,02
Life Fund ...	50,05	58,08	2,19
Reserve Fund ...	1,80	1,87	4,24
Outstanding claims ...	2,98	3,12	4,87
Other Items ...	3,11	4,71	1,85
Total ...	58,84	69,05	80,67

Assets—

Giltedge securities ...	37,45	44,53	46,80
Debentures and other Shares ...	2,40	2,84	5,68
Mortgages and Loans ...	7,60	8,67	13,29
Agents' Balances ...	85	86	1,87
Cash ...	1,68	2,53	2,40
Other items ...	8,91	9,62	11,18
Total ...	58,84	69,05	80,67

the last six years. In the matter of new business, the company has made rapid strides ; and in 1935 the business written in the company's books came to no less than Rs. 186.14 lakhs showing an increase of nearly Rs. 30 lakhs over the previous year and nearly more than double that of 1932. In the last valuation the company declared bonuses of Rs. 25 and 20 per thousand on whole-life and endowment policies respectively. The expense ratio is still very high for an office of its age but it is slightly less at 40.4 than in the previous year and leaves considerable scope for further reduction. It may be emphasised that the need for vigilance in regard to financial soundness is more and not less after a period of heady growth in new business.

(In thousands of Rs.)

	1933	1934	1935
New Business—			
Number ...	8,275	10,097	12,290
Amount ...	1,29,17	1,56,77	1,86,14
New Premiums ...	5,53	7,85	8,95
Total ...	15,93	21,78	28,69
Claims ...	2,64	3,32	4,83
Expenses and Commission ...	6,85	9,38	11,49
Life fund at the beginning of the year ...	20,02	33,51	42,12
Life fund at the end of the year ...	33,51	42,12	55,94
Net increase ...	13,49	8,61	13,82
Ratio of Expenses to Premiums ...	43.0%	43.1%	40.4%

Balance Sheet.

	1933	1934	1935
Liabilities—			
Life Fund ...	33,51	42,12	55,94
Reserve Fund ...	...	1,67	2,29
Outstanding claims ...	2,14	2,86	3,40
Other items ...	1,80	1,92	2,42
Total Rs. ...	37,45	48,57	64,05

Assets—

Giltedge and other stock exchange securities ...	22,41	28,81	38,15
Loans on the life policies ...	3,75	6,38	13,75
Lands and Buildings ...	...	9,10	11,72
Cash ...	1,52	1,78	1,72
Other items ...	9,77	2,55	3,71
Total Rs. ...	37,45	48,57	64,05

THE BOMBAY MUTUAL LIFE ASSURANCE SOCIETY LTD.

(Established 1871).

Head Office :—Bombay.

The Bombay Mutual is a sound and virile Indian Mutual Life Office, Its progress has been notable, especially within

THE EAST AND WEST LIFE INSURANCE CO., LTD.

(Established 1913).

Head Office :—Bombay.

The East and West Life Insurance Company has been in existence for nearly 23

The
Empire of India
LIFE ASSURANCE COMPANY, LIMITED

Head Office: BOMBAY

The following figures will speak for themselves:

Total Assets Exceed ...	Rs. 4,64,00,000
Total Claims Paid ...	„ 4,75,00,000
Policies in Force over ...	„ 12,00,00,000
Total Income nearly ...	„ 75,00,000

D. M. DAS & SONS

28, Dalhousie Square

CALCUTTA

Chief Agents for—

BENGAL, BEHAR, ORISSA AND ASSAM

years; and during all this period, it has had an up-hill task in securing business against the competition of rival business concerns and in securing such business at an economical rate. This is indicated by the fact that the ratio of expenses to Premium has been increasing and stands at the high figure of 57.6 per cent. The total business during 1934 came to Rs. 27.69 lakhs. The total premium income was Rs. 4.15 lakhs. The life fund increased by Rs. 0.76 lakhs of Rs. 8.40 lakhs. The company has steadily progressed since its inception. But till the life fund reaches at least Rs. 10 lakhs, the management will have to take strenuous efforts to develop their organisation and interest the right class of agents.

lines on which it is conducted. It has been a record of steady progress for the Company since its inception thirty-nine years ago. The thirty-ninth balance sheet for the year ended February 1935 reveals another good year of progress. 12,488 proposals against 10,837 in the previous year were received and the number of policies effected was 9,916 against 8,511 previously, or an increase of 1,405 policies. The total sum assured was Rs. 1,57,08,922 against Rs. 1,47,57,880 or an increase by nearly Rs. 10 lakhs. The total number of policies in force at the end of the year was 64,597 assuring the sum of Rs. 11,97,99,773 against 60,457 assuring the sum of Rs. 11,56,12,828. The total premiums received amounted to Rs. 54,00,047 against Rs. 51,65,257 in the previous year or an increase of Rs. 2,34,790. Interest income is slightly lower at Rs. 18,65,335 against Rs. 19,41,027. On the outgo side, claims by death were Rs. 14,29,449 against Rs. 11,66,540. The increase in the amount has been due to the Quetta Earthquake accounting for nearly Rs. 2,85,000. Deducting this from the total amount, claims by death during 1935 are less than those of the previous year. The amount of claims by maturity is lower at Rs. 26,00,013 against Rs. 26,84,536 and the amount paid on account of surrender is considerably less at Rs. 5,00,155 against Rs. 7,27,916. Management expenses including commission absorbed Rs. 12,80,214 against Rs. 11,77,879. The expense ratio, though it continues to be low, is slightly higher at 23.7 per cent. against 22.8 per cent.

The Fidelity Guarantee Account shows that premiums received during the year amounted to Rs. 11,041 and that interest income amounted to Rs. 22,406. Bonds for Rs. 2,65,950 against Rs. 3,66,259 were issued. Claims amounted to Rs. 1,250. The Guarantee Assurance Fund including the reserve for unexpired risks amounted to Rs. 1,33,063 against Rs. 2,27,842 which included the Guarantee Assurance Reserve Fund of Rs. 1,00,000.

A further Rs. 100 per share was capitalised from the profit of the Guarantee Fund and each share of Rs. 500 was thus made paid up to the extent of Rs. 400. The 1,030 Rs. 500 shares were sub-divided into 5,150 shares of Rs. 100 each with Rs. 80 paid up.

Turning to the balance sheet, the paid-up capital has been increased to Rs. 4,12,000. The Life Assurance Fund is Rs. 3,95,39,424 Investment Reserve Fund is Rs. 28,06,918 and other funds are Rs. 6,69,964. Guar-

	(In thousands of Rs.)		
	1932	1933	1934
New Business—			
No. of Policies ...	1,800	1,816	1,787
Sum Assured ...	20,50	30,55	27,69
Premiums on new business ...	1,15	1,21	1,50
Assurances in force ...	58,54	76,38	86,99
Total Premiums ...	2,96	3,70	4,15
Claims by death ...	56	62	58
Claims by maturity ...	18	16	31
Commissions and Expenses ...	1,68	2,04	2,39
Life Fund at beginning of the year ...	5,08	6,28	7,64
Life Fund at year end	6,28	7,64	8,40
Increase ...	1,25	1,36	76
Ratio of Expenses to Premiums ...	56.8%	55.1%	57.6%
	Balance Sheet.		
Liabilities—			
Capital ...	100	1,00	1,00
Life Fund ...	628	7,64	840
Other Reserves ...	11	22	92
Claims outstanding and other liabilities...	49	59	68
Other items ...	5	9	23
Total Rs. ...	7,93	9,54	11,18
Assets—			
Giltedge ...	1,40	2,47	3,14
Debentures ...	28	24	52
Other items ...	4	1	2
Loans on policies and otherwise ...	1,48	1,52	1,51
Cash ...	45	41	56
Other items ...	4,88	4,89	5,43
Total Rs. ...	7,98	9,54	11,18

EMPIRE OF INDIA LIFE

Established 1897

Head Office: Bombay.

The Empire of India Life Assurance Company is well-known for the scientific

tee Assurance Fund is Rs. 1,33,063 and outstanding claims amount to Rs. 12,78,636. Thus, the total reserves are Rs. 4,44,51,841 against Rs. 4,30,15,763 or an increase of more than Rs. 14 lakhs. The total assets show an increase by a similar amount at Rs. 4,64,894 against Rs. 4,50,03,372. The major portion of the investments are in giltedge. All the stock exchange securities are in the giltedge securities of the highest class and they are in terminable loans repayable at par at fixed dates. The securities stand in the books at very low values. The Interim Bonus was increased during the year to Rs. 18 per Rs. 1,00 on whole life with profit policies and Rs. 16 on Endowment Assurances with profits. The next valuation falls due at the end of February 1937. A dividend of Rs. 12 per share and a bonus of Rs. 2 per share making a total distribution of Rs. 14 per share has been declared. The accounts, in short, continue to make an increasingly finer showing.

Life Account.

(In Thousands of Rupees.)

New Business—	1933-34	1934-35	1935-36
Number (actual) ...	7,602	8,511	9,016
Amount ...	1,88,25	1,47,58	1,57,09
Premium on Business	6,42	6,85	7,87
Total Premium ...	4,971	5,165	54,00
Claims by Death ...	9,85	11,67	14,29
Claims by Maturity ...	28,27	26,85	26,00
Life Fund at the beginning of the year ...	8,63,16	3,62,26	3,95,39
Life Fund at the end of the year ...	3,82,26	3,95,39	4,09,75
Ratio of expenses to premium ...	22.1%	22.8%	23.7%

Balance Sheet

Liabilities—

Capital ...	80,9	8,09	4,12
Life fund ...	3,02,26	3,95,39	4,09,75
Other Reserve Funds	85,74	87,04	86,10
Outstanding claims	11,82	12,64	12,79
Other items	4,61	1,87	1,81

Total ... 4,87,52 4,50,08 4,64,07

Assets—

Giltedge Securities ...	2,10,16	2,56,27	2,72,48
Debentures ..	1,25,17	95,22	95,22
Loans on Life Policies	67,88	65,00	65,00
House Property ...	9,06	9,00	9,19
Other Assets	25,86	24,54	22,28

Total ... 4,87,52 4,50,08 4,64,07

THE GENERAL ASSURANCE SOCIETY, LTD.

(Established 1907)

Head Office: AJMER.

The General Assurance Society of Ajmer has a clean and comfortable position. The business completed in 1934 is 52.13 lakhs.

The increase to the life fund in the year was Rs.4.5 lakhs. The life fund at the end of the year was Rs. 55.9 lakhs. The total resources of the company come to Rs. 64.01 lakhs, of which giltedge account for Rs. 46.1 lakhs and loans on life policies were 5.39 lakhs. The Company has the unstinting and single-minded devotion of the General Manager, Mr. Bhargova.

Life Account.

New Business—	(In Thousands of Rs.)		
	1932.	1933.	1934.
Number of Policies	2,265	3,005	3,354
Amount Assured ...	3,522	4,776	5,213
Premiums on New Business ...	1,79	2,00	2,48
Total Premiums ...	10,86	11,84	13,13
Claims ...	3,42	3,07	5,07
Expenses ...	2,93	3,67	4,29
Life Fund at the beginning of year	34,37	40,23	51,42
Life Fund at year end ...	40,23	51,42	55,92
Ratio of expenses to Premium ...	27.5%	31.0%	32.7%

Balance Sheet.

Liabilities—

Capital ...	1,33	1,33	1,33
Life Fund ...	40,23	51,42	55,92
Outstanding Liabilities of Life Fund	2,56	2,49	2,70
Other items ...	4,62	3,05	4,06
Total ...	48,74	58,29	64,01

Assets—

Giltedge Securities	34,20	41,06	46,14
Other Securities and Debentures ...	6,14	5,40	5,37
Fixed Deposits ...	2	14	31
Loans on Life Policies	3,80	3,91	5,62
Lands and Buildings	1,20	1,22	1,76
Other items ...	3,88	6,56	4,81
Total ...	48,74	58,29	64,01

HINDUSTHAN CO-OPERATIVE INSURANCE SOCIETY, LTD.

(Established 1907)

Head Office: CALCUTTA.

The Hindusthan Co-operative Insurance Society is, and has prided itself on being, one of the first fruits of Swadeshi in Bengal. It has, in fact, been Swadeshi, not only in the broad national sense of the term, it has also been the only leading Indian insurance company in purely Bengalee ownership and control. Its career, in the early stages, was dogged by its untoward experiences in respect of the combined policies, which were sufficiently novel to tempt the daring enterprise of its sponsors. The Society has laboured hard to rectify the mistake, as soon as it found it, and to overcome the handicap in the subsequent years. It must be said, to the credit of the management, that, as soon as the dead-weight of early errors was thrown off, they made a bold bid for attaining for the Hindusthan the second place in the ranks of Indian insurance companies. This ambition, the Company fulfilled nearly five years ago. So far as under-writing of new business is concerned, the record has been well maintained since; though, it may be added, that in

1934-35 the new business of the Company suffered a small decrease from Rs. 253.79 lakhs to Rs. 252.33 lakhs. The total premiums increased from Rs. 38.87 lakhs to Rs. 47.51 lakhs. The claims experience of the Hindusthan continues to be sound, as the amounts paid on claims by death during the year amount to only Rs. 8.31 lakhs against Rs. 8.23 lakhs in the previous year. The Company may also be congratulated on the substantial addition to the Life Fund which it was able to make in 1934-35. The increase during the year was Rs. 23.69 lakhs, which compares with an increase of Rs. 17.08 lakhs in the previous year and Rs. 14.69 lakhs in 1932-33.

The results of the year 1934-35 (the report and balance sheet for 1935-36 have not been published up to the time of going to press) must be deemed creditable, in as much as, during the last few years, the Hindusthan has had to face a campaign of not only criticism, but villification. For our part, we are happy to be able to record here that, in the two respects in which the Hindusthan came in for criticism at our hands, there has been notable improvement. In our last issue of the *Year Book*, we referred to the assurance we had from the management that they recognise the need for restricting the investments in loans on

INDIAN LIFE

ASSURANCE COMPANY, LTD.

(Established in 1892)

LAST BONUS (1932)

Whole Life ...	Rs. 22-8
Endowment ...	„ 18-0
per Rs. 1,000 per annum	

Life Fund nearly ...	Rs. 80,00,000
Gilt-Edged Investments exceed	Rs. 1,00,00,000

Head Office:

ELPHINSTONE STEET, KARACHI

Branches at:

BOMBAY, CALCUTTA and GOA

AGENCIES ELSEWHERE

National Indian Life Insurance Co., Ltd.

Total Assets over	Rs. 60,00,000
Premium Income over	Rs. 9,00,000
Claims Paid over	Rs. 51,00,000
New Business for 1935	Rs. 43,32,000

BONUS FOR THE QUINQUENNium

31st December, 1934

Rs. 62-8 per Rs. 1,000

For 80 years the Company has been growing on sound and healthy lines, and it occupies a respectable position amongst Insurance Companies in India.

For all particulars apply to:

Messrs. MARTIN & CO.

Managing Agents

12, Mission Row, CALCUTTA

mortgages on landed properties and for expanding the portfolio of giltedge securities, and that the new policy was already in progress and one might see tangible results thereof in the next balance-sheet. It will be found, from the analysis of the balance sheet at the end, that giltedge securities have been increased from Rs. 9.60 lakhs to Rs. 10.78 lakhs and investments and debentures have gone up from Rs. 5.10 lakhs to Rs. 5.91 lakhs. Ordinary shares have had a small increase from Rs. 2.72 lakhs to Rs. 2.86 lakhs. Loans on life policies have been increased from Rs. 17.25 lakhs to Rs. 18.82 lakhs. Loans on mortgages of real properties have not shown the heady rise which 1933-34 showed over 1932-33 (from Rs. 55.13 lakhs to Rs. 68.08 lakhs); on the other hand, there has been a slight decrease to Rs. 67.87 lakhs. It must be added that investments in house and landed properties have gone up from Rs. 42.30 lakhs to Rs. 47.08 lakhs. "Cash" has gone up from 7.96 to 16.87 lakhs, and of this a large part, we are told has been invested in gilt-edge. This is probably due to the acquisition of the new site for the Company's buildings. Though it can hardly be claimed that the distribution of investments has undergone a radical change, one can see the beginnings of the change in investments policy, for which we were the foremost to agitate.

Another criticism of *Indian Finance* in the previous years was directed against the increase in the expense ratio from 34.6 per cent. in 1931-32 to 37.1 per cent. and 38.8 per cent. in the two succeeding years. We are gratified to note that, for the year 1934-35, the expense ratio has come down to 37 per cent. It is to be hoped that the progress in these directions will be kept up in the coming years so that the Company can derive the fullest advantage of the popularity it has gained in earlier years.

Life Account.

(In thousands of Rs.)

New Business—	1932-33.	1933-34.	1934-35
Number ...	12,973	16,913	1,68,71
Amount ...	2,01,10	2,53,79	2,52,33
Total Premiums ...	31,39	38,87	47,51
Claims by death ...	5,72	8,23	8,31
Claims by Maturity ...	4,84	5,93	5,81
Expenses ...	11,64	15,19	16,57
Life fund at the beginning of year ...	1,18,60	1,33,29	1,50,37
Life fund at the end of year ...	1,33,29	1,50,37	1,74,06
Net increase in the life fund ...	14,69	17,08	23,69
Ratio of expenses to Premium ...	37.1%	38.8	37.0

Balance Sheet.

Capital ...	...	4,38	4,37	4,37
Life fund ...	...	1,33,29	1,50,37	1,74,06
Outstanding claims ...	...	6,06	4,97	5,68
Other items ...	...	8,77	13,13	14,50
Total ...	...	1,52,50	1,73,49	1,98,61
Gilt-edge securities ...	...	9,88	9,60	10,78
Debentures ...	...	2,37	5,10	5,91
Ordinary shares ...	...	2,72	2,72	2,86
Loans on life policies	...	15,18	17,25	18,82
Loans on mortgages of real properties ...	...	55,13	68,08	67,87
House and landed properties ...	...	34,61	42,30	47,48
Cash ...	...	5,36	7,96	16,87
Other items ...	...	27,25	20,48	28,22
Total ...	...	1,52,50	1,73,49	1,98,61

INDIAN GLOBE INSURANCE CO., LD.

(Established 1929).

Head Office: 28, Apollo Street, Bombay.

The Indian Globe Insurance Company is just 6 years old and for its age is doing good and sound business. As the company pursues a conservative policy in underwriting business, there is no spectacular rise in the business. The accounts for the year 1934 show marked improvement over the figures of 1933 in the general insurance branch. The total premium income of the company for the year under review amounted to Rs. 4.10 lakhs as against Rs. 3.05 lakhs in the previous year.

In the life department the company issued 291 policies during the year assuring a sum of Rs. 9.11 lakhs as against Rs. 10.20 lakhs in 1932. The total premium received amounted to Rs. 1.12 lakhs. The life fund has been substantially increased by a sum of Rs. 25,000 to Rs. 84,000. The expense ratio has been greatly reduced from 70.3 per cent. in 1933 to 62.5 per cent. in 1934.

The total premiums received in the general branches amounted to Rs. 2.19 lakhs showing an increase of Rs. 64,000 compared with the results of the last year. The reserves are kept at Rs. 77,000 or 40.0 per cent. of the premium income. The funds are being gradually increased and we hope that the company will soon build up a suffi-

cient fund both in the life and the general branches.

of the Company is remarkably low at 14.3 per cent.

Life Account

(In thousands of Rs.)

(In thousands of Rs.)

New Business—	1932	1933	1934
No. of policies ...	2,86	8,21	2,91
Amount ...	8,51	10,20	9,11
Premiums on new business ...	50	52	57
Total premiums ...	69	1,07	1,12
Claims ...	4	2	13
Expenses ...	48	59	52
Life fund at beginning of year ...	8	21	59
Life fund at the end of year ...	21	26	84
Ratio of expenses to premium ...	69.5%	55.1%	46.4
General Insurance Account—			
Premiums ...	1,85	1,55	2,19
Claims ...	47	81	61
Expenses ...	89	1,09	1,87
Reserves ...	84	56	77
Ratio of claims to premium ...	84.8%	20%	27.9%
Ratio of expenses to premium ...	65.9%	70.8%	62.5%
Ratio of reserves to premium ...	24.2%	86.1%	40%

Balance Sheet

Liabilities—	(In thousands of Rs.)		
Capital ...	3,02	3,06	3,17
Life fund ...	21	56	84
General Insurance fund ...	84	26	77
Outstanding claims ...	21	12	8
Other liabilities ...	80	1,18	1,82
Total ...	4,58	5,46	6,68

Assets—

Giltedge securities ...	2,45	2,15	2,77
Debentures ...	...	15	15
Cash ...	40	41	25
Other items ...	1,78	9,75	3,51
Total ...	4,58	5,46	6,68

New Business—	1933	1934	1935
No. of Policies ...	5,44	4,74	8,21
Sum Assured ...	7,56	8,16	5,21
Premium income ...	86	89	26
Total premiums ...	7,00	7,08	7,08
Life Fund at the beginning of the year ..	68,23	71,89	75,37
Life Fund at the end of the year ...	71,89	75,37	78,80
Net increase ...	8,16	8,98	8,07
Claims ...	3,53	3,82	5,17
Expenses ...	90	94	1,01
Ratio of expenses to Premiums ...	12.9%	18.4%	14.3%

Balance Sheet.

Liabilities—	1933	1934	1935
Capital ...	1,45	1,45	1,45
Life Assurance Fund	71,89	75,37	78,80
Shareholders' Reserve Fund ...	7,38	8,48	8,64
Claims outstanding ...	1,92	1,94	2,20
Other items ...	34,74	36,73	27,92
Total ...	1,17,38	1,28,97	1,18,51

Assets—

Giltedged securities and bonds ...	1,04,16	1,10,66	1,02,80
Loans on Policies ...	8,60	3,82	4,44
Other Mortgages and Loans ...	1,00	95	3,07
Property ...	6,41	6,19	5,99
Cash ...	47	55	25
Other items ...	1,69	1,80	1,96
Total ...	1,17,38	1,28,97	1,18,51

THE INDIAN MERCANTILE INSURANCE CO., LTD.

(Established 1907)

Head Office: 11, Bank Street, Bombay.

The Indian Mercantile is one of the few old insurance companies doing general insurance business. The Company transacts fire insurance in a modest scale but on a very sound basis. The life department was opened towards the end of April, 1933, and substantial progress has been made even during this short time of one and a half years. The balance sheet is neat and natty and shows the total assets at Rs. 15.19 lakhs.

The net fire premiums after deduction of reinsurance premiums amounted to Rs. 1.07 lakhs and out of this fire losses absorbed only Rs. 6 lakhs or 5.6 per cent. as against Rs. 34 lakhs or 30.0 per cent. and manage-

THE INDIAN LIFE ASSURANCE CO., LTD.

(Established in 1892)

Head Office:—Karachi.

This Company has now been in existence for 44 years and the financial position of the Company is very satisfactory. Below are given details of the position of the Company according to the report and accounts as at 31st May, 1935. The expenses ratio

ment and commission expenses took Rs. 63,000 or 58.9 per cent. The fire fund at the end of the year stands at Rs. 2.40 lakhs or 222.4 per cent. of the premium income.

In the life department 754 proposals amounting to Rs. 12.90 lakhs were received during the year 1935 and of this 724 policies assuring a sum of Rs. 12.45 lakhs were completed. The premiums received amounted to Rs. 94,835. The results are satisfactory when the great competition in the field from old and new companies are considered.

Fire Account.

(In thousands of Rs.)

	1933.	1934.	1935.
Premiums (Net) ...	1,11	1,12	1,07
Claims ...	31	34	6
Expenses ...	60	64	63
Reserves ...	2,25	2,30	2,40
Ratio of claims to Premium ...	27.93%	30.3%	5.6%
Ratio of expenses to Premium ...	54.05%	57.1%	53.9%
Ratio of reserves to Premium ...	202.7%	205.3%	222.4%

Life Account.

(In thousands of Rs.)

	1933.	1934.	1935.
No. of policies ...	2,08	6,56	7,28
Amount assured ...	5,01	11,89	12,45
Premiums ...	21	69	95
Claims ...	Nil	14	6
Expenses ...	21	34	74
Life fund at the end of the year ...	1	5	24

Balance Sheet.

(In thousands of Rs.)

	1933.	1934.	1935.
Liabilities—			
Capital ...	4,28	4,28	4,28
Fire Fund ...	2,25	2,30	2,40
Reserve Funds ...	5,10	5,10	2,50
Outstanding liabilities of Life Assurance Fund ...	25	1,27	1,17
Other liabilities ...	1,70	2,86	4,89
Total ...	18,68	15,81	15,19
Assets—			
Giltedge securities ...	9,00	9,43	5,56
Property ...	3,73	3,73	5,50
Outstanding Premiums and rents ...	41	62	36
Cash ...	14	27	1,95
Other Assets ...	85	1,26	1,82
Total ...	18,68	15,81	15,19

JUPITER GENERAL INSURANCE COMPANY, LTD.

(Established 1919)

Head Office:—BOMBAY.

The turning point in the history of Indian General Insurance Companies is the decision to abandon slowly the American field and concentrate on the domestic business. It is gratifying that the Jupiter has secured increasing business during these years.

The premium income for the year ended 30th June, 1935 shows substantial increases in the Life and Marine branches, while there has been a slight decrease in the fire and accident departments. Only five or six years ago, the Company started life business. And the total new business in 1934-35 was Rs. 14.84 lakhs. At the end of the year, the life fund stood at Rs. 6.25 lakhs. The capital of the Company amounts to Rs. 23.75 lakhs; and the various funds aggregate to Rs. 22.81 lakhs. In the Fire department, the ratio of reserve to premium is 68.5 per cent. The Directors have made further additions to the reserve, far and above the customary 40 per cent., so that the ratio of reserve to premium has come to nearly 70 per cent. In the marine account, the reserve position is strong, the ratio of reserve to premium being 131.53 per cent. against 166.67 per cent. in the previous year. In the accident department, the reserve requires further strengthening. The funds of the Company are invested in giltedge securities or in American securities. A reversionary bonus to participating policies at the rate of 15 per thousand per annum of the sum assured in the case of other classes of policies was declared at the first valuation of the Company. The Managing Agents are Messrs. Lalji Narainji & Co., who have influential connections and are, therefore, in a position to help the Company with large business. The Secretary is Mr. K. S. Ramachandra Iyer, who is well-known in connection with his activities for the consolidation of the Indian insurance companies.

Life Account

(In thousands of Rs.)

	1932-33.	1933-34	1934-35
New Business—			
Number (actual) ...	811	768	794
Amount ...	14,05	14,78	14,84
Premiums on New Business ...	68	86	81

Total Premiums	...	2,44	3,11	3,62
Claims	...	29	1,10	1,09
Expenses	...	98	1,08	1,24
Life fund at the beginning of the year	...	2,11	3,61	4,59
Life fund at the end of year	...	3,61	4,59	6,25
Ratio of expenses to premium	...	40.0%	34.8	39.9

Fire Account.

Premiums	...	14,76	14,04	12,85
Claims	...	6,17	5,72	4,81
Expenses	...	6,52	6,61	7,20
Total Reserves	...	7,50	8,75	8,80
Ratio of claims to premium	...	41.8%	40.7%	37.4%
Ratio of expenses to premium	...	44.2	47.1	40.0
Ratio of reserves to premium	...	50.8%	62.3%	68.5

Marine Account

Premiums	...	1,77	1,32	1,71
Claims	...	79	53	29
Expenses	...	86	76	1,15
Total reserves	...	2,20	2,20	2,26
Ratio of claims to premium	...	44.6	41.7	18.4
Ratio of expenses to Premium	...	48.9	57.6	67.44
Ratio of reserves to premium	...	124.2	166.6	131.58

Accident Account

Premiums	...	1,49	1,51	1,85
Claims	...	97	74	60
Expenses	...	77	80	74
Total reserves	...	1,10	1,10	1,10
Ratio of claims to premiums	...	64.8	49.0	44.9
Ratio of expenses to premiums	...	51.4	53.0	55.0
Ratio of reserves to premiums	...	78.8	72.8	81.7

Balance Sheet.

Liabilities—		1933	1934	1935
Capital	...	23,75	28,75	28,75
Funds—				
Fire	...	7,50	8,75	8,80
Marine	...	2,20	2,20	2,25
Accident	...	1,10	1,10	1,10
Life fund	...	3,61	4,59	6,25
Other funds	...	4,89	4,59	4,41
Total funds	...	18,80	21,28	22,81
Other items	...	15,64	11,48	12,19
Total	...	58,19	56,41	58,75
Assets—				
Investments	...	34,98	36,27	37,66
Branch, agent's and other balances	...	7,68	7,04	7,18
Other items	...	9,86	9,71	11,24
Cash	...	6,17	8,89	2,72
Total	...	58,19	56,41	58,75

Profit and Loss Account

Receipts—				
Brought in	...	9	14	18
Transferred from—				
Fire Account	...	24	43	54
Marine Account	...	15	7	34
Accident Account	...	...	2	8
Interest	...	1,09	1,00	114
Other items	...	80	40	21
Total	...	2,87	206	289

Disbursements—

Amount	...	126	126	126
Allocations	...	43	34	9
Other items	...	54	22	44
Carry forward	...	14	24	60
Total	...	2,37	2,06	289

THE LAKSHMI INSURANCE CO., LD.

(Established 1924)

Head Office: LAHORE.

The "Infant Prodigy," as the Lakshmi is proud of calling itself has continued in its prodigious growth, without reducing its further potentialities. Though much lower in the gradation in point of age, in point of importance generally and the volume of new business in particular, the Lakshmi has now to be reckoned amongst the first ten Indian life offices. During the past 3 years the new business of the company has exceeded the one crore mark and during the year under review the company has shown exceptionally good progress and the life fund at the end of 1934-35 stood at Rs. 59.1 lakhs. The new business completed by the company during the year 1934-35, exceeded Rs. 1.20 crores. Such rapid progress combined with the gradual strengthening of financial resources is indeed unique in the history of Indian Life insurance business.

During the year ending 30th April 1935, the Company received 7,892 proposals amounting to Rs. 1.46 crores and of these 6,708 proposals resulted into policies assuring a sum of Rs. 1.21 crores. The total income during the year amounted to Rs. 23.74 lakhs of which the premium income represented a sum of Rs. 20.86 lakhs. On the outgo side claims by death and maturity took Rs. 3.47 lakhs while management expenses absorbed Rs. 7.10 lakhs. The expense ratio at 34.0 per cent. shows a slight increase compared with that of the previous year. This is indeed remarkable in a year

The Twelfth Triumph

POLICIES ISSUED IN 1935-36

Exceed

ONE CRORE AND FORTY LACS

“A record event in life assurance history, and certainly an unprecedented event in the history of Life Assurance in India”—this is what “The Policy,” the leading Insurance journal of Great Britain, had remarked while commenting on a previous Balance Sheet of the Company.

The amount of business written by the Company, in its *twelfth year* creates yet another land-mark in the history of life assurance in India.

DECENT BONUS - - LOW EXPENSES

It pays to Buy or Sell our Policies.

THE LAKSHMI INSURANCE CO., LTD.

Head Office: “LAKSHMI BUILDING,” Lahore.

Calcutta Branch: “LAKSHMI BUILDING,”
7, Esplanade East.

Other Branches at:

BOMBAY, MADRAS, DELHI, AGRA,
KARACHI, NAGPUR, RAWALPINDI,
SIALKOT and MOMBASA (KENYA).

when the new business of the company has been increased by more than 20 per cent. The life fund at the end of the year stands at Rs. 59.13 showing a considerable increase of Rs. 10.04 lakhs over the last year's amount. The total assets amounting to Rs. 66.64 lakhs are scientifically distributed. Another noteworthy feature of this year is the creation of a general reserve by transferring to it a sum of Rs. 2 lakhs. The management is in the hands of Pandit K. Santanam to whom a great part of the credit for the sturdy growth is due.

(In Thousands of Rs.)

New Business—	1932-33	1933-34	1934-35
Number of policies (actual) ...	4,245	5,592	6,708
Amount assured ...	80.18	1,00.41	1,20.60
New Premiums ...	3.87	4.11	4.81
Total Premiums ...	14.88	17.28	20.86
Claims ...	1.68	2.05	3.47
Expenses ...	4.74	5.68	7.10
Life fund at the beginning of the year ...	29.54	37.94	49.09
Life fund at the end of the year ...	37.94	49.09	59.13
Net increase ...	8.40	11.15	10.04%
Ratio Expenses Premiums ...	33.0%	32.8%	34.0%
Balance Sheet.			
Liabilities—			
Capital ...	1.01	1.01	1.01
Life fund ...	37.94	49.09	59.13
Outstanding claims ...	77	88	1.10
Other items ...	2.29	6.68	5.40
Total ...	42.01	57.61	66.64
Assets—			
Giltedge securities ...	12.49	10.91	23.88
Loans on life policies ...	1.48	2.13	2.75
Other loans and Mortgages ...	17.76	22.91	18.68
House Property ...	2.86	11.44	11.48
Other Assets ...	3.01	4.82	6.97
Cash ...	5.01	5.40	3.88
Total ...	42.01	57.61	66.64

THE METROPOLITAN INSURANCE COMPANY, LTD.

(Established 1930)

Head Office:—28, Pollock St., Calcutta.

Started in the year 1930, the Metropolitan Insurance Company has shown remarkable progress in the matter of procuration of New Business. Even during the first year of its career the new business of the Company amounted to Rs. 40 lakhs nearly;

during the second year ending 31st December, 1932, the new business increased by over Rs. 2½ lakhs and during the 3rd year ending December 31, 1933 it showed a further increase of Rs. 2 lakhs nearly and at the end of 1935 the new business amounted to 68.97 lakhs. The total premium income of the Company in 1935 was Rs. 5.76 lakhs and the sum assured stood at Rs. 68.97 lakhs. The life fund at the end of the year was Rs. 2.77 lakhs after having increased by 1.60 lakhs. The expense ratio at 72.9 per cent. has been reduced by nearly 2.7 per cent. compared to the last year and compares favourably with 84.4 per cent. in 1932. The balance sheet showed a paid up capital of Rs. 100 lakhs, a life fund of Rs. 2.77 lakhs and other liabilities amounting to Rs. 57,000.

(In Thousands of Rs.)

New Business—	1932	1933	1935
Sum assured ...	42.52	44.33	68.97
Total Premiums ...	1.67	2.91	5.76
Life fund at the beginning of the year ...	37	62	1.17
Life fund at the end of the year ...	62	1.17	2.77
Net increase ...	25	55	1.60
Claims ...	8	23	55
Expenses ...	1.41	2.20	8.78
Ratio of Expenses to Premium ...	84.4%	75.6%	72.9%
Balance Sheet.			
Liabilities—			
Capital ...	1.00	1.00	1.00
Life Assurance fund ...	62	1.17	2.77
Claim outstanding ...	8	21	28
Other items ...	40	30	29
Total ...	2.10	2.68	4.84
Assets—			
Investments ...	85	1.33	2.12
Advances ...	38	2	7
Cash ...	17	30	85
Other items ...	70	1.03	180
Total ...	2.10	2.68	4.84

NATIONAL INDIAN LIFE INSURANCE COMPANY

(Established 1907)

Head Office: CALCUTTA.

The plan of headier progress, started in right earnest three years ago, has steadily gathered momentum; and in every way and

by every criterion, the record of growth as disclosed in the 1935 accounts of National Indian Life Insurance Company (Managing Agents: Martin & Company) is gratifying. The current phase of expansion coincides with the regime of Mr. S. P. Bose as Manager; and, consistent with Martin & Co.'s traditions of prudent finance and scientific growth, Mr. Bose has carefully achieved his gains and shrewdly consolidated them, with the result that the balance-sheet of the National Indian makes clean and excellent showing. 3,808 proposals against 3,637 proposals for the assurance of Rs. 61,48,250 against Rs. 57,16,800 were received in 1935; and 2,714 against 2,634 policies assuring the sum of Rs. 43,32,000 against Rs. 36,92,750 were issued, of which Rs. 2,53,000 under 21 policies against Rs. 1,74,000 under 19 policies were re-assured. The increase in business is 17 per cent. over the previous year's figure. The life business transacted in the year under review has so far been the largest sum written by the Company. The total premium income was Rs. 9,07,510 against Rs. 8,43,234 in the previous year and the total income from all sources amounted to Rs. 11,70,301 against Rs. 11,06,907. Rs. 378 only against Rs. 69,678 is due to gain on sale and redemption of securities. Income from interest and dividends was Rs. 2,62,413 against Rs. 2,63,673. The expenses of management have slightly increased to 39.5 per cent. from 38.6 per cent. On the outgo side, claims arose by death on 118 lives under 122 policies securing the sum of Rs. 1,93,078 inclusive of bonus addition against claims by death on 111 lives under 117 policies securing the sum inclusive of bonus addition of Rs. 1,96,947; while 162 policies on 160 lives involving a payment of Rs. 2,59,925 against 182 lives on 182 policies involving the payment of Rs. 3,02,379 matured by survivorship. The Quetta earthquake accounted for Rs. 24,764 under 20 policies. The mortality rate continues to be satisfactory and is proof of the careful selection of lives.

Coming to the balance-sheet, the paid-up capital is unchanged at Rs. 1,00,000. The Reserve is Rs. 21,895 against the same previously and the Life Fund is higher at Rs. 54,85,692 against Rs. 52,50,244. Claims outstanding are Rs. 2,99,847 against Rs. 3,02,102. The total assets are Rs. 60,10,349 against Rs. 57,37,174. Total investments in stock exchange securities are Rs. 36,38,897 against Rs. 34,49,790. Investments in Government of India securities

and Port Trust Debentures amounting to Rs. 29,71,035 show a decline over the figures of the previous year of Rs. 31,72,240 whereas investments in preference shares and debentures of joint stock companies are higher at Rs. 6,67,863 against Rs. 2,77,550. Mortgages on properties in India were Rs. 12,52,762 against Rs. 12,03,783 in the previous year. This departure in the policy of investing funds in preference and debenture shares of joint stock companies is welcome. Despite this departure in the policy, the interest rate realised has fallen to 5.02 per cent. from 5.57 per cent. Policy loans amount to Rs. 7,24,786 against Rs. 7,13,515. The valuation of the Company's assets and liabilities at the end of December 1934 showed a surplus of Rs. 4,39,451. After setting aside Rs. 65,778 to be carried forward and Rs. 37,367 as the shareholders' portion of the surplus, the balance has been allotted to participating policy holders and a bonus of Rs. 12-8 per thousand has been declared. The dividend has been maintained at 12½ per cent. From all of which, it will be seen that the National Indian has sought to combine prudence with enterprise so as to ensure that progress is more rapid but healthy all the time.

Life Account

(In thousands of Rupees)

New Business—	1938	1934	1935
No. of Policies ...	1,727	2,684	2,714
Net sum Assured ...	24,05	86,98	48,82
Net new Premiums ...	1,03	1,57	2,00
Total net Premiums ...	7,65	8,43	9,08
Interest ...	2,45	2,64	2,62
Claims by death ...	1,84	1,97	1,93
Claims by maturities	2,09	8,02	2,60
Commission and Expenses ...	2,80	3,26	3,59
Life Fund at beginning of year ...	41,54	44,98	52,56
Life Fund at year end	44,98	52,50	54,80
Increase in Fund ...	3,44	7,52	2,86
Ratio of expenses to Premium ...	86.6%	88.7%	89.5%

Balance Sheet

Liabilities—	1938	1935
Capital ...	1,00	1,00
Life Fund ...	44,97	52,50
Outstanding Claims ...	1,94	3,02
Other Items ...	1,85	85
Total ...	49,26	60,10

Assets—				
Giltedge	...	11,60	15,04	18,84
Debentures	...	18,92	16,69	17,71
Mortgages and Loans	...	18,91	19,17	20,80
Others shares and investments	...	2,18	2,77	5,84
Cash	...	52	58	65
Outstanding Premium and Interests	...	1,88	3,12	2,77
Total	...	49,26	57,87	60,11

Profit & Loss Account

Receipts—				
Brought in	...	29	23	17
Interest	...	7	7	8
Shareholders' share of valuation Surplus	...	...	..	87
Total	...	36	30	62

Disbursements—

Dividends to Shareholders	...	13	18	18
Carried forward	...	23	17	49
Total	...	36	30	62

NATIONAL INSURANCE COMPANY LIMITED

(Established 1906)

Head Office :—Calcutta.

The report of the sixth quinquennial valuation of the liabilities and assets of the National Insurance Company as on December 31, 1935, which has been just released, shows very satisfactory results. The following tabular statement stresses the all round progress made by the Company during these five years compared with the previous quinquennial valuation periods.

Valuation Period ending with 31st December.

(Amounts in thousands)

	1921	1925	1930	1935
	Rs.	Rs.	Rs.	Rs.
Premium Income	44,71	68,61	1,27,07	2,01,80
Interest Income	9,01	17,05	32,50	46,40
Payment under policies by way of claims, etc.	13,00	22,81	36,85	94,05
New business	2,07,98	2,47,04	5,07,59	7,97,84
Valuation surplus	11	8,40	15,09	25,14
Expense ratio	...	...	27.6%	25.8%

The valuation basis has been further strengthened by adopting a pure net premium basis; and, as a consequence, the percentage of the loading reserved for future expenses and profits has increased to 23.83

per cent. for with-profit policies and to 20.06 for without-profit policies from 20.50 per cent. and 16.67 per cent. reserved in the year 1930 valuation for the respective policies. The interest rate assumed was 4 per cent. and the average net yield realised by the Company during the quinquennium was 4.99 per cent. as against 5.5 per cent. during the preceding quinquennium. The mortality table used was Om (5) of the British Life offices Tables with an addition of 5 years to the age. With all these stringent bases of valuations, the Company was able to release a surplus of Rs. 26.25 lakhs. Of this surplus, Rs. 24.3 lakhs is to be allocated to the policyholders, leaving a balance of Rs. 1.95 lakhs for the shareholders in accordance with the Company's Articles of Association.

This surplus has enabled the Company to distribute a simple reversionary bonus of Rs. 18 per thousand per annum on whole life policies effected at new rates which came into force in 1st January 1935 and a bonus of Rs. 16 per thousand per annum on endowments policies effected at new rates. On policies effected at old rates (that is those effected before 1st January, 1935) the old bonus rates of Rs. 15 per thousand per annum on whole life policies and of Rs. 10 per thousand per annum on endowment policies, are maintained.

The new business secured in 1935, came to Rs. 1.73 crores. The life fund at the beginning of the year was Rs. 2.25 crores and at the end of the year Rs. 2.53 crores. The total assets of the Company are Rs. 2.77 crores.

During the year 1935 the company received 10,360 new proposals for sums aggregating to Rs. 2.14 crores of which 8,215 proposals resulted into policies assuring a sum of Rs. 1.73 crores nearly. This new business shows further steady progress over the previous year with a further increase of Rs. 3.5 lakhs over the 1934 figure. The total premium income for the year amounted to Rs. 47.07 lakhs being an increase of Rs. 2.87 lakhs over the last year's amount. Interest income for the year has appreciated by Rs. 3.04 to Rs. 11.57 lakhs. On the disbursements side claims by death amount to Rs. 9.27 lakhs, matured policies took Rs. 10.6 lakhs, and surrenders paid amounted to Rs. 2.76 lakhs. Management expenses including commission absorbed Rs. 12.14 lakhs or 25.8 per cent. of the premium income. It is noteworthy that the company is gradually reducing its expense ratio. The life fund at Rs. 2.53 crores shows a substantial increase of Rs. 28.2 lakhs.



**FOR
SERVICE
AND SECURITY**

THE NEW INDIA ASSURANCE

COMPANY, LIMITED

Head Office:—BOMBAY

Transacting

**FIRE, LIFE, MARINE, MOTOR CARS,
ACCIDENT, ETC.**

Subscribed Capital	. . .	Rs. 3,56,05,275
Paid-up Capital	. . .	„ 71,21,055
Total Funds	. . .	„ 1,80,89,941

Calcutta Branch:

9, CLIVE STREET

P. O. Box 113 Phone: CAL. 3100

Branches and Agencies throughout the World

The balance sheet of the company as on December 31, 1935, shows on the liabilities side a paid-up capital of Rs. 1 lakh, a life fund of Rs. 2.53 crores, outstanding liabilities of the life assurance fund amounting to Rs. 17.25 lakhs, general reserve fund of Rs. 2 lakhs, mortgage contingency reserve fund of Rs. 1.24 lakhs and a general investment reserve fund of Rs. 12,054. On the assets side, nearly 60 per cent. of the total assets amounting to Rs. 2.45 crores are invested in stock exchange securities. Giltedged securities amount to nearly Rs. 25 lakhs, bonds and debentures amount to Rs. 91.60 lakhs, ordinary shares of joint stock companies account for Rs. 51.31 lakhs, policy loans have absorbed Rs. 36.33 lakhs, mortgage loans stand at Rs. 23.00 lakhs, house properties amount to Rs. 25.61 lakhs and other miscellaneous assets including cash, outstanding premiums, outstanding interest etc. amount to Rs. 18.55 lakhs. The distribution of assets is thus scattered over a wide range and satisfy very well the two canons of maximum yield and absolute safety of the capital invested. The investment policy of the company shows prudence as well as careful and scientific distribution of risks. The securities have been shown in the balance sheet at a value which is nearly Rs. 13 lakhs less than the market price on the date of the balance sheet, the difference constituting a considerable inner reserve.

The National has a subsidiary company, the National Fire and General Insurance Company, for the purpose of transacting fire and accident business. All the capital of the subsidiary company is held by the National. The management of the Company is in the hands of Messrs. R. G. Das and Co., who have considerable business experience at Calcutta and Bombay.

Life Account.

	(In thousands of Rs.)		
New Business—	1938	1934	1935
Number (actual) ...	9,058	8,558	8,215
Amount ...	1,67,15	1,69,58	1,73,06
Premiums on New Business ...	7,80	6,80	7,62
Total premiums ...	40,49	44,20	47,07
Interest and dividends ...	8,88	9,58	11,58
Claims by death ...	6,54	7,18	9,27
Claims by maturity ...	8,14	9,50	10,65
Expenses ...			
Life fund at the beginning of the year ...	11,11	11,67	12,14
Life fund at the end of year ...	1,82,17	2,04,07	2,24,62
Net increase in life fund ...	2,04,07	2,24,62	2,52,84
Ratio of expenses to premium ...	21,90	20,55	28,22
	27.4%	26.4%	25.8%

Balance Sheet.

Liabilities—			
Capital ...	1,00	1,00	1,00
Life fund ...	2,04,07	2,24,62	2,52,84
Other funds ...	16,88	4,04	4,26
Total funds ...	2,20,45	2,28,66	2,57,10
Other items ...	1,60	15,51	18,72
Total ...	2,28,05	2,45,17	2,76,82
Assets—			
Giltedged securities ...	42,67	88,86	24,96
Bonds ...	75,87	90,65	91,60
Ordinary shares ...	14,89	14,19	51,81
Loans on Life policies ...	80,82	81,92	86,83
Other loans and mortgages ...	24,11	28,96	28,06
House property ...	24,52	24,72	25,01
Cash ...	8,91	5,64	5,46
Other items ...	6,76	15,78	18,55
Total ...	2,28,05	2,45,17	2,76,82

Profit and Loss Account.

Receipts—			
Brought in ...	1,13	1,15	1,12
Transferred from Revenue accounts ...	4	4	...
Other items ...	11	8	7
Total ...	1,28	1,27	1,19
Disbursements—			
Dividend rate % ...	12	12	12%
Dividend amount ...	12	12	12
Allocations ...	1	3	76
Transferred to Balance Sheet ...	1,15	1,12	81
Total ...	1,28	1,27	119

NEW INDIA ASSURANCE CO., LTD.

(Established 1919)

The New India is one of stoutest sprouts of the rich crop of new enterprise which the Tatas have raised in this country. As in other spheres, so in insurance, the creation of the Tatas is the biggest. In point of size, in the volume of new business and in paid-up capital, it is the tallest among the Indian insurance companies.

The Company had thus the unique fortune of starting business under most impressive auspices and with most influential connections. The capital of the Company, at the start, was nearly Rs. 1.20 lakhs; but, at a later stage, it was felt that so large a capital was unnecessary and that two-fifths of the amount paid-up on each share should be refunded. The present capital of the New India is, therefore, Rs. 71.21 lakhs; even at this reduced figure, it has the largest paid-up capital of any Indian Insur-

ance Company. Till 1930, the Company was doing every manner of general insurance business but it did not transact life business. A Life Department has since been opened and the Company has been successful in attracting a substantial life insurance business, which shows signs of rapid progress. In the early years, the premium income of the general departments was derived predominantly from the foreign field. But in recent years, the percentage of Indian business to its total business has risen. In the year ending March 31, 1935 the fire premium income amounted to Rs. 35.9 lakhs. The Fire fund stood at Rs. 36.5 lakhs or 101.5 per cent. of the premium income. In the Marine account, premium income totalled Rs. 19.45 lakhs and the Fund stood at Rs. 25.1 lakhs. The ratio of reserve to premium in the Marine section is thus as high as 129.1 per cent. In the Accident Department, there was a premium income of Rs. 6.43 lakhs. Commission and expenses of Management amounted to 37.5% of the premium income and shows a slight rise over the previous year.

The new life business for this year amounts to 6,309 proposals assuring a sum of Rs. 1,41,02,450. Premiums on New business were Rs. 6.60 lakhs as against Rs. 5.48 lakhs in 1934 and Rs. 4.64 lakhs in 1933. The total premium income has risen by Rs. 5.68 lakhs to Rs. 20.53 lakhs. The life fund has increased considerably during the year from Rs. 15.45 lakhs to Rs. 26.34 lakhs showing an increase of Rs. 10.89 lakhs or an increase of 70%. The expense ratio has been further lowered to 39.7 per cent. from 47.0 per cent. in 1934. The increase in the Life Fund and the reduction in the expenses ratio are both phenomenal and must be very effective in stimulating the growth of new business in the Life Department. The reserve in this department stands at the satisfactory figure of 95.3 per cent. of premium income 100.7 as against 95.3 per cent. last year. The dividend declared was at the rate Rs. 1-4 per share or 8.3%. The shareholders of the Company, who had a pleasant surprise four years ago of getting a refund of Rs. 10 per share, can now have the satisfaction of having their funds invested in a company whose dividend earning capacity is progressively increasing. The total available balance of the Company was Rs. 8.31 lakhs of which a dividend of Rs. 1-4 per share or 8.3% was paid to the shareholder absorbing Rs. 5.93 lakhs and leaving a

balance of Rs. 2.38 to be carried forward to the next year.

Fire Account.

		(In thousands of Rupees)		
		1933	1934	1935
Premium	...	44,88	84,79	85,92
Claims	...	...	...	16,91
Reserve at 40%	of			
Premium	...	17,75	18,92	14,87
Additional reserve	..	17,65	20,85	22,10
Total reserve	...	85,40	84,27	86,47
Ratio of claims	to			
Premium	...	58.1%	56.8%	47.8%
Ratio of expenses	to			
Premium	...	41.8%	45.1%	44.2%
Ratio of reserves	to			
Premium	...	79.8%	98.5%	101.5

Marine Account.

Premiums	...	20,71	19,86	19,45
Claims	...	16,98	14,66	16,23
Expenses	...	3,38	8,43	1,42
Total reserves	...	23,50	24,80	25,10
Ratio of claims	to			
Premium	...	82.0%	75.7%	88.4%
Ratio of expenses	to			
Premium	...	16.1%	17.7%	19.4%
Ratio of reserves	to			
Premium	...	118.5%	128.1%	129.1%

Accident Account.

Premiums	...	5,18	5,42	6,48
Claims	...	2,58	1,95	2,68
Expenses	...	2,14	2,05	80
Reserve at 40%	of			
Premium	...	2,88	2,17	2,57
Additional reserves	...	2,00	8,00	8,90
Total reserves	...	4,57	5,17	6,47
Ratio of claims	to			
Premiums	...	49.8%	86.0%	41.7%
Ratio of expenses	of			
Premiums	...	41.4%	87.8%	87.5%
Ratio of reserves	to			
Premium	...	88.2%	95.8%	100.7%

Life Account.

		1933	1934	1935
New Business—				
Number of policies	...	5,015	5,390	6,309
Amount assured	...	1,05,22	1,11,67	1,41,02
Premium on new business	...	4,64	5,48	6,60
Total premiums	...	10,84	14,85	20,53
Claims by Death	...	124	124	2,11
Expenses	...	5,34	6,96	8,15
Life Fund at beginning of year	...	4,14	8,68	15,45
Life Fund at year-end	...	8,68	15,45	26,34
Net increase in funds	...	4,54	6,77	10,89
Ratio of expenses to Premium	...	49.3%	47.0%	89.7%

Balance Sheet.

Liabilities—				
Capital	...	71,21	71,21	71,21
Fire Fund	...	35,40	34,27	36,46
Marine Fund	...	23,50	24,80	25,10
Accident Fund	...	4,57	5,17	6,47
Life Fund	...	8,68	15,45	26,34
Reserve Funds	...	6,30	7,26	7,32
Amounts due to other Companies	...	3,57	88	3,03
Outstanding claims	...	3,97	7,70	500
Other Liabilities	...	19,06	18,85	22,26
Total	...	1,76,26	1,85,59	2,03,19
Assets—				
Giltedge Securities	...	94,87	1,03,87	1,00,87
Debentures and Preference Shares	...	8,55	8,36	16,72
U. S. A. Investments	...	21,02	22,23	15,48
Agency and branch Balances	...	11,19	1,59	1,77
Cash	...	18,73	12,44	10,82
Life assets	...	...	21,02	32,85
Other Assets	...	21,90	16,08	24,68
Total	...	1,76,26	1,85,59	2,03,19

Profit and Loss Account.

Receipts—				
Brought in	...	2,01	2,03	2,15
Transferred from Fire account	...	1,05	1,78	2,28
Accident Account	...	45	1,01	24
Marine Account	...	69	88	12
Interest, etc.	...	4,22	4,22	4,26
Other receipts	...	9	19	26
Total	...	8,51	10,11	9,31
Disbursements—				
Dividend rate %	...	7.5%	7.92%	8.8%
Dividend amount	...	5,34	5,64	5,93
Allocations	...	...	1,79	32
Other items	...	1,14	58	68
Carried forward	...	2,03	2,16	2,38
Total	...	8,51	10,11	9,31

ORIENTAL GOVERNMENT SECURITY LIFE ASSURANCE CO., LTD.

(Established 1874).

Head Office: BOMBAY.

The balance sheet for the year ended December, 1935, of the giant among Indian Insurance Companies, the Oriental Government Security Life Assurance Company, shows the unimpeded onward march of the company to greater and greater glory. This Company is in a class by itself and comparisons have to be made only on its own figures.

During the year 1935, 68,823 new proposals against 60,218 proposals in the previous year were received for assurances amounting to Rs. 12,36,01,476 against Rs. 10,68,78,788. 48,858 policies against 42,378 policies were issued for sums amounting to Rs. 8,89,89,149 against against Rs. 7,62,42,761. There is an increase of 6,480 policies and over Rs. 127 lakhs in sums assured on the figures of the previous year. Both of these are new records for the Company. Considerations received for annuities amounted to Rs. 1,44,888. The total number of policies in force at the end of the year were 2,90,762 assuring, with bonus additions and increases under Triple Benefit Policies, the sum of Rs. 59,25,32,038 of which Rs. 26,92,815 was reassured. The total premium income was Rs. 2,66,21,195 against Rs. 2,39,48,173 or an increase of Rs. 26,73,022. Income from interest was Rs. 76,98,011 against Rs. 71,52,191. Total income amounted to Rs. 3,49,16,412 against Rs. 3,14,01,970. On the disbursements side, claims by death amounted to Rs. 55,68,280 against Rs. 49,44,823 in the previous year. The mortality rate was slightly higher at 54.2 per cent. against 52.1 per cent. Claims by maturities amounted to Rs. 57,64,760 against Rs. 53,05,130. Surrenders amounted to Rs. 12,68,808 against Rs. 11,08,471. Life Fund amounted to Rs. 16,62,22,118 against Rs. 15,14,65,254. The total funds at the end of the year were Rs. 17,01,62,491 against Rs. 15,53,88,843. Loans on policies amounted to Rs. 1,89,54,612 against Rs. 1,72,20,964. The aggregate par value of investments is Rs. 18,45,46,537 against Rs. 17,21,71,471 but the book value is Rs. 14,37,18,205 against Rs. 13,14,61,243. The difference between the aggregate book values and the aggregate market values of the investments in stock exchange securities amounted as at 31st December last to Rs. 402 lakhs. The Company's investments in Stock Exchange Securities made prior to 1934 continue to remain valued in the books on the basis of Gross Interest yield of 5 per cent. per annum and those purchased subsequently are shown at cost price or under, no security having been taken credit for at above par. The average rate of interest realised during the year was 4.96 per cent. as compared with 5.04 per cent. previously. This should be regarded as highly satisfactory in view of the low yield obtainable on securities. The total assets amounted to Rs. 17,62,73,814 against Rs. 16,12,99,882. The dividend was maintained at Rs. 125 per share.

Amongst life offices, the Oriental is steadily forging ahead to world status, so impressive are its figures, and so high the standard judged by every canon of insurance. This achievement is all the more notable, as it has relied, unlike other institutions of world status, mainly on the business of one country. In relation to domestic enterprises, the Oriental is not only a modern life company, but a model for all joint stock companies.

(In thousand of Rs.)

	1933	1934	1935
New Business—			
Number actual	38,191	42,378	48,858
Amount ...	7,04,26	7,62,43	8,89,69
Premium on			
New Business	33,54	36,69	43,64
Total Premium	2,18,61	2,39,48	2,66,21
Interest ...	65,88	71,52	76,98
Claims—			
By Death ...	44,27	49,45	55,68
By Maturity ...	46,53	53,05	57,65
Total ...	90,80	102,50	113,33
Commission and expenses ...	47,32	55,28	59,62
Life Fund—			
(a) At beginning of the year	12,09,77	13,91,46	15,14,65
(b) At the end of the year ...	13,91,46	15,14,65	16,62,22
Increase in Funds ...	1,81,69	1,23,19	1,47,57
Ratio of expenses to premiums ...	21.6%	28.0%	22.4%

Balance Sheet.

Liabilities—			
Capital ...	6,00	6,00	6,00
Life Assurance Fund ...	18,91,46	15,14,65	16,62,22
Investment Reserve Fund ...	25,00	25,00	25,00
Contingencies			
Reserve Fund	5,51	5,99	5,99
Building Fund...	2,07	2,25	2,41
Total Funds ...	14,30,04	15,53,89	17,01,62
Other items ...	40,79	53,11	55,12
Total ...	14,76,83	16,18,00	17,62,74
Assets—			
Giltedge ...	10,37,00	11,73,27	12,94,68
Bonds ...	1,65,77	1,41,84	1,42,54
Policy Loan ...	1,60,06	1,12,71	1,89,55
House Property	46,21	47,87	48,41
Other items ...	55,54	52,88	70,70
Cash ...	12,25	15,48	16,86
Total ...	12,76,83	16,18,00	17,62,74

TRITON INSURANCE.

The Triton Insurance Company, unique in its own sphere, unique not only in the annals of Indian insurance but in the annals

of world insurance,, has had another very successful year in 1935. The balance sheet for the year ended December 31, 1935, just now issued, reveals the extremely—we would say, extravagantly—sound financial position of the Company.

On a comparison of 1935 accounts with those of earlier years, it is found that while the premium income suffered a slight setback in 1931, the upward trend manifest since then has been consistently maintained. The net premium income for 1935 was Rs. 8,02,893 as compared with Rs. 7,25,190 in the previous year. The following figures show the progress in premium income :—

	Net Premium Income		
	Rs.		
1931	6,91,161
1932	6,51,811
1933	6,56,797
1934	7,25,190
1935	8,02,893

The total reserves amount to Rs. 39,46,071. The reserves are made up as under :

	Rs.
General Reserve for exceptional losses...	26,75,000
General Reserve Fund ...	4,50,000
Accident Reserve Fund ...	1,00,000
Underwriting Suspense Account ...	4,21,071
Reserve against depreciation of investments ...	8,00,000
Total ...	39,46,071

These are the published and disclosed reserves. There are vast inner reserves in the way of considerable appreciation in the value of the holding in government securities. It will thus be seen that the reserves, actual and potential, are five to six times the premium income of 1935. To our knowledge, no other general insurance company in the word has a reserve position so strong. Such changes as have been made in the reserves in recent years have pertained to Underwriting Suspense Account. For some years prior to 1932, no allocations were made to this account ; and claims unsettled and outstanding at the end of the year were paid out of this account. By 1933, however, it was felt that the Fund had become depleted below the level necessary to provide the requisite reserve for unexpired risks. As a result, appropriations have been set apart for the Underwriting Suspense Account, being Rs. 30,000 in 1933 and Rs. 1 lakh in the past two years. The Underwriting Suspense Account at Rs. 4,21,071 at

1935-end compares with Rs. 3,13,002 in 1933. The dividend is maintained at 40 per cent. and Rs. 69,286 against Rs. 77,632 is carried forward.

THE UNITED INDIA LIFE INSURANCE CO., LTD.

(Established 1906).

Head Office: MADRAS.

Revenue Account.

(In thousands of Rs.)

	1933	1934	1935
Premiums ...	6,57	7,25	8,08
Claims ...	2,39	2,36	3,15
Expenses ...	3,38	3,65	3,64
Reserve Funds ...	82,25	85,25	82,25
Ratio of Claims to Premiums ...	36.4%	32.5%	39.2%
Ratio of Expenses to Premiums ...	51.5%	50.5%	45.3%
Ratio of Reserves to Premiums ...	491%	486%	401.6%

Balance Sheet

Liabilities—

Capital ...	5,75	5,75	5,75
General Reserve Fund for exceptional losses ...	26,75	26,75	26,75
Other Reserve Fund ...	8,50	8,50	8,50
Underwriting Suspense Account ...	3,18	3,65	4,21
Debts due by the Company ...	2,10	3,17	3,48
Other items ...	3,27	3,08	2,99
Total ...	49,50	50,90	51,68

Assets—

Giltedge ...	46,56	46,86	47,28
Debts due to the Company ...	1,67	2,55	2,73
Cash ...	60	67	1,02
Other assets ...	67	83	65
Total ...	49,50	50,90	51,68

Profit and Loss Account.

Receipts—

Brought forward ...	95	97	78
Interests, etc. ...	...	...	...
Transferred from understanding a/c ...	3,01	3,44	3,45
Total ...	3,96	4,41	4,23

Disbursements—

Dividend ...	2,80	2,80	2,80
Dividend Rate ...	40%	40%	40%
Allocation ...	69	1,38	1,24
Carry forward ...	97	78	69
Total ...	3,96	4,41	4,23

While Northern India and the Western Presidency have any number of indigenous life insurance offices, South India, till a few years ago, had only one life office of its own; but it had the satisfaction that the institution was a model and pattern of what a life insurance company should be. Those who have been in charge of the United India have, from the beginning, been guided by most wholesome insurance principles. They built the institution, brick by brick, with extreme care and with the thought that in each little part, the edifice should be sound and strong. Its investment policy has been most scientific; and there are no dud assets of any kind. There was a change in the plan of management of the Company a few years ago. And the new management coincided with the redrafting of the constitution of the Company on a basis which may well serve as the model for the Indian life offices. We believe that the Articles of Association of the United India are as near perfection as human ingenuity could make them. The policy-holders have a good voice in the directorate; and their interests are completely secured and guaranteed by the creation of the policy-holders' Trust Fund. The management is in the capable hands of Mr. M. K. Srinivasan. The life fund at the end of 1935 amounted to 63.31 lakhs; and there was an investment reserve fund of Rs. 5.8 lakhs. The new business of the Company is round about Rs. 86 lakhs; and great vigilance is exercised in the selection of risks. The ratio of expenses has increased from 26 per cent. in 1930 to 32.8 per cent. in 1931, 32.5 per cent. in 1933, 33.0 per cent. in 1934 and 33.9 per cent. in 1935. The valuation of the last quinquennium made as on 31st December, 1932 disclosed a surplus of Rs. 6.1 lakhs, and bonuses on a liberal scale have been declared, viz., Rs. 22-8 per Rs. 1,000 on Whole Life, and Rs. 18 per 1,000 on Endowment Policies.

(In thousands of Rs.)

New Business—

	1933.	1934.	1935.
Number ...	4,774	5,477	5,960
Amount ...	66,41	79,76	85,89
New Premiums ...	3,00	3,82	4,36
Total Premiums ...	12,76	15,75	18,71
Claims ...	3,43	3,95	4,86
Commission and Expenses ...	4,15	5,20	6,34

Life Fund at the beginning of the year ...	42,36	47,65	54,86
Life Fund at end of the year ...	47,65	54,86	63,81
Net increase in the Fund ...	5,29	7,21	10,45
Ratio of Expenses to Premium ...	32.5%	33.0%	33.91

Balance Sheet.

Liabilities—

Capital ...	79	79	80
Life Fund ...	47,65	54,86	63,81
Investment Reserve Fund ...	5,92	5,91	5,79
Outstanding Claims ...	1,84	2,01	2,64
General Fund ...	48	59	5
Other items ...	3,29	4,21	5,11
Total ...	59,92	68,37	77,70

Assets—

Giltedge Securities	29,53	25,17	25,44
Debentures and Preference Shares ...	1,21	1,21	1,21
Equity Shares ...	41	70	1,83
Fixed Deposits ...	8,30	14,75	14,00
Loans on Life Policies ...	6,96	8,96	10,89
Other Loans and Mortgages ...	5,12	8,74	12,07
House Properties ...	...	2,49	8,95
Other Assets ...	5,80	4,94	6,05
Cash ...	2,59	1,41	2,26
Total ...	59,92	68,37	77,70

WESTERN INDIA LIFE.

(Established—1913)

Head Office: SATARA CITY.

The annual report and accounts of the Western India Life Assurance Company for the year ending December 31, 1935, reveal yet another year of all-round progress. Very few Indian life offices (whose number can be counted on the finger tips) can stand all the tests of a good life office; and surely, Western India Life is one of them. Its financial position, (with an investment reserve of Rs. 11½ lakhs by way of appreciation in market values of stock exchange securities over their book values) is second to that of no other Indian concern; for its age, its expense ratio of 24 per cent. compares very favourably with those of much older companies; and its investment policy is unquestionably sound. The Company has been able to obtain an yield of 5.45 per cent. during the year under review by a very judicious and cautious distribution of the absolute safety of its capital. The new

its assets, without in any way impairing business of the Company, at Rs. 51 3 lakhs shows a marked improvement of 28 per cent. over the previous year's figure.

During the year 1935, the Company received 5,531 proposals for Rs. 68 lakhs, of which 4,695 resulted into policies assuring a sum of Rs. 51.3 lakhs. The total business in force at the end of the year exceeded Rs. 2.70 crores. The total premium income of the year amounted to Rs. 13.63 lakhs, representing an increase of Rs. 2 lakhs over the previous year's figure, while interest and dividends fetched Rs. 2.98 lakhs net, working out a satisfactory yield of 5.45 per cent. On the expenditure side, claims by death and maturity amounted to Rs. 2.65 lakhs, while surrenders took Rs. 67,000. Management expenses, including commission, absorbed Rs. 3.30 lakhs, working out to an expense ratio of 24.18 per cent., which (though representing a slight increase over last year's figure of 23.8 per cent.) should be considered extremely satisfactory, considering the large increase in the Company's new business. But the expense ratio for the triennium, as a whole, ending 31st December, 1935, at 23.9 per cent. is one per cent. less than the ratio of the previous triennium ending 1932. The Life Assurance fund at the end of the year has been increased by the substantial amount of Rs. 9½ lakhs nearly, to Rs. 60.43 lakhs.

The balance sheet of the Company as on December 31, 1935, shows, on the liabilities side, a paid up capital of Rs. 68,000, a life fund of Rs. 60.42 lakhs, various reserve funds amounting to Rs. 6.41 lakhs, outstanding claims of Rs. 1.22 lakhs and other liabilities amounting to Rs. 1.97 lakhs. On the assets side, stock exchange securities amount to Rs. 60.77 lakhs or 85 per cent. of the total assets of Rs. 71.71 lakhs. Of this, government securities represent only Rs. 6 lakhs, while municipal and improvement trust securities amount to Rs. 12 lakhs. Debentures and preference shares of railways amount to Rs. 33.34 lakhs and debentures and preference shares of public utility concerns amount to Rs. 9.42 lakhs. Chief among the other items of assets are policy loans amounting to Rs. 6.49 lakhs, other secured loans to the extent of Rs. 1.08 lakhs, house property amounting to Rs. 44,000 and cash amounting to Rs. 75,000.

The market value of the stock exchange securities, as on the balance sheet date, has risen to Rs. 72.52 lakhs, though credit for them is taken in the balance sheet only at

their cost price of Rs. 60.77 lakhs, thereby creating a substantial hidden reserve of Rs. 11½ lakhs.

Zenith has made steady progress during the past decade.

In Thousands of Rs.)

New Business—	1933	1934	1935
Number	8,259	8,616	4,695
Amount	37,49	40,52	51,80
New Premiums	1,78	1,84	2,41
Total Premiums	10,51	11,65	13,64
Claims	2,26	2,20	2,65
Expenses and Commission	2,50	2,77	3,80
Life fund at the beginning of the year	85,19	42,32	50,99
Life fund at the end of the year...	42,82	50,99	60,43
Net increase in fund	7,18	8,67	9,44
Ratio of Expenses to Premiums	23.8%	23.8%	24.2%

Balance Sheet

Liabilities—			
Capital	68	68	68
Life fund	41,97	50,99	60,43
Reserve funds	5,86	5,82	6,41
Outstanding claims	1,69	1,46	1,22
Other liabilities	3,22	2,74	2,97
Total	58,42	61,69	71,71
Assets—			
Investment	45,65	58,81	60,77
Loans on policies	8,95	4,75	6,49
Other loans and mortgages	28	81	1,08
House Property	29	15	44
Other assets	8,25	2,67	2,93
Total	58,42	61,69	71,71

ZENITH LIFE ASSURANCE CO., LTD.

Very satisfactory results are disclosed by the annual accounts and balance sheet of the Zenith Life Assurance Company for the year ending December 31, 1935. Among the smaller Indian companies, it enjoys a good financial position; and is conducted on sound lines. It owes much of its popularity to the numerous novel schemes of policies, such as the Peerless Policy, Everyman's Policy and Swaraj Policy, introduced to suit specially the requirements of Indian policyholders. As the following tabular statements will show, the

Year	No. of Policies issued during the year	Sum assured during the year	Premium Income	Life Assurance funds	Asset
		Rs.	Rs.	Rs.	Rs.
1926	520	9,66,000	1,74,332	3,11,088	3,98,747
1929	1,000	19,45,760	3,44,554	5,45,710	6,86,751
1932	1,193	23,84,500	4,43,575	9,82,576	11,38,283
1933	1,483	27,65,000	4,91,622	11,42,812	13,14,042
1934	1,508	29,37,250	5,32,195	13,51,974	15,59,010
1935	1,902	33,79,050	6,02,626	14,87,525	17,59,838

During 1935, 2,269 new proposals against 1,873 new proposals in the previous year were received. 1,902 proposals against 1,508 were effected into policies and the total sums assured were Rs. 33,79,050 against Rs. 29,37,250. The premium income was Rs. 6,65,156 against Rs. 5,91,450. On the disbursements side, claims by death amounted to Rs. 1,01,392 against Rs. 74,795 and those by maturities to Rs. 95,033 as against Rs. 25,916. There has been an increase of Rs. 95,663 over the payments for 1934 owing to a greater number of policies maturing during the year. Surrenders were Rs. 10,303 against Rs. 18,066. Owing to expansion of the new business of the Company, management expenses have rather increased and the expense ratio stands at 48.5 per cent. against 40.9 per cent. in the previous year.

Coming to the balance sheet, the paid-up capital is Rs. 50,000. Life Assurance Fund at the end of the year was Rs. 14,87,525 against Rs. 13,51,974 at the beginning of the year. Investment Reserve Fund was Rs. 60,641 against Rs. 64,774 and Reserve Fund Rs. 12,567 against the same amount. Investments amounted to Rs. 14,45,325 against Rs. 10,56,577. As the Articles of Association provide for the investment of surplus funds only in Government of India and Trustee securities, it was found necessary to amend the Memorandum and Articles of Association of the Company. This has been done the necessary sanction of the High Court, having been obtained. The value of stock exchange securities is lower at Rs. 11,85,825 against Rs. 12,94,986 and loans on policies are Rs. 1,30,576 against Rs. 1,12,713. There is Rs. 2,50,000 as call money with bank against nothing previously; and, possibly, part of this amount has been utilised for the payment of the purchase price of the Bombay property.

ZENITH LIFE
 SAFETY FIRST
ASSURANCE
 CLEAN SERVICE
COMPANY LTD
 JUST-FAIR
OF BOMBAY
 DEPENDABLE

THE GUARDIAN OF INDIA INSURANCE CO., LTD.

A Brilliant Record of Work during the First Year

The Company commenced Business on	...	3rd October, 1934
First Policy was Issued on	...	3rd November, 1934

CAPITAL

Authorized	...	Rs. 5,00,000
Subscribed	...	„ 3,52,500
Paid-up	...	„ 1,00,500

BUSINESS

Proposals Secured during the First Year (i. e., upto 31st Dec., 1935)	Rs. 46 Lakhs (nearly).
Business Completed	Rs. 34 Lakhs (nearly).

The New Business secured and completed by the Company during the first year of its working is a very rare record in the whole of India.

A Policy in this progressive Life Office is an excellent asset and its Agency means a good career with chances of advancement to capable workers.

Full particulars regarding Assurances and regarding Agency Terms can be had on application to the Head Office of the Company.

Head Office :

11, MOUNT ROAD
 POST BOX No. 361
 MADRAS

N. NARAYANAN

Manager

The management has been run on good lines hitherto. The year 1935 has been one of good progress and with the liberalising in the policy of investment but with continuing caution, the Company is bound to record speedier progress.

(In thousands of Rs.)

	1933	1934	1935
New Business—			
No. of Policies ...	1,488	1,508	1,902
Sum Assured ...	27,65	29,87	83,79
Premium on new business ...	1,21	1,19	1,89
Total Premium ...	4,88	5,32	6,03
Claims by death ...	80	75	1,01
Claims by maturities ...	81	26	95
Commission and Expenses ...	2,65	2,64	3,02
Life Fund at beginning of year ...	9,89	11,43	18,52
Life Fund at year-end ...	11,43	18,52	14,88
Increase ...	1,60	2,09	1,86
Ratio of Expenses to Premium ...	54.8%	49.6%	50.1%

Balance Sheet

Liabilities—			
Capital ...	50	50	50
Life Fund ...	11,43	18,52	14,88
Reserve Funds ...	13	77	73
Outstanding Liabilities and Claims ...	99	99	1,88
Premiums Deposits... ..	10	11	11
Total ...	18,15	15,89	17,60
Assets—			
Giltedge ...	10,56	12,95	11,86
Loans on Policies ...	96	1,18	1,81
Cash ...	53	53	8,10
Other items ...	1,10	1,28	1,83
Total ...	18,15	15,89	17,60

GUARDIAN OF INDIA INSURANCE COMPANY LIMITED.

Head Office: Madras.

Until recently, South India could boast of very few insurance companies. By the end of 1925, there were only ten insurance companies constituted in South India, and even of these, only two or three were doing business to any appreciable extent. It is during the last decade that South India has realised the immense scope and possibilities of well-constituted and well-manag-

ed insurance companies; and in this comparatively short period of ten years, no fewer than 19 insurance companies have been started in the Madras Presidency. Of these companies, Guardian of India holds promise of an eminently successful career. Constituted in September, 1934, its achievement during the first working period ending 31st December, 1935 in respect of procurement of new business, is remarkably good. During its first working period of fifteen months, the Company has issued 2,340 policies, assuring a sum of Rs. 33½ lakhs; and this, we understand, is the second best record among all the 179 Indian life offices. This splendid result is particularly noteworthy as this was achieved in the midst of keen competition for business with other Indian and Foreign companies much older and stronger than itself. And this is conclusive token of the confidence reposed in the Company by the public, and augurs well for its future.

The Company commenced business on 3rd October 1934; and, during the period under review, it received 3,221 proposals for a sum of Rs. 45.84 lakhs, of which 2,340 proposals resulted into policies assuring a sum of Rs. 33.53 lakhs. The total premium received during the year amounted to Rs. 1.47 lakhs, while income from other sources totalled Rs. 2,000. On the disbursements side, claims by death absorbed Rs. 3,000, while management expenses took Rs. 1.26 lakhs, working out to an expense ratio of about 84 per cent which should be considered extremely satisfactory for a new company. It is gratifying to note that the Company has written off, even in its first account, a sum of Rs. 4,000 from its total organization and preliminary expenses amounting to Rs. 32,000. A life fund of Rs. 15,619 has been created at the end of the year.

The balance sheet shows, on the liabilities side, a paid-up capital of Rs. 1,00,500, a life fund of Rs. 15,619 and other liabilities amounting to Rs. 24,900. On the assets side, giltedged securities account for Rs. 44,000 out of the total assets of Rs. 1.41 lakhs, cash in hand and at bank amounts to Rs. 42,000; and other miscellaneous assets amount to Rs. 27,000, while a sum of Rs. 28,000 representing organisation and preliminary expenses is shown as assets after deducting Rs. 4,000 written off during the year. The revenue account and balance sheet make good showing in every respect, and leave nothing to be desired. All credit goes to the management which is fully supported by the executive heads of

MODERNIZE YOUR INSURANCES

Old Fire Insurance Policies
may be defective and in need
of revision.

A "CONCORD" Quotation
costs nothing and may save
you a deal of inconvenience
and lots of Rupees.

THE
CONCORD OF INDIA INSURANCE
COMPANY, LIMITED

8, CLIVE ROW, CALCUTTA

Telephone: CALCUTTA 5286

two powerful South Indian Banks namely, the Quilon Bank and the Travancore National Bank with their extensive ramifications of branches numbering over sixty. We are sure that this infant is assured of vigorous and even precocious growth under the able guidance of Messrs. K. C. Mammen Mapillai and C. P. Matthen and the full backing up of the Quilon and the Travancore National Banks. Another noteworthy point which need to be mentioned here is the very prompt and quick closing of accounts by the Company. An asset, which does not appear on the right hand side of the balance-sheet and which, in our view, has more than published figures, is the entrusting of the management to Mr. N. Narayanan, who represents everything that is trusty competent and confidence-inspiring. It is very rarely that, in India, the audited and printed accounts of any company, particularly insurance companies, are ready for the annual general meeting within two months of the year closing. When even the new business figures of many old established Indian insurance offices are not published, the Guardian of India has published its accounts and balance-sheet of its first working period ending 31st December, 1935. We wish that even older companies emulate the example set by this new concern.

Assets**Life Account.**

In thousands
of Rupees.
1935

New Business—			
Number of Policies	...	...	23,40
Amount Assured	...	...	33,52
Total Premiums	...	...	1,47
Claims	...	...	3
Expenses	...	...	1,26
Life fund at the end of the year	...	...	16
Expense ratio	...	...	85.7

Balance Sheet.

Liabilities—			
Paid-up Capital	...	...	100.5
Life Fund	...	...	15.6
Other Liabilities	...	...	24.9
		Total	141.0

Assets—

Giltedge Securities	...	...	43.8
Preliminary Organisation Expenses	...	...	7.6
Cash on hand and at bank	...	...	42.7
Other Assets	...	...	46.9
		Total	141.0

CONCORD OF INDIA

Head Office: CALCUTTA.

Established only four years ago at Calcutta with a paid-up capital of Rs. 3 lakhs, the Concord of India Insurance

Company is progressing rapidly under the able management of Messrs. Andrew Yule & Co., the pre-eminent firm of managing agents. The Concord of India transacts fire, accident and marine insurance; and it should be said that it is transacting good business in these lines, considering its age and considering the fact that nearly three-fourths of the total Indian general insurance business goes to the credit of British and other foreign insurance companies. It is noteworthy that, in spite of good profits and surplus being shown in the transaction of its business, the Company has not, so far, declared any dividend on its share capital, but is bent upon improving its reserve position which, at the end of the year 1935, is kept at 75 per cent. of the premium income in all its branches. Out of a total available sum of Rs. 1.59 lakhs in the profit and loss account, including the substantial (considering the volume of fire business transacted) transfer of Rs. 1.24 lakhs from the fire account and a sum of Rs. 19,171 brought forward from last year's account, a general reserve fund of Rs. 80,000 has been newly created, the accident fund has been reimbursed by the considerable sum of Rs. 29,773 and a big amount of Rs. 20,894 is carried forward unappropriated to the next year's account. This clearly shows that the management attaches prime importance to strengthening the financial stability of the Company.

The net fire premiums received during the year under review, after deducting all reinsurance premiums, amounted to Rs. 2,33,981. Fire losses, paid and outstanding, amounted to Rs. 89,613, representing a loss ratio of 26.8 per cent. Management expenses and commission absorbed Rs. 1,81,345, working out to an expense ratio of 54 per cent. A portion of the fire fund at the beginning of the year, amounting to Rs. 61,000 nearly, has been released at the end of the year owing to the fall in the premium income, and the total reserves at the end of the year are kept at Rs. 2,50,486 or 75 per cent of the premium income. A handsome amount of Rs. 1,24,033 is transferred from the fire account to the profit and loss account. The accident account of the Company shows a premium income of Rs. 72,186; losses paid and outstanding amounted to Rs. 47,529, representing a rather heavy claims ratio of 65.8 per cent.; while management expenses and commission absorbed Rs. 27,578, or 38 per cent. of the premium income. This account has revealed a loss owing to the heavy claims paid and it has received a contribution of

Rs. 29,773 from the profit and loss account. The total reserves at the end of the year, at Rs. 54,140, have been nearly doubled during the year and amounted to 75 per cent. of the premium income.

The marine account reveals a modest premium income of Rs. 9,481, claims paid and outstanding amount to Rs. 3,451, or 36.6 per cent., and expenses to Rs. 279. The marine fund at the end of the year stands at Rs. 7,110, or 75 per cent. of the current premia. Profit of the department, transferred to profit and loss account, amount to the comparatively big sum of Rs. 4,555.

The balance sheet of the Company, as on December 31, 1935, shows, on the liabilities side, a paid-up capital of Rs. 3 lakhs; the funds of the three departments, as stated previously; a reserve fund of Rs. 80,000; a balance of Rs. 20,894 in the profit and loss account and other miscellaneous liabilities amounting to Rs. 2,01,853. On the assets side, government securities account for nearly 50 per cent. (Rs. 4,48,445) of the total assets amounting to Rs. 9,14,482, and cash and deposits with ceding companies and fire associations amount to Rs. 96,217. Amounts due by other companies for reinsurances are represented by a sum of Rs. 1,04,267, while sundry debtors account for Rs. 2,55,625. This last item seems to be a pretty big sum; and it would be better if the Company had given details of the same. The investments are all shown at cost price, and their market price stands at a considerably higher figure, which is a hidden source of strength to the Company. The reserve ratio of the various departments are exceptionally good for a company of its age, and we are sure the management will increase it to a higher level in the next few years. The Company has a keen desire to expand rapidly; and its recent choice of two eminent bankers of South India, Messrs. C. P. Matthen and K. C. Mammen Mappillai, as new recruits to their Board, is sure to make this progressive company popular in the Southern Presidency. The conservative husbanding of resources in the past and the go-ahead policy and programme inspired by Mr. F. Maitland, who is known as the prince of hustlers in insurance circles, are happy auguries for the future. A significant omen in this regard is that, despite non-payment of dividends up to date, the market price of Concord of India shares is five times the paid-up value.

Fire Account.

(In thousands of Rupees)

			1935
Premiums	...	...	8,34
Claims	...	...	90
Commission and Expenses	...	...	1,81
Fire fund	..	..	2,50
Ratio of Expenses to Premium	...	...	51.1%
Ratio of claims to Premium	...	...	27.0%

Accident Account

Premiums	...	...	72
Claims	...	...	48
Commission and Expenses	...	...	28
Reserve	..	..	54
Ratio of Expenses to Premium	...	...	88.8%
Ratio of Claims to Premium	...	...	66.6%

Balance Sheet

Liabilities—			
Capital	...	...	300
Fire fund	...	...	250
Marine fund	...	...	7
Accident fund	...	...	54
Reserve fund	...	...	80
Other items	...	...	228
		Total	914

Assets—

Government Securities	...	...	4,48
Other Investors	...	..	85
Sundry Debtors	...	...	2,56
Cash	...	...	61
Other items	...	...	1,14
		Total	9,14

WESTERN INDIA

Life Insurance Company Ltd.
SATARA.

THE PRIDE OF THE DECCAN

A Record of steady and undisturbed progress. Rising in business and stability, and

EVER CONSTANT IN INTEGRITY

Summary of Annual Report for 1935.

Total Business Paid exceeds	Rs. 27,00,000
Total Claims Paid	14,43,770
New business in 1935	51,30,042
Annual Income	16,65,233
Life Assurance Fund	60,42,873

BONUS

Triennial per thousand

Whole Life Rs. 75 and
Endowment Rs. 60

Lapse ratio less than 4 per cent. The lowest in the Country.

MANAGER

Western India Life Ins. Co. Ltd., Satara.

MESSRS. DAS ROY & Co.

Chief Agents

2, Lyons Range, Calcutta.

INSURANCE SECTION:

REVIEWS OF BALANCE SHEETS

BRITISH INSURANCE COMPANIES

ALLIANCE ASSURANCE CO., LTD.

(Established—1824).

The Alliance Assurance Company, with its total funds equivalent to £38.6 million at the end of 1935, is one of the bigger giants of the British insurance world. The outstanding feature of the Alliance is that alike in the kinds of business transacted and the distribution of assets, the utmost regard is paid to correct proportion and balance. No one department is disproportionately small or big in relation to any other. And each department is accounting for a substantial business and discloses assured growth. The premium income of the combined life account was £1.5 million in 1935. The net premium income in the fire section was £2.10 millions. The marine accounts yielded £.33 millions. Accident and Miscellaneous sections accounted for a total premium income of £1.24 millions. By the same token, the investments are well-distributed, due regard being had to safety and satisfactory yield. The financial, investment and reserve policy of the Directors is conservative in the best sense of the term. While there is cause for gratification that 87½ per cent. of the marketable securities of the Alliance are within the British Empire, and only about 12½ per cent. are spread over the rest of the world, prudence demands the strengthening of the reserves in such a way as to mitigate the efforts of lower interest yields on the bonus-paying capacity of the Company. With this end in view, the Directors have decided that of the surplus disclosed in the valuation, as much as £823,337 should be carried forward. This is more than double the amount that was brought in at the beginning of the quinquennium, the latter amount being £380,960.

In the fire section, a development of recent years is the constantly increasing pressure that is brought to bear on the large composite companies to undertake risks of a specially hazardous nature such as earthquake, volcanic eruption, hurricanes, etc.

Acceptance of this class of business may mean extra risk; and with a view to eliminate the danger of any unduly heavy losses occurring in any one year, the additional reserve of the fire department has been sufficiently strengthened. Despite such a rigorous policy as regards building of reserves, the Company has been able, as a result of the trading operations of the year to provide for all outgoings of every kind to maintain the dividend, and to provide for a carry-forward of almost the same amount to the next year's account. An achievement of this character in a year in which the reserves have been increased by something like a quarter of a million reflects the highest credit on the skill and efficiency of management.

Life Account.

New Business	(In thousands of £)		
	1933	1934	1935
Number of policies ...	5,120	5,070	5,214
Amount ...	3,421	3,590	3,845
Premiums on New Business ...	213	174	223
Total Premiums ...	1,447	1,434	1,470
Interest Dividend and Rents ...	874	881	890
Claims by death ...	1,015	907	889
Claims by maturity ...	575	612	635
Commission and expenses ...	144	143	146
Life fund at the beginning of the year .	22,292	22,504	22,786
Life fund at year end	22,504	22,786	23,302
Increase in fund ...	212	282	516
Ratio of expenses to premium ...	9.95%	9.9%	9.9%

Annuity Account.

	(In thousands of £)		
	1933	1934	1935
Consideration for annuities granted ...	214	211	268
Interest Dividends and Rents ...	44	48	52
Annuities paid ...	105	115	125
Commission and expenses ...	5	5	8
Annuity funds at beginning of the year	1,159	1,282	1,411
Annuity funds at year end ...	1,282	1,411	1,591

Fire Account.				Assets—			
Premiums ...	2,019	2,057	2,103	Giltedge securities ..	12,786	12,860	12,418
Claims ...	702	688	712	Debentures and preference shares ...	6,458	7,116	8,152
Expenses ...	901	945	986	Other stocks and shares ...	846	807	1,106
Reserve at 40% of premium income ...	807	823	841	Shares in subsidiary companies ...	1,108	1,108	1,108
Additional Reserve ...	2,100	2,200	2,800	Loans on company's policies ...	22,86	2,097	1,943
Total Reserves ...	2,907	3,023	3,141	Other loans and mortgages ...	10,091	10,092	10,192
Ratio of claims to premium ...	34.8%	38.5%	33.8%	Cash ...	888	869	863
Ratio of expenses to premium ...	44.6%	45.9%	45.5%	Other items ...	8,585	8,684	8,882
Ratio of reserve to premium ...	144.0%	146.9%	149.8%	Total ...	87,438	88,078	88,609

Marine Account.				Profit and Loss Account			
Premiums ...	338	334	338	(In thousands of £)			
Claims ...	204	224	134	Receipts—	1933	1934	1935
Expenses ...	116	104	108	Brought in ...	1,240	1,281	1,220
Reserve ...	750	1,057	1,074	Transferred from fire account ...	410	482	485
Ratio of reserve to premium ...	221.9%	316.4%	322.5%	Transferred from marine account ...	75	91	60
Ratio of expenses to premium ...	34.8%	31.1%	32.4%	Transferred from accident a/c. ...	185	171	208
Ratio of claims to premium ...	60.4%	67.1%	55.2%	Other items ...	188	190	195
				Total ...	2,098	2,115	2,118

Accident and Miscellaneous Account.				Disbursements—			
Premiums ...	1,159	1,205	1,245	Dividends ...	475	483	489
Claims ...	563	575	602	Transferred to reserve fund ...	100	150	150
Expenses ...	455	478	484	Other items ...	287	262	274
Reserve ...	1,182	1,222	1,234	Carried forward ...	1,281	1,220	1,285
Ratio of claims to premium ...	48.6%	47.7%	48.8%	Total ...	2,098	2,115	2,118
Ratio of expenses to premium ...	39.8%	39.7%	38.9%				
Ratio of reserve to premium ...	102.0%	181.4%	99.1%				

Balance Sheet			
Liabilities—			
Capital ..	1,708*	1,708*	1,708*
Funds—			
Life ...	22,594	22,786	23,802
Annuity ...	1,282	1,411	1,591
Sinking and capital redemption ...	1,972	2,122	2,258
Fire ...	2,907	3,022	3,141
Marine ...	1,103	1,057	1,074
Accident ...	1,182	1,222	1,284
Reserve fund ...	1,200	1,350	1,500
Other funds ...	594	688	668
Outstanding claims...	988	938	1,006
Other items ...	2,058	1,884	1,182
Total ...	87,438	88,078	88,609

ATLAS ASSURANCE CO., LTD.

(Established 1808)

Head Office: LONDON.

Bombay Office: DOUGALL ROAD,
BALLARD ESTATE.

Calcutta Office: 4, CLIVE ROW.

Atlas Assurance Company, is one of the big composite insurance companies of England doing extensive foreign business in Life, Fire, Marine and Accident branches. The results of the year's operations are very satisfactory with appreciable increase in the premium incomes of all the departments, reductions in the claim ratio and increases in the underwriting profits. The total premium income of the company from all its branches amounted to £2,674 million and the total assets stand at £18.3 million nearly. The new business of the life department at

(*Includes capital stock of subsidiary companies).

£3.778 million is £533,000 more than that of the previous year. The total premium income of the year was £1.035 million and the interest income £517,387. The life fund was increased by £1.132 million to £12.277 million. The expense ratio has considerably fallen this year from 13.0 per cent. to 7.1 per cent. In the fire department the premium income at £1.756 million was £20,000 less than that of the previous year; and the loss ratio stands at 48.0 slightly higher than last year. The reserves at £2.02 million is 114.7 per cent. of the premium income and compares favourably, with 113.9 per cent. last year. The accident premiums have increased by £50,000 to £546,000. Accident fund stands at £461,000 or 84.4 per cent. of the premium income. The strong position of the marine reserves amount to 364.3 per cent. of the premium income which is noteworthy.

The profit and loss account shows a total available sum of £613,000 including the balance of £246,479 brought forward from last year's account and after payment of dividends and other allocations, a sum of £349,000 is carried forward to the next year's account.

Life Account

(In thousands of £)

	1933	1934	1935
New Business—			
Policy No. ...	8,818	5,117	4,948
Sum Assured ...	2,854	3,235	3,778
Premium ...	189	180	98
Total Premium ...	975	1,026	1,035
Claims by death ...	243	232	245
Claims by Maturity ...	160	198	201
Expenses ...	132	134	74
Life fund at the beginning of the year ...	9,064	10,147	11,145
Life fund at the end of the year ...	10,147	11,145	12,277
Net increase ...	1,083	998	1,132
Ratio of expenses to Premium ...	18.5%	18.0%	7.1%

Fire Account.

Premiums ...	1,759	1,776	1,756
Claims ...	847	760	757
Expenses and Commission ...	851	848	771
40% of Reserves for expired Risk ...	704	710	704
Additional reserve ...	18,11	1,811	1,811
Total reserve ...	2,015	2,021	2,015
Ratio of claims to Premium ...	48.2%	42.8%	43.1%
Ratio of expenses to Premium ...	48.8%	47.5%	48.0
Ratio of reserves to Premium ...	114.5%	118.9%	114.7

Employers' Liability, Accident and General Insurance Account

Premiums ...	461	496	546
Claims ...	221	226	289
Expenses and Commission ...	191	209	220
40% Reserves for un-expired risks ...	184	198	218
Additional Reserve ...	218	220	218
Total reserve ...	402	418	461
Ratio of claims to Premium ...	47.9%	45.6%	43.8%
Ratio of expenses Premium ...	41.4%	42.0%	40.8%
Ratio of reserves to Premium ...	87.2%	84.3%	84.4%

Marine Insurance Account.

Premiums ...	113	115	112
Claims ...	22	19	29
Expenses and Commission ...	14	16	13
Total Reserve ...	350	401	408
Ratio of claims to Premium ...	19.5%	16.7%	...
Ratio of expenses to Premium ...	12.4%	13.9%	14.3
Ratio of Reserves to Premium ...	386.3%	348%	364.3%

Sinking Fund and General Redemption Insurance Account.

	1933	1934	1935
Premiums ...	256	48	162
Claims ...	16	48	127
Expenses and Commission ...	4	2	2
Total reserve ...	635	654	704
Ratio of expenses to Premium ...	4.1%	4.1%	1.2%

Profit and Loss Account.

Balance brought Forward ...	214	238	246
Interest not carried to other accounts (nett) ...	115	178	118
Profit from Fire a/c. ...	120	166	182
Profit from employers' liability accident and general account ...	36	47	39
Profit from sinking fund and capital redemption a/c. ...	...	...	...
Allocations ...	97	125	55
Dividend ...	176	176	176
Balance carried forward ...	238	246	349
Interest dividend etc., ...	32	32	34

Liabilities—			
Capital ...	550	550	550
Life Assurance and annuity fund ..	10,148	11,145	12,276
Fire insurance fund ...	2,015	2,022	2,015
Employers' liability accident and General Insurance funds ...	402	418	461
Marine Insurance fund	380	401	408
Sinking fund and capital redemption fund ...	685	634	703
Other Reserves ..	385	398	416
Outstanding claims ...	316	267	267
Other items ...	1,188	1,189	1,219
Total ...	15,969	17,039	18,815
Assets—			
Investments ...	10,884	11,576	12,795
Mortgages and Loans	1,729	2,159	2,998
Loans on company's policies ..	489	461	427
Branch and agents' Balances ..	593	574	571
Cash ..	868	869	1,076
Other Items ...	1,406	1,400	458
Total ...	15,969	17,039	18,815

CALEDONIAN INSURANCE CO., LTD.

(Established 1805)

Head Office: Edinburgh.

Calcutta Office: B-3, Clive Buildings.

The Caledonian is the oldest Scottish insurance office, and transacts all classes of insurance business. The accounts of the company for the year ending December 31, 1935 show that the premium incomes of marine, personal accident and life department have suffered slight backward movement compared to the results of the previous year. However the underwriting profits of the motor and personal accident section have increased. The life department shows steady and continuous expansion.

The new life business for the year under review amounts to 2,475 policies assuring a sum of £1.686 millions representing an increase of 9 policies and £80,000. The total premiums received amount to £554,000 and the ratio of expenses to the premium income works out to 15.9 per cent. The life and annuity fund has been increased by £247,000 to £7.742 million. The triennial valuation of the life liabilities and assets as on December 31, 1933, revealed a surplus of £449,000 which was sufficient to declare a bonus of 42 sh. per cent. per annum on whole life policies and

40 sh. per cent. per annum on endowment policies, to allot a sum of £37,000 to shareholders and to carry forward a sum of £103,000 unallotted. The working of year 1935 leaves an available balance of 256,367 of which £13,000 has been allocated to staff pension fund and £88,641 has been set apart for dividend declaration (on the basis of deduction of income tax at the new rate of 4 sh. 9d. per £).

The fire premiums have fallen by £21,000 to £733,000. The total reserves of this department at £793,000 are 108.1 per cent. of the premium income.

The general and motor premiums have increased by £26,000 to £434,000. The loss ratio now stands at 55.5 per cent. as against 55.8 per cent. last year. The ratio of expenses to premium has fallen from 40.6 per cent. to 38.5 per cent in the year under review. Ratio of reserves to premium has been maintained at 1933 level though there is an increase of Rs. 25 lakhs over 1933 and Rs. 17 lakhs over the previous year. In the marine account, the premiums amounted to £86,218. Claims paid and outstanding were £18,820. The department has been able to transfer £15,000 to the profit and loss account. The marine fund stands at the level of £170,000 or nearly 198 per cent. of the premium income.

The total assets as shown in the balance sheet amount to £11.045 millions representing an increase of £360,000. The dividend paid to the shareholders was 15sh. per share of £1 paid-up, less tax.

Life Account.

(In thousands of £)

New Business—	1933	1934	1935
Number of Policies ...	1,956	2,466	2,475
Sum assured	1,472	1,606	1,686
Premium on new business ...	76	59	63
Total Premium Income	557	588	554
Interest ...	265	204	294
Claims by death ...	225	255	207
Claims by maturity ...	197	287	283
Commission and Expenses	88	91	88
Life Annuity and Contingency Fund at beginning of year ...	7,225	7,878	7,495
Life, Annuity and Contingency Fund at year end ...	7,878	7,495	7,742
Increase in Fund ...	158	117	247
Ratio of expenses to Premium ...	15.7%	16.0%	15.9%

Fire Account.				
Premiums	...	740	754	738
Claims	...	877	857	812
Expenses	...	847	852	845
Reserve at 40% of Premium	...	296	302	293
Additional reserve	...	500	500	500
Total reserve	...	796	802	798
Ratio of claims to Premium	...	51.0%	47.3%	42.5%
Ratio of expenses to Premium	...	46.9%	46.6%	47.3%
Ratio of reserve to Premium	...	107.6%	106.4%	108.1%

Accident Account.				
Premiums	...	12	10	9
Claims	...	7	5	5
Expenses	...	5	4	4
Reserve at 40% of Premium	...	5	4	4
Additional reserve	...	7	5	8
Total reserve	...	12	9	9
Ratio of claims to Premium	...	56.8%	58.1%	55.5%
Ratio of expenses to Premium	...	48.1%	48.5%	44.4%
Ratio of reserve to Premium	...	100%	90%	100.0%

Employers' Liability Account.				
Premiums	...	88	88	40
Claims	...	20	21	10
Expenses	...	14	15	16
Reserve at 40% of Premium	...	14	15	21
Additional reserve	...	58	26	46
Total reserve	...	72	41	27
Ratio of claims to Premium	...	57.2%	58.7%	47.5%
Ratio of expenses to Premium	...	88.5%	89.0%	40.0%
Ratio of reserve to Premium	...	200%	100%	105%

General Motor and Insurance Account.				
Premiums	...	400	408	484
Claims	...	247	228	241
Expenses	...	168	166	167
Reserve at 80% of Premium	...	160	168	178
Additional reserve	...	145	150	157
Total reserve	...	305	318	335
Ratio of claims to Premium	...	61.8%	55.8%	55.5%
Ratio of expenses to Premium	...	42%	40.6%	88.5%
Ratio of reserve to Premium	...	76%	76.6%	76.0%

Balance Sheet Including Life Department.				
Liabilities—	1933	1934	1935	
Capital	...	155	155	155
Life Insurance, Annuity and Contingency Fund	...	7,491	7,608	78,61
Fire Insurance, Fund	...	796	802	798
Accident Insurance Fund	...	12	10	10
Employers' Liability Insurance Fund	...	72	67	72
Annuities certain and leasehold Redemption Fund	...	162	171	176
General Insurance Fund	...	305	313	330
Marine Insurance Fund	...	176	178	170
General Reserve Fund	...	500	525	550
Staff Insurance and Pension Fund	...	110	...	...
Total funds	...	9,624	9,674	99,62
Other items	...	824	847	9,28
Total	...	10,603	10,676	11,045

Assets—				
Giltedge	...	1,876	1,572	1,639
Debenture and preference shares	...	896	851	770
Equity shares	...	84	82	167
Mortgages and Loans	...	4	2	...
Life assets	...	7,491	7,608	7,861
Other investment and Cash	...	270	561	6,12
Total	...	10,602	10,676	11,045

Profit and Loss Account.				
Receipts—	1933	1934	1935	
Brought in	...	100	152	144
Transferred from—	...	...	...	...
Life account	...	87	23	...
Fire account	...	82	78	120
Accident	...	...	2	1
Marine	...	25	25	15
Employers' Liability Account	...	4	3	2
General Insurance Account	...	15	25	20
Other items	...	28	...	24
Total	...	286	308	326

Disbursements—				
Dividend amount	90	89
Allocation	85	42
Other items	...	89	26	27
Carried forward	...	247	157	168
Total	...	286	308	326

THE COMMERCIAL UNION
ASSURANCE CO., LTD.

(Established 1861)

Bombay Office: 9, Wallace St., Fort.

Calcutta: 32, Dalhousie Square

The Commercial Union Assurance Company is one of the biggest composite insurance companies of not only the United Kingdom but of the whole world. It transacts immense volume of insurance business of a wide range of varieties in almost all parts of the world. In fire and accident insurance business, Commercial Union has been topping the list of all the British companies for the past ten years and more. The gigantic size of the company can well be gauged by the fact that its paid-up capital amounts to £3.54 million, its general reserve fund amounts to £3.88 million, that its total assets exceed £6.2 million. The Commercial Union controls, as its name implies, important subsidiary companies like the "Ocean Accident," the "Union," the "British General," the "West of Scotland," the "Edinburgh," the "Hand in Hand" and the "Palatine." Some of these subsidiary companies are very old and powerful by themselves.

The new business of the life department has been increased by £656,000 to £5.287 million while the total premiums show a small rise of £33,000 at £1.796 million owing to the decrease in the simple premiums received during the year. The expense ratio continues to be kept at the low figure of 12.8 per cent. The life fund has been increased by nearly £1.1 million to £23.989 million. The fire account shows a premium income of £5.266 million being a decrease of £109,000 compared with the 1934 figure. The total premium received in the fire department in 1932 was £6.0 millions. In 1933 it was £5.41 million, in 1934 £5.37 million and in 1935 £5.27 million. The claims have also been decreasing so much so the claims ratio has been on the decline every year. This year it is 39.27. The reserves of the department at the end of the year stands at £6.934 million or 131.7 per cent. The accident department which is the largest of its general branches, shows an increase of £184,000 in the premium income which stands at £7.609 million. The reserves amount to £5.558 million or 73 per cent. In the marine department reserves are being carried on and the marine fund at £1.180

million, is 10.17 per cent. of the premium income as against 214 per cent. last year.

Life Account.

New Business—

	(In Thousands of £)		
	1933	1934	1935
Number of policies in Life Department	6,990	7,437	7,849
Amount assured in Life Department	3,931	4,631	5,287
New premiums in Life Department	292	264	2,58
Total premiums in Life Department	1,771	1,763	1,796
Interest from Life Department	816	905	952
Claims from Life Department	1,054	1,306	1,437
Commission and expenses of Life Department	222	227	229
Fund of Life Department at beginning of year ...	20,601	21,566	22,885
Fund of Life Department at year-end	21,566	22,885	23,989
Increase in fund	965	1,319	1,104
Ratio of expense to premium in Life Department	12.5%	12.9%	12.8%

Fire Account.

Premiums	5,417	5,375	5,266
Claims ...	2,498	2,252	2,064
Expenses ...	2,557	2,444	2,636
Reserve at 40% for unexpired risks	2,167	2,150	2,106
Additional reserve	4,759	4,726	4,828
Total reserves	6,926	6,876	6,934
Ratio of claims to Premium	46.1%	41.9%	39.2
Ratio of expense to Premium	47.1%	45.5%	50.0%
Ratio of reserve to Premium	127.8%	127.9%	131.7%

Marine Account.

Premiums ...	534	543	585
Claims ...	253	278	329
Expenses ...	152	133	137
Reserve ...	1,180	1,160	1,180
Ratio of claims to Premium	47.4%	51.2%	56.2
Ratio of expenses to Premium	28.7%	24.7%	23.4
Ratio of reserve to Premium	221.0%	214%	201.7

Accident Account.

Premiums ...	6,940	7,425	7,609
Claims ...	3,824	4,133	4,130
Expenses ...	3,024	3,089	3,142
Ratio of claims to Premium	55.1%	55.7%	5.558
Ratio of expenses to Premium	43.6%	41.6%	54.3%
Ratio of Reserve to Premium	77.1%	73.4%	40.1%

Consolidated Balance Sheet

Liabilities—			
Capital ...	3,540	3,540	3,540
Debentures	1,470	...	...
General reserve fund	3,834	3,862	3,882
Funds.			
Fire ...	6,926	6,876	6,934
Marine ...	1,180	1,160	1,180
Accident ...	5,348	5,451	5,558
Life ...	21,566	22,885	23,989
Total funds	38,854	40,234	31,524
Other items	16,262	17,835	23,921
Total ...	60,126	61,609	62,867
Assets—			
Giltedge securities	10,312	11,056	11,860
Debentures and preference shares	9,380	8,619	8,690
Equity shares	546	763	802
Mortgages and Loans	694	631	701
Life Assets	30,077	31,192	24,163
Other investments and other items	6,336	6,405	13,518
Cash ...	2,780	2,943	2,983
Total ...	60,125	61,609	62,867
Profit and Loss Account—			
Receipts—			
Brought forward	562	587	584
Transferred from Fire account	150	475	500
Marine account	150	150	100
Accident account	90	100	225
Life account	35	35	40
Interests, dividends and rents ...	899	821	770
Other items	66	61	56
Total	1,952	2,229	2,275
Disbursements—			
Dividend amount	1,116	1,143	1,121
Allocations	40	290	320
Other items	209	212	249
Carried forward	587	584	585
Total	1,952	2,229	2,275

THE GENERAL ACCIDENT, FIRE, & LIFE ASSURANCE CORPORATION, LTD.

(Established 1885)

Head Office: London.

Calcutta Office: 8, HARE STREET.

The General Accident, Fire and Life Assurance Corporation is one of the leading composite insurance companies of the United Kingdom. For its age, the progress achieved by the Corporation, particularly by its accident and general branch (which is the largest of all its departments, covering every class of casualty business at home and abroad) must be considered truly remarkable. The total premiums for the year 1934,

from all its branches exceed £9.4 million and the total assets at the end of the year exceed £16.7 million. The premium incomes from all its branches show considerable appreciations during the year under review.

The new business of the life branch has been increasing steadily year after year and during the year 1935, it amounted to £2.885 million showing a rise of £45,000. The life fund at the end of the year stands at £4.401 million showing an increase of £332,000 over the year.

The accident and general account premiums have risen by £6,43,000 to £7.495 million. The losses experienced are slightly higher than in the last year, amounting to £4,230 millions in 1935 against £3,981 millions in 1934 and the loss ratio consequently has risen from 58.1 per cent. to 58.4 per cent. The accidents fund is kept at £6,466 million or 86.3 per cent. of the premium income.

This year the claims paid and outstanding in the Fire Department were £207,000 against £189,000 last year and the percentage of claims to premiums rose by 1.3 per cent. from 31.9 per cent. to 33.2 per cent. The fire premiums at £642,000 shows an increase of £49,000 over the 1934 figure. The total reserves of the department are kept at £532,000 or 82.9 per cent. of the premium income.

The marine account shows an increase of £25,000 in the premium income which amounts to £164,000. The marine fund stands at £148,000 or 90.3 per cent. of the premium income. This shows a fall of 10.2 per cent.

The profit and loss account shows a total available sum of £1.419 million including the balance of £534,000 brought-forward from last year's accounts. After paying dividends to the shareholders and other allocations a sum of £684,279 is carried forward unappropriated. The Corporation's total assets amount to £11.93 million and the combined assets of the whole group stand at £16.78 million.

(In thousands of £)

	1933	1934	1935
Premiums ...	6,392	6,852	7,493
Claims ...	3,748	3,931	4,230
Commission and Expenses ...	2,331	2,448	2,679
40% Reserve ...	2,387	2,564	3,431
Additional Reserve ...	3,101	3,208	3,085
Total Reserve ...	5,488	5,772	6,466
Ratio of Claims to Premiums ...	61%	58.1%	58.4%
Ratio of Expenses to Premiums ...	36.5%	35.7%	35.7%
Ratio of Reserves to Premiums ...	85.9%	84.3%	86.3%

Life Account.			
New Business—			
Amount ...	2,809	2,840	2,885
Total Premiums...	492	493	518
Claims ...	814	288	404
Expenses and Commission ...	101	108	107
Life Fund at the beginning of the year ...	3,589	3,784	4,069
Life Fund at the end of the year...	3,784	4,069	4,401
Increase in the Life Fund ...	195	285	332

Fire Account.			
Premiums ...	549	598	642
Claims ...	222	189	207
Expenses and Commission ...	281	250	271
40% for unexpired risks ...	220	237	257
Additional Reserves ...	269	259	275
Total Reserves ...	489	496	532
Percentage of Claims to Premiums ...	40.4%	31.9%	33.2%
Percentage of Expenses to Premium ...	42.1%	42.1%	42.2%
Percentage of Reserves to Premiums ...	89%	83.6%	82.9%

Marine Account.			
Premiums ...	121	139	164
Claims ...	88	120	188
Expenses ...	12	16	20
Reserves ...	184	140	143
Percentage of Claims to Premiums ...	78%	85%	84.1%
Percentage of Expenses to Premiums ...	10%	11.8%	12.2%
Percentage of Reserves to Premiums ...	111%	100.5%	90.3%

Balance Sheet.			
Liabilities—			
Capital ...	688	688	750
Life and Annuity Fund ...	3,784	4,069	4,401
Marine Fund ...	489	496	582
Accident and General Insurance Fund ...	5,488	5,772	6,466
Marine Fund ...	184	140	148
Investment Reserve Fund ...	925	940	578
General Reserve Fund ...	750	800	1,700
Total Funds ...	11,570	12,817	14,481
Other Liabilities ...	1,815	2,097	1,599
Total ...	14,078	15,102	16,780

Assets—			
Giltedge ...	8,167	8,517	8,525
Debentures and Preference Stocks ...	4,808	5,055	5,675
Equity Shares ...	860	866	1,251
Mortgages and Loans ...	1,209	1,285	1,188
Free-hold and Leasehold Properties ...	235	225	1,790
Outstanding Premiums and Agency Balances ...	1,188	1,218	1,280
Other Assets ...	2,661	2,986	1,126
Total ...	14,078	15,102	16,780

Profit & Loss Account.			
Receipts—			
Brought Forward ...	489	486	534
Interest, Dividends and Rents ...	245	258	278
Transferred from Fire Account ...	95	136	129
Transferred from Accident and General Account ...	87	246	265
Other Items ...	143	11	219
Total ...	1,059	1,187	1,420
Disbursements—			
Amount ...	108	86	114
Allocations ...	160	160	276
Carried Forward ...	599	675	684
Other Items ...	107	216	346
Total ...	1,059	1,187	1,420

GUARDIAN ASSURANCE CO., LTD.

(Established 1821)

Head Office: LONDON.

Indian Office: 8, Clive Row, Calcutta.

Established as long ago as in 1821 this company transacts all kinds of insurance business. Associated with the Guardian are: (1) Guardian Insurance Company of Canada; (2) Reliance Marine Insurance Company, Ltd.; (3) Guardian Eastern Insurance Company, Ltd.; (4) Scottish Plate Glass Insurance Company, Ltd.; and (5) Hibernian Fire and General Insurance Company, Ltd.

The accounts also include the transactions of the Albingia Versicherungs Aktiengesellschaft of Hamburg, most of the share capital of which company has been acquired by the "Guardian" during 1932. The life account for the year 1935 shows that the new business at £1.715 million shows a fall of £61,000. The expense ratio stands at the same low level of 13.7 per cent. from 1933. The life fund has been increased by £148,000 to £7,849 millions.

Dividend for 1935 was maintained at the rate of 5s. per ordinary share (10s. paid-up) and 5s. on each staff share, both subject to income-tax.

Total funds amount to £12.1 million and total resources to 15.50 million.

Life Account.

New Business—	(In thousands of £)		
	1933	1934	1935
No. of policies ...	1,955	1,983	2,128
Sum assured ...	1,548	1,776	1,715
Premiums on new business ...	99	74	51
Total Premium ...	611	612	619
Claims and annuities ...	450	508	612
Expenses and commission ...	84	84	85
Life Fund at beginning of year ...	7,063	7,422	7,701
Life Fund at year-end ...	7,422	7,701	7,849
Net increase in Life Fund ...	359	279	148
Ratio of expenses to premium ...	13.7%	13.7%	13.7%

Fire Account.

Premiums ...	1,277	1,110	1,110
Claims ...	640	457	493
Expenses ...	575	535	526
Reserve for unexpired risks ...	597	555	555
Additional reserves ...	1,047	1,048	1,100
Total Reserve ...	1,644	1,603	1,653
Ratio of claims to premium ...	50.1%	41.2%	39.1%
Ratio of expenses to premium ...	45.0%	43.2%	47.4%
Ratio of reserve to premium ...	128.9%	144.4%	149.2%

Accident, Burglary and General Account.

Premiums ...	1,110	1,091	1,128
Claims ...	582	514	526
Expenses ...	524	502	532
Reserve for unexpired risks ...	500	491	508
Additional reserve ...	405	403	430
Total Reserve ...	905	894	938
Ratio of claims to premiums ...	52.4%	47.1%	46.6%
Ratio of expenses to premiums ...	47.2%	46.0%	47.1%
Ratio of reserve to premiums ...	81.5%	81.9%	83.1%

Marine Account.

Premiums ...	252	245	253
Claims ...	53	63	55
Expenses ...	71	66	69
Reserve ...	453	455	471
Ratio of claims to premiums ...	21.0%	25.8%	21.7%
Ratio of expenses to premiums ...	28.2%	27.0%	27.2%
Ratio of reserve to premiums ...	180%	180.6%	186.1%

Balance Sheet as at 31st December.

Liabilities—	1933	1934	1935
Capital ...	1,025	1,025	1,025
Funds—			
Life ...	7,422	7,701	7,849
Fire ...	1,686	1,603	1,655
Accident, Burglary and General ...	905	904	938
Marine ...	453	455	471
Redemption Assurance Fund ...	448	471	519
General reserve ...	182	219	215
Total funds ...	11,570	11,353	12,141
Other items ...	2,118	2,867	2,334
Total ...	14,713	15,245	15,500
Assets—			
Giltedge securities ...	5,317	5,154	5,221
Debentures and Preference shares ...	2,863	4,084	2,322
Equity shares ...	525	826	848
Loans on life policies ...	360	338	332
Other loans and mortgages ...	2,312	2,415	2,686
Other items ...	2,766	1,967	3,693
Cash ...	570	461	398
Total ...	14,713	15,245	15,500

Profit and Loss Account.

Receipts—	1933	1934	1935
Brought in ...	18	101	153
Transferred from—			
Fire account ...	46	191	152
Life account ...	...	19	...
General and Accident account ...	89	68	95
Marine account ...	31	32	28
Other items ...	160	32	70
Total ...	344	443	498
Disbursements—			
Dividend amount ...	200	205	230
Allocations ...	...	51	70
Other items ...	130	34	39
Carry forward ...	14	153	159
Total ...	344	443	498

THE LIVERPOOL AND LONDON AND GLOBE INSURANCE CO., LTD.

(Established 1836)

Head Office: 1, Dale Street, Liverpool.

Established in 1936, this Company transacts extensive business in all parts of the Globe. It is associated with the Royal Insurance Company, Limited and also controls a number of subsidiary Companies.

The profit earnings of the Company continue to be satisfactory. New life business registered an increase of £185,000. The Fire Insurance Account showed a net premium income of £3.96 million and a profit of £483,000 which was carried to Profit and Loss Account. The Reserve Fund in this Department is equivalent to 84.8% of the premium income. The Miscellaneous Insurance Account showed a profit of £134,000 as against a profit of £47,000 in the previous year and maintains a reserve equivalent to 152.4% of the premiums which shows an increase of 12.8 per cent. over 1934. The Marine Account has a reserve in respect of unexpired risks equivalent to 143.4% of the premiums. The Profit and Loss account shows a total available sum of £1.704 million including £597,000 brought forward from last year's account. Dividends paid amounted to £556,000 and a sum of £554,000 was carried forward to next year's account.

The Company's position continues strong with total funds amounting to £27.2 millions out of the total assets of 30.8 millions.

The principal classes of business transacted in India are Fire, Motor Vehicle and other classes of Miscellaneous Accident business including Workman's Compensation, also Life and Marine business.

Life Account

(In thousands of £)

	1933	1934	1935
New Business—			
Number of policies ...	3,592	4,407	4,502
Amount ...	2,169	2,859	2,544
New premiums ...	127	127	129
Total premiums ...	849	867	884
Claims ...	575	718	601
Interest ...	390	407	416
Commission and expenses ...	85	92	88
Funds at beginning of the year ...	9,954	10,811	10,578
Funds at year-end ...	10,811	10,578	11,088
Increase ...	862	262	515
Ratio of expenses to premium ...	10.0%	10.6%	9.9%
Annuity fund ...	741	778	778

Fire Account.

Premiums ...	8,981	8,961	8,961
Claims ...	1,779	1,825	1,588
Expenses ...	1,884	1,910	1,890
Reserves at 40% of premium ...	1,572	1,584	1,584
Additional reserve ...	1,775	1,775	1,775
Total reserve ...	3,347	3,359	3,359
Ratio of claims to premium ...	45.8%	41.0%	40.0%
Ratio of expenses to premium ...	46.7%	48.2%	47.7%
Ratio of reserve to premium ...	85.1%	84.8%	84.8%

Marine Account.

Premiums ...	285	282	290
Claims ...	280	280	288
Expenses ...	82	88	28
Reserve at 40% of premium ...	114	118	116
Additional reserve ...	800	800	800
Total reserve ...	414	413	416
Ratio of claims to premium ...	80.7%	81.6%	82.1%
Ratio of expenses to premium ...	11.2%	11.8%	9.7%
Ratio of reserve to premium ...	145.8%	146.4%	148.4%

Miscellaneous Account.

Premiums ...	4,685	4,484	4,298
Claims ...	2,885	2,827	2,575
Expenses ...	1,754	1,167	1,658
Reserve at 40% of premium ...	1,854	1,793	1,717
Additional reserve ...	4,188	4,468	4,825
Total reserve ...	6,048	6,261	6,542
Ratio of claims to premium ...	61.2%	68.1%	60.0%
Ratio of expenses to premium ...	37.8%	37.8%	38.5%
Ratio of reserve to premium ...	180.4%	189.6%	152.4%

Balance Sheet.

Liabilities—

Capital ...	1,062	1,062	1,062
4% Perpetual Debenture Stock ...	550	546	548
4% "Thames and Mersey" Debenture Stock ...	871	868	865
Funds, fire ...	8,847	8,859	8,859
Funds, life ...	10,816	10,578	11,088
Annuity fund ...	741	778	778
Leasehold Redemption Fund ...	200	207	228
Marine reserve Fund ...	414	418	416
Miscellaneous Insurance Reserve Fund ..	6,048	6,261	6,542
General Contingencies Fund ...	2,518	2,455	2,802
Other funds ...	752	819	928
Total funds ...	24,428	24,860	26,589
Other items ...	8,287	8,164	8,182
Total ...	29,648	80,000	80,788

Assets—

Giltege ...	18,817	14,460	15,057
Debenture and Preference shares ...	8,568	8,894	8,652
Equity shares ...	1,225	1,179	1,384
Mortgages and loans ...	1,717	1,504	1,567
Other investments and other items ...	8,528	8,896	8,829
Cash ...	788	1,067	794
Total ...	29,648	80,000	80,788

Profit and Loss Account.

Receipts—			
Brought in ...	584	870	597
Transferred from fire account ...	870	415	488
Transferred from members Life profits account ...	26	26	26
Transferred from Marine account ...	27	20	21
Transferred from Miscellaneous Accident account ...	...	47	184
Interest ...	405	4,40	448
Other items ...	68	...	...
Total ...	1,816	1,498	1,704
Disbursements—			
Dividend amount ...	551	560	556
Allocations ...	70	185	585
Other items ...	149	151	59
Carry forward ...	546	597	554
Total ...	1,816	1,498	1,704

THE LONDON ASSURANCE CORPORATION

(Established 1720)

Head Office : LONDON

Calcutta Office : CLIVE BUILDINGS, CLIVE STREET.

The Corporation is one of the few oldest insurance companies of England, transacting all forms of insurance business. The net premium income of the Corporation from all departments exceeded £4½ millions during the year 1934 and the total assets at the end of the year stood at nearly £16.622 million.

The new business of the life department at £2.376 million has made a further advance of £70,000 and this is a record in the history of the Corporation. The total premium income amounted to £743,000 and the net interest income to £306,000. The life fund has been substantially increased by £561,000 to £8.239 millions.

The fire premiums increased by £42,000 to £2,075 million and the improvement in the claims ratio from 50.7 per cent. in 1933 to 45.5 per cent. in the year under review, has enabled the Corporation to release a profit of £147,000 or 7.1 per cent. of the premium income as against 4.6 per cent. in the previous year. The total reserves of the department are kept at 84 per cent. of the premium income.

The accident premiums at £1.163 million register an increase of £30,000 compared

to last year. The marine account has been further strengthened and the reserves of the department stand at 116 per cent. of the premium income.

The profit and loss account shows a total profit transfer of £401,000 from all the departments and including the balance brought forward from last year's account and the interest not credited to other accounts, the total available sum amounted to £882,000. After payment of dividends and other allocations, a sum of £406,000 was carried forward to the next year.

Life Account.

(In thousands of £)

New Business—	1932.	1933.	1934.
Number of policies ...	2,522	2,726	3,021
Amount ...	2,170	2,306	2,876
Premiums on New Business ...	116	99	122
Total Premiums ...	688	692	748
Interest ...	297	288	806
Claims and annuities Commission and expenses ...	99	108	109
Life fund at beginning of the year ...	6,677	7,128	7,658
Life fund at year-end ...	7,123	7,658	8,239
Increase in fund ...	446	535	581
Ratio of expenses to Premium ...	14.4%	14.9%	14.7%

Fire Account.

Premiums ...	2,549	2,033	2,075
Claims ...	1,456	1,031	945
Expenses ...	1,191	950	975
Reserve at 40% ...	1,020	818	880
Additional reserve ...	905	915	915
Total reserve ...	1,925	1,728	1,745
Ratio of claims to Premium ...	57.1%	50.7%	45.5%
Ratio of expenses to Premium ...	46.7%	46.7%	47 %
Ratio of reserve to Premium ...	75.5%	85 %	84.1%

Marine Account.

Premiums ...	950	678	690
Claims ...	658	530	526
Expenses ...	115	127	181
Reserve ...	986	841	800
Ratio of claims to Premium ...	68.7%	78.8%	76.2%
Ratio of expenses to Premium ...	12.1%	18.9%	19.0%
Ratio of reserve to Premium ...	103.7%	125 %	116 %

General Accident Account.

Premiums ...	1,228	1,188	1,163
Claims ...	782	679	693
Expenses ...	484	415	397
Reserve ...	641	618	625
Ratio of claims to Premium ...	68.1%	59.9%	59.5%
Ratio of expenses to Premium ...	35.6%	36.6%	34.2%
Ratio of reserve to Premium ...	52.4%	54.1%	53.7%

Balance Sheet.

Liabilities—				
Capital	...	912	912	912
FUNDS :—				
Life	...	7,123	7,658	8,239
Fire	...	1,925	1,728	1,745
Marine	...	986	841	800
General accident	...	641	613	625
Capital and leasehold redemption fund	...	482	514	555
General reserve fund	...	1,460	1,535	1,585
Total funds	...	12,617	12,889	13,549
Other items	...	2,224	2,143	2,161
Total	...	15,758	15,944	16,622
Assets—				
Giltedge	...	6,088	6,696	7,178
Debentures and Preference shares	...	2,924	3,201	3,427
Equity shares	...	844	832	530
Mortgages and loans	...	1,845	1,541	1,320
Other investments and other items	...	4,100	3,680	3,836
Cash	...	457	494	786
Total	...	15,758	15,944	16,622

Profit and Loss Account.

Receipts—				
Brought in	...	363	365	386
Transferred from life account	...	20	20	20
Transferred from fire account	...	27	147	201
Transferred from marine account	...	171	198	100
Transferred from Accident account	...	...	...	80
Other items	...	171	189	95
Total	...	752	914	882
Disbursements—				
Dividend amount	...	324	235	239
Allocations	...	50	115	175
Other items	...	163	178	62
Carry forward	...	210	336	406
Total	...	752	914	882

**THE LONDON AND LANCASHIRE
INSURANCE CO., LTD.**

(Established 1861)

Head Office :—LONDON

Calcutta Office :—2, FAIRLIE PLACE

Bombay Office :—5, ELPHINSTONE CIRCLE

The London and Lancashire is notable for having carried out horizontal combination in insurance on the largest scale. It has

absorbed a large number of subsidiary companies not only in the United Kingdom but also abroad. There are as many as five in the United Kingdom, three in U. S. A., five in Canada, six in Australia and one each in Holland, South America and South Africa. It transacts in its own name all classes of business with the exception of life which is carried on, in the name of "Law Union and Rock" a company acquired in 1919. In India it transacts only the general branches of insurance.

The results of the company for the year 1935 are very satisfactory showing increases in the premium incomes of Accident and Marine account with a slight fall in Fire account, and good underwriting profits in all the sections. The combined premium income of all the three departments amounted to £6.042 millions having increased by £148,000 compared with the last year's figure. The net combined underwriting profits of the Company for the year amount to £138,276.

The new business of the life section at £2,455 million shows a slight fall over the last year's figure. The life fund at the end of the year stands at £11.193 million. Generous reserves are provided for in each section; 125.4 per cent. of the premium income in the Fire Department, 85.7 per cent. of the premium income in the accident department and 126.4 per cent. of the premium income in the marine department.

New Business—

		<i>(In thousands of £)</i>		
		1933	1934	1935
Amount assured	...	2,365	2,681	2,455
Premiums on new business	...	64	...	89
Total premium income	...	695	698	788
Interest	...	483	417	...
Claims by death	...	357	419	379
Claims by maturity	...	328	359	398
Commission and expenses	...	122	122	120
Life Fund at beginning of the year	...	10,791	10,979	11,026
Life Fund at year-end	...	10,979	11,026	11,193
Increase	...	+188	+47	+67
Ratio of expenses to premium	...	17.6%	17.9%	16.2%

Fire Account.

	1933	1934	1935
Premium ...	2,768	2,842	2,812
Claims ...	1,109	1,085	1,057
Expenses ...	1,220	1,244	1,189
Reserve for unexpired risks ...	1,108	1,187	1,125
Additional reserve ...	2,400	2,400	2,400
Total reserve ...	3,508	3,587	3,525
Ratio of claims to premium ...	40.1%	38.2%	38.8%
Ratio of expenses to premium ...	44.1%	43.8%	40.5%
Ratio of reserve to premium ...	128.1%	124.4%	125.4%

Accident and General Account.

Premium ...	1,912	2,028	2,189
Claims ...	1,072	1,023	1,140
Expenses ...	324	855	887
Reserve for unexpired risks ...	765	811	875
Additional reserve ...	800	1,000	1,000
Total reserve ...	1,565	1,811	1,875
Ratio of claims to premium ...	56.1%	50.4%	22.5%
Ratio of expenses to premium ...	48.1%	42.2%	40.5%
Ratio of reserve to premium ...	81.8%	89.8%	85.7%

Marine Account

Premium ...	328	1,024	101
Claims ...	645	693	666
Expenses ...	144	154	147
Reserve for unexpired risks ...	343	410	416
Additional reserve ...	900	1,000	1,000
Total reserve ...	1,243	1,410	1,416
Ratio of claims to premium ...	75.1%	61.9%	68.9%
Ratio of expenses to premium ...	16.8%	15.0%	14.1%
Ratio of reserve to premium ...	144.9%	136.7%	126.4%

Balance Sheet

Liabilities—			
Capital ...	1,456	1,456	1,456
5% Debenture Stock ...	...	...	...
Reserve Fund ...	1,500	1,500	2,000
Fire Fund ...	3,508	3,587	3,525
Marine Fund ...	1,244	1,410	1,416
Accident Fund ...	1,565	1,811	1,875
Staff Pension Fund ...	388	418	424
Life Assurance Fund ...	10,979	11,156	11,198
Total Funds ...	19,129	19,832	20,433
Balance of Profit and Loss Account ...	2,180	2,205	2,134
Claims and balances outstanding ...	4,096	2,219	1,938
Other items ...	228	1,866	2,221
Total ...	27,084	27,578	28,178

Assets—

Buildings ...	1,188	1,550	1,548
Giltedge ...	10,903	12,792	10,204
Debentures and Preference shares ...	7,408	6,578	9,726
Mortgages and Loans ...	3,668	3,200	3,061
Other Investment ...	1,291	1,592	1,684
Cash ...	2,281	1,871	2,095
Total ...	27,084	27,578	28,178

NORTH BRITISH & MERCANTILE INSURANCE COMPANY

(Established 1809)

Head Office: EDINBURGH AND LONDON

Calcutta Office: 101/1, CLIVE STREET

Bombay Office: 276, HORNBY ROAD

The North British and Mercantile Insurance Company is one of the oldest Scottish insurance companies and with its worldwide organisation doing splendid business, it can easily be classed among the most powerful of British insurance companies. The company has during recent years acquired important subsidiary companies. The present company "North British and Mercantile" transacts only the two most important branches of insurance, namely, life and fire insurance; accident business is done by "Railway Passengers Assurance Company;" marine business by "Ocean Marine Insurance Company" and all other classes of business by "Fine Art and General Insurance Company." The accounts for the year 1935 show that the company has completed an year of exceptionally good results and that most of the figures compare favourably with those of the previous year. The aggregate premium income of all the departments and subsidiary companies amounts to the huge sum of £10.301 millions and the interest income to nearly £1.97 million. The total assets stand at nearly £53 million.

The new business of the life department at 11,360 policies and £5.507 millions compare favourably with 10,308 policies and £5.286 millions in 1934. The total premium income amounts to £2.345 millions and the considerations received for annuities exceed £701,483. The life fund was increased by £1,052,000 to £30.685 millions and the annuity fund has appreciated by £501,000 to £7.279 millions. It is noteworthy that the expense ratio stands at 17.1 per cent. during the year 1934.

The fire premiums at £3.383 millions have appreciated slightly. Though the premium income of this department is still far below its previous high levels, to record an increase over the last year's figures in these difficult times is an achievement which only a few of the larger offices can boast of. The fire losses have substantially decreased to £1.262 millions from £1.326 millions in the last year and from 46.2 per cent. to 37.3 per cent. this year. The reserves are kept at £3.353 million or 99.1 per cent. of the premium income.

The accident premiums as shown by the "Railway Passengers" account have increased slightly to £1.212 millions. The funds at the end of the year stand at £990,000. The premium incomes of the other two accounts also have increased slightly, and the profit-earning capacity is kept up.

Life Account.

(In Thousands of £)

New Business—	1933	1934	1935
Number	8,709	10,808	11,860
Amount	4,608	5,286	5,507
Premium on New Business	382	255	255
Total Premium	2,319	2,290	2,314
Interest	1,173	1,169	1,189
Claims by Death	899	869	1,007
Claims by Maturity	742	869	1,444
Commission and Expenses	376	385	401
Life fund at beginning of year	27,695	28,882	29,688
Life fund at year-end	28,862	29,633	30,685
Increase in fund	1,187	751	1,052
Ratio of Expenses to Premium	16.2%	16.8%	17.1%
Annuity fund	5,984	6,779	7,280

Fire Account.

Premiums	3,301	3,866	3,888
Claims	1,459	1,326	1,262
Expenses	1,512	1,556	1,652
Reserve at 40% for unexpired risks	1,820	1,846	1,858
Additional reserve	2,000	2,000	2,000
Total reserve	3,820	3,846	3,858
Ratio of Claims to Premium	45.8%	46.2%	37.8%
Ratio of Reserves to Premium	100.6%	99.4%	99.1%
Ratio of Expenses to Premium	45.8%	46.2%	49.0%

"Ocean Marine" Account.

Premiums	214	218	217
Claims	112	98	83
Expenses	81	81	28
Reserve	...	782	1,188
Ratio of claims to Premium	52%	46.0%	38.2%
Ratio of Expenses to Premium	14.4%	14.7%	12.9%

Fine Art and General Account

Premiums	319	324	338
Claims	154	144	148
Expenses	138	137	98
40% Reserve	128	130	133
Additional Reserve	200	200	200
Total Reserve	328	330	333
Ratio of Claims to Premium	48.8%	44.5%	44.4%
Ratio of Expenses to Premium	43.8%	41.2%	29.4%
Ratio of Reserve to Premium	102.8%	101.8%	100.0%

"Railway Passengers" Account

Premiums	1,088	1,125	1,212
Claims	509	501	493
Expenses	456	464	477
Reserve at 40%	433	450	485
Additional Reserve	463	446	505
Total Reserve	901	896	990
Ratio of Claims to Premium	47%	44.6%	40.7%
Ratio of Expenses to Premium	42.1%	41.2%	39.3%
Ratio of Reserve to Premium	83.2%	79.6%	81.7%

Balance Sheet

Liabilities—

Capital	2,438	2,438	2,438
Funds of Life	28,882	29,633	30,685
Funds of Fire	3,329	3,346	3,358
Sinking fund	474	506	478
Other funds	7,411	8,280	9,917
Total funds	40,090	41,765	44,433
Other items	6,317	6,687	6,831
Total	48,407	50,890	53,202

Assets—

Life and Annuity branches	35,656	37,783	38,864
Giltedge	5,291	5,500	6,486
Debentures and Preference Shares	2,495	2,556	2,541
Equity Shares	2,930	2,955	2,744
Mortgages and loans	5	1	1
Other investment and other items	2,117	1,487	2,060
Cash	889	608	506
Total	48,407	50,890	53,202

Profit & Loss Account.

Receipts—

Brought in	3,127	3,681	3,643
Transfers from Fire account	321	458	462
Transfers from Life Annuity and Sinking Fund	...	...	...
Other items	714	578	1,068
Total	4,162	4,862	5,073

Disbursements—

Dividend Account ...	582	582	574
Allocation ...	50	50	50
Other items ...	249	87	187
Carry Forward ...	8,881	8,648	8,812
Total ...	4,162	4,862	5,078

NORWICH UNION LIFE INSURANCE SOCIETY.

(Established 1808)

Head Office: Norwich.

Calcutta: Grahams Trading Co., Ltd.

Post Box 147.

Norwich Union Life is one of the old and powerful Mutual Life Offices of England and it may also be mentioned that it is one of the few foreign life offices that has established a stronghold in Indian Life Insurance business. It has got a world-organisation and nearly 40 per cent. of its business is transacted outside United Kingdom. Its total Indian business in force amounts to the substantial sum of Rs. 8 crores nearly. In 1925 the society purchased from Phoenix, the Norwich Union Fire Insurance Society. The total income of the society during the year 1935 amounted to the substantial sum of 6.392 million and the total outgo to £4.337 million leaving a balance of more than £2 million to be utilised, increasing the total funds to £40.873 million.

The new business of the society increased by 867 policies and by £616,000 to 16,681 policies assuring a sum of £10.788 million. The total premium income amounted to £4.045 million. The ratio of actual to expected death claims was only 67 per cent. and the expense ratio has remained steady at 15.3 per cent. The life fund has advanced from £36.360 million in 1934 to 38.450 millions. The total assets amount to £42.566 millions.

The society thus leaves little to be desired among the strongest and soundest policy and can, therefore, be easily reckoned among the strongest and soundest life assurance companies of the British Empire.

Life and Annuity Account.

(000 omitted £)

New Business—	1933.	1934.	1935.
No. of policies ...	14,642	15,814	16,681
Net sums insured ...	8,984	10,172	10,788
Net new premiums ...	617	860	488

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Life Premiums ...	8,737	4,076	4,045
Consideration for annuities ...	259	486	286
Interests and dividends ...	1,566	1,687	1,662
Claims (Life) ...	2,228	2,689	2,589
Annuities paid ...	177	201	240
Surrenders (Life) ...	680	603	470
Commission and expenses (Life) ...	558	625	617
Percentages of expense to annual premiums ...	14.97	15.3%	15.8%
Percentage of new to Total premiums ...	16.5	20.8%	10.7%
Fund at the beginning of the year ...	85,065	87,082	39,177
Fund at the end of the year ...	87,032	89,177	40,788
Increase in the year ...	1,967	2,145	1,611

Capital Redemption Account—

Premiums ...	111	99	109
Interest and dividends ...	54	55	54
Claims ...	47	174	71
Surrenders ...	68	62	18
Commission and expenses ...	7	7	7
Fund at the end of the year ...	1,581	1,497	1,554

Total assets as per Balance Sheet for the year ended 31st December, 1935, amounted to 42,565,897, as against 40,932,729 in the previous year.

OCEAN, ACCIDENT AND GUARANTEE CORPORATION, LTD.

The Corporation was founded in 1871 and since that time has made rapid strides especially in the field of Accident insurance. It has a world wide organisation whilst in India it has the largest casualty insurance income amongst British offices and specialises in Motor, Workman's Compensation and other classes of Accident business.

In the fire department the premium income amounted to £299,053 as against £292,748, in 1934. The claims paid and outstanding rose from £97,687 to £99,101 in 1935 but the ratio of claims to premium fell by 1.1 per cent. to 40.8 per cent. £75,000 has been transferred to Profit and Loss account and the fire fund at the end of the year stands at £601,078.

The Accident Department had a slight setback this year in the permium income from £4,770,262 to £4,746,131, a decrease of £24,131 as compared with 1934. The claims paid and outstandings had a similar fall from £2,745,477 to £2,694,192 so much so the claims ratio has fallen from 57.80 per cent. to 56.80.

The expense ratio is steady about 40 per cent. The reserves at £3,541,355 have been increased by £17,000 or 0.7 per cent. of the

premium income. £140,000 has been transferred to Profit and Loss account. A noteworthy feature of the balance sheet of this company is that it has over £5 millions in sound investments out of the total assets of nearly £8 millions.

(In thousands of £'s.)

Accident Account.

	1934	1935
	£	£
Premiums	4,770	4,746
Claims	2,745	2,694
Expenses	1,914	1,890
Reserve	8,434	8,451
Ratio of Claims to Premium	57.80%	56.8
Ratio of Expenses to Premium	40.1%	40.3
Ratio of Reserves to Premium	72.0%	72.7

Fire Account.

Premiums	298	299
Claims	98	99
Expenses and Commission	123	122
40% Reserve for unexpired risks	117	120
Additional Reserve	482	481
Total Reserves	599	601
Ratio of claims to Premium	33.4%	33.1%
Ratio of Expenses to Premium	41.9%	40.8%
Ratio of Reserves to Premium	204.8%	201.0%

Profit and Loss Account.

Receipts—

Interest and dividends	262	202
Transferred—		
Fire Account	90	75
Accident Account	...	140
Other Items	...	...
Total	352	417

Disbursements—

Income-tax paid	74	17
Provision for Dividend	200	275
Balance transferred to General Reserve Fund	78	120
Other Items	...	5
Total	352	417

Balance Sheet.

Liabilities—

Capital	172	172
General Reserve Fund	1,141	1,256
Fire Insurance Fund	599	601
Accident Insurance Fund	8,434	8,451
Other Funds	24	27
Outstanding Losses less amounts recoverable under re-insurances	2,328	2,879
Other items	587	602
Total	8,290	8,488

Assets—

Giltedged Securities	8,010	8,216
Debentures and Stock	3,091	3,058
Ordinary Shares	189	183
Mortgages and Loans	3	3
Cash	478	578
Other items	1,574	1,505
Total	8,290	8,488

PEARL ASSURANCE CO., LTD.

(Established 1864)

Head Office : High Holborn, London
Bombay : York Building, Hornby Rd.
Calcutta : Andrew Yule & Co.,
Clive Row.

Size and soundness rarely go together. But of the Pearl Insurance Co., one has to employ both the epithets of big and sound, and in the superlative. The annual report and accounts of the company for the year ending December 31, 1935 show the remarkable progress achieved by every department. The total premium income from all the sources at £15.228 million have appreciated by £1,003,000 over the 1934 figure. The total assets at £91 million nearly, have been increased by £12 million nearly.

The new business of the ordinary life department at £8.598 million shows a slight increase and the life fund at £37.9 million show a substantial rise of £1.8 million. The annual valuation of the ordinary life assets and liabilities has revealed a surplus of £2.197 millions. The very low expense ratio of this department is noteworthy.

The industrial life section which is the biggest of the company shows a premium income of £8.077 million. The fire premiums have increased by £200,000 to £957,000 this year and the fire losses have also fallen by 3.7 per cent. to 41.9 per cent. The usual provision of 40% for unexpired risk has been provided for and a further sum of £49,632 has been added to Additional Reserve. The fire fund at the end of the year stands at £994,117.

The premium incomes of the other three minor accounts show appreciable increases while good trading profits are shown in two of them and the motor account which showed a little loss last year has also made good progress this year. The total assets

are scheduled at £91.240 million representing an increase of £12 million.

Life (Ordinary Branch).

	(000 omitted £)		
	1933	1934	1935
New Business—			
No. of policies ...	44,861	53,887	52,075
Net sums assured ...	8,762	8,342	8,598
Net new premiums ...	746	687	434
Life fund at the end of the year ...	84,274	86,104	87,872

Life (Industrial) Account.

	1933	1934	1935
Premium income ...	7,448	7,908	8,077
Fund at the close of the year ...	83,991	86,559	89,886

Fire Account

Premium ...	776	757	957
Claims paid and outstanding ...	310	345	401
Commission and expenses ...	297	352	448
Percentage of claims to premiums ...	89.9%	45.6%	41.9%
Percentage of expenses of premium ...	88.2%	46.6%	46.4%
Underwriting profits after allowing 40% for unexpired risks	60	67	50

Accident Account.

Premiums ...	77	82	83
Claims paid and outstanding ...	38	29	38
Commission and expenses ...	15	17	19
Percentage of claims to premiums ...	49.9	35.8	45.8
Percentage of expenses to premium	19.4	20.4	22.9
Underwriting profits after allowing 40% for unexpired risks	28	34	38

Employer's Liability Account.

Premiums ...	22	26	28
Claims paid and outstanding ...	9	12	18
Commission and expenses ...	9	10	10
Percentage of claims to premiums ...	42.5	45.7	46.4
Percentage of expenses to premiums ...	39.5	37.9	35.7
Underwriting profits after allowing 50% for unexpired risk (actual amount) ...	8	2	14

Motor Account

Premiums ...	110	147	182
Claims paid and outstanding ...	54	82	105
Expenses ...	48	58	67
Percentage of claims to premiums ...	49.3	56.2	47.7
Percentage of expenses to premiums ...	43.5	39.4	36.8
Underwriting profits after allowing 40% for unexpired risks (actual amount) ...	1	-8	73

General Account

Premiums ...	118	142	155
Claims paid and outstanding ...	49	69	78
Expenses and commission ...	46	58	65
Percentage of claims to premiums ...	43.5	48.3	50.8
Percentage of expenses to premiums ...	40.8	40.7	41.9

Profit and Loss Account

Interest receipts ...	51	12	12
Shareholders' Life profits ...	587	586	598
Net underwriting profits ...	25	85	...
Amount of Dividend (ordy.) ...	558	592	600

Total assets as shown by the Balance-sheet for the year ended 31st December, 1934 is £91,289,798 as against £79,678,589 in the previous year.

THE PRUDENTIAL ASSURANCE CO., LTD.

Head Office: London.

Calcutta Office: Clive Buildings, Calcutta.

The Prudential is the largest insurance institution of the British Empire and one of the biggest insurance companies of the world. An idea of its gigantic size can easily be gained from the fact that the total income of the Company from all sources during the year 1935 was £53.0 million or an increase of £2.1 million nearly and its total assets £302 million or over Rs. 400 crores.

The ordinary life branch of the Company shows remarkable progress in every respect. The new business has appreciated by £4.7 million to £28.7 million. The total premiums received amount to nearly £12.7 mil-

lion. The annual valuation of the company's liabilities and assets at the end of 1934 has revealed a surplus of £3.3 million which has enabled the company to declare a reversionary bonus of 2.3 per cent. on whole life policies and 2 per cent. on endowment policies.

The industrial life branch which is the largest section of the company shows a new business of 2.17 million policies assuring a sum of £56.5 million. The total premium income of this section for the year under review amounted to £20.69 million and the industrial life fund at the end of the year stood at £165.548 million.

The general branch is not so big as the other two branches, as the company began to transact this class of business at a much later period. The total premiums received during the year 1935 under all sections of the general branch amounted to £3.83 million which marks a big increase of £710,000 compared with the 1934 figure.

The distribution of assets as shown in the consolidated balance sheet indicates the sound and cautious policy of investment pursued by the Prudential. There can be no doubt that the facts and figures contained in the Accounts and Balance sheet of the Company are sufficient to convince even a layman of the gigantic magnitude of the Prudential Assurance Company and of its solid strength and soundness.

Life Account.

	(In thousands of £).		
	1933.	1934.	1935
New Business—			
No. of Policies ...	82,350	93,574	106,327
Amount ...	21,507	24,029	28,745
Premiums ...	13,183	12,443	12,704
Claims ...	10,075	13,477	15,080
Surrenders ...	1,894	1,045	890
Annuities ...	357	511	678
Expenses ...	1,705	1,607	1,798
Life fund at beginning of year	104,136	111,069	110,856
Life fund at end of year ...	111,069	113,286	111,555
Increase in fund	6,933	2,217	1,199
Ratio of expenses to premiums	12.9%	12.9%	14.1%

Industrial Branch.

No. of Policies ...	2,416,165	2,341,708	2,175,212
Sums Assured ...	62,229	60,396	56,515
Premiums ...	19,514	20,260	20,691
Claims ...	9,000	8,866	7,796
Surrenders ...	3,440	3,342	3,284
Expenses ...	4,658	4,728	4,759
Fund at beginning of year ...	137,592	145,788	155,280
Fund at end of year ...	134,788	155,280	165,548
Increase in fund	8,196	9,492	10,268
Ratio of expenses to premium ...	12.9%	12.9%	15.9%

Fire Account

Premiums ...	908	929	924
Claims ...	438	438	427
Expenses ...	384	407	421
40% reserve for unexpired risks	363	372	369
Additional reserve	397	441	480
Ratio of Claims to premiums ...	48.3	47.2	46.2%
Ratio of expenses to premium ...	42.3%	43.8%	45.6%
Ratio of reserves to premium ...	83.7%	87.5%	91.9%

Sickness and Accident Insurance

New Business—

Premiums ...	153	131	186
Claims ...	58	59	58
Expenses ...	55	64	
40% reserve for unexpired risks	98	69	71
Additional Reserve	77	91	97
Ratio of expenses to premium ...	36%	35.7%	35%

Employer's Liability Account

Premiums ...	86	94	106
Claims ...	46	42	47
Expenses ...	39	43	47
Reserves ...	132	135	158
Ratio of expenses to premium ...	45.3%	45.7%	44.3

Marine Account

Premiums ...	75	85	81
Claims ...	63	60	62
Expenses ...	15	17	12
Reserves ...	294	302	310
Ratio of expenses to premium ...	20%	20%	14.8%

Balance Sheet.

(In thousands of £).

Liabilities—

	1933	1934	1935
Capital ...	1,450	1,450	1,450
Life fund ...	111,069	113,286	111,555
Industrial fund	145,788	155,280	165,548
Fire fund ...	760	813	850
Accident fund ...	190	160	227
Employers' Liability fund ...	132	135	158
Marine fund ...	295	302	310
Other insurance funds ...	2,355	3,533	4,323
Outstanding claims	933	1,155	772
Other Liabilities	14,500	14,410	17,110
Total ...	277,472	290,524	302,303

(In thousands of £).

Assets—			
Giltedge Securities	115,910	123,784	126,867
Debentures and Preference shares	62,202	65,967	70,051
Other stocks and shares	29,536	29,188	31,265
Loans on company's policies	7,042	6,617	5,918
Other loans and mortgages	37,877	38,040	38,796
House Property	10,060	8,268	13,486
Cash	3,075	3,432	3,704
Other assets	11,770	15,238	32,718
Total	277,472	290,524	302,803

Profit and Loss Account

Brought forward	1,420	1,434	1,455
Transferred:—			
Ordinary Branch account	...	257	265
Industrial Branch account	1,125	866	876
Fire account	45	81	69
Accident account	40	41	61
Employers' Liability account	...	7	6
Motor Insurance account	...	22	7
Sinking fund account	9	...	15
Interest	30	16	27
Other items	115	189	...
Total	2,784	2,915	2,781
Dividend	1,314	1,225	1,538
Allocations	9	215	...
Other items	27	20	54
Carried forward	1,434	1,455	1,189
Total	2,784	2,915	2,781

ROYAL EXCHANGE ASSURANCE

(Established 1720)

Calcutta Office: 1-2, Old Court House Street Corner.

Bombay Office: Esplanade Road.

Royal Exchange Assurance Corporation is one of the oldest insurance companies of England and transacts all classes of business, in almost all parts of the world. The accounts of the Corporation for the year 1935 shows definite improvement in the premium incomes of the general branches of insurance, definite improvement except the General Accident department which has recorded a slight decrease of £127,000. The life department shows a continuous progress in every respect.

The new business of the life account at £4.564 million has appreciated by £816,000. The expense ratio has increased from 17.7 per cent. last to 18.6 per cent. but this may be attributed to the large new business done during the year. The life and annuity fund has increased by nearly £495,000 to £13,672 million.

The fire premiums have risen slightly by £51,000 to £1.483 millions and the claims paid have decreased to 38.5 per cent. of the premium income as against 42.9 per cent. in 1934.

The premiums of the general accident department at £1.172 million show a slight fall of £127,000 over the 1934 figure, and there is also an increase of 5.5 per cent. in the loss ratio. The accident fund at the end of the year stands at £1.421 million.

The marine premiums have increased by £22,000 to £597,000 and the profits transferred to profit and loss account amount to £25,000. The marine fund stands at £823,000.

Life and Annuity Account

(000-omitted £)

	1933.	1934.	1935.
Number of policies	5,823	6,375	8,712
Sums Assured	30,06	3,748	4,564
Life Premiums	...	...	...
Considerations and Premiums for annuities	1,118	1,181	1,194
Interest and dividends	284	281	304
Claims	497	474	569
Annuities	638	638	676
Commission and expenses (Life)	181	152	167
Percentage of expenses to Annual Premium	17.8	20.1	22.2
Life Fund at the beginning of the year	15.5	17.7	18.6%
Life and Annuity Fund at the end of the year	11,435	12,284	18,077
Increase during the year	12,234	18,077	18,672
	799	843	4,95

Fire Account.

Premiums	1,462	1,432	1,483
Claims	649	614	570
Commission and expenses	728	638	659
Total Reserves	1,185	1,173	1,194
Percentage of claims to Premiums	44.4	42.9	38.5
Percentage of commission and expenses to Premiums	49.5	48.1	44.7%

General Accident Account

Premiums	1,210	1,299	1,172
Claims	681	763	758
Commission and expenses	498	504	477
Total Reserves	1,873	1,518	1,421
Percentage of claims to Premiums	56.2	58.8	64.8
Percentage of expenses to Premium	39.8	40.8	40.7

Marine Account				
Premiums	...	491	575	557
Funds	...	859	870	828
Profit and Loss Account				
Brought forward	...	957	1,046	1,118
Interest receipts (excluding Life and capital redemption)	...	291	112	118
Shareholder's life profit	...	89	194	215
Net trading profits	...	251	75	...
Dividend rate % for year	...	28	...	11%
Dividend Amount	...	192	218	221
Expenses not departmental	...	34	85	42
Carried forward	...	1,046	1,119	1,269

ROYAL INSURANCE COMPANY

(Established—1845)

Head Office: LONDON.

Calcutta Office: 26 & 27, DALHOUSIE SQUARE.

The Royal Insurance Company occupies an important place amongst the insurance offices which operate on a world-wide scale. The total assets of the company amount to £54.64 million, and this is inclusive of investments to the amount of 10.01 million in allied or subsidiary companies. Taken in conjunction with Liverpool and London and Globe with which the Royal is associated, the group has a premium income of £23.39 million, with total funds amounting to £68.64 million. The reserves are on a strong basis, fire fund being 103 per cent. of the premium income, the marine fund being 187 per cent. and accident fund 98 per cent. The investments of the company have been drastically written down to market value; and in view of the sensational rise which took place in securities in 1932, 1933 and 1934, the Royal should have a substantial inner reserve. The dividend for 1934 is 6.6 per share less Income-tax.

Life Account.

(In Thousands of £)

New Business—	1932	1933	1934
Number	5,599	6,210	7,216
Amount	8,858	8,987	4,650
New Premiums	826	284	271
Total Premiums	1,916	1,868	1,915
Claims	1,648	1,805	1,805
Expense and commission	229	228	244

Life fund at the beginning of year	...	21,862	22,271	28,148
Life fund at the end of year	...	22,271	28,148	28,854
Net increase in the fund	...	909	877	702
Ratio of Expenses to Premiums	...	12.0%	11.9%	13.8%

Fire Account

Premiums	...	5,740	5,581	5,587
Claims	...	2,928	2,538	2,861
Expenses and Commission	...	2,660	2,557	2,000
40% Reserve for unexpired risks	...	2,296	2,212	2,285
Additional Reserve	...	3,500	3,500	3,500
Total Reserve	...	5,796	5,712	5,885
Ratio of Claims to Premium	...	51%	45.9%	42.8%
Ratio of Expenses to premium	...	46.24%	46.2%	46.7%
Ratio of Reserves to Premium	...	101%	168.8%	102.6%

Marine Account.

Premiums	...	918	809	791
Claims	...	640	228	207
Expenses	...	216	212	204
Reserves	...	1,547	1,468	1,481
Ratio of claims to Premiums	...	69.7%	28%	26.1%
Ratio of expenses to premiums	...	23.2%	26.2%	25.8%
Ratio of Reserves to Premiums	...	168.5%	181.5%	187.2%

Accident and General Account.

Premiums	...	5,061	5,007	5,187
Claims	...	3,072	2,821	2,755
Expenses and Commission	...	2,109	2,100	2,149
40% Reserve for unexpired risks	...	2,025	2,008	2,055
Additional Reserve	...	3,002	3,002	3,002
Total Reserves	...	5,027	5,005	5,057
Ratio of claims to Premiums	...	60.7%	56.8%	53.6%
Ratio of expenses to Premiums	...	41.7%	41.9%	41.8%
Ratio of Reserves of Premiums	...	99.3%	100%	98.4%

SCOTTISH UNION AND NATIONAL INSURANCE COMPANY

(Established 1878)

Head Office: EDINBURGH

Calcutta Office: 6 LYONS RANGE

Bombay Office: 16 BANK STREET

The Scottish Union and National Insurance Company was formed in 1878 by an amalgamation of two companies, the Scottish Union (founded in 1824) and the Scottish National (founded in 1841). It

took over the old City of Glasgow Life Assurance Company in 1913. Besides it controls the Maritime Insurance Company Ltd., American Union Insurance Company of New York and the Central Union Insurance Company. It is one of the few foreign companies that does an extensive life business in India. The accounts of the year 1935 show remarkable results.

The new business of the life department at 4,342 policies assuring a sum of £4.012 million is again a record high figure for the 8th year in succession. The total premiums and the considerations for annuities amount to £88,292 and the life fund has advanced by £273,000 to £11.764 million.

The fire premiums kept steady at £1.012 million. It is noteworthy that the fire losses have again decreased substantially from 58.7 per cent. in 1932 and 50.1 per cent. in 1933 to 41.9 per cent. in 1934 and to 39.41 in the year under review. The fire fund stands at £1.406 million or 148.8 per cent. of the premium income.

The total premium income of the accident and miscellaneous branches at £256,000 has slightly appreciated over the last year's figure, the total claim paid were £119,000 and the total expenses of management £108,000. The combined funds stand at £225,000.

The marine premiums had increased by £6,000 to £309,000 and the trading results enabled the company to release a profit of £30,000 from this department. The marine fund at the end of the year stands at £395,000 or 127.8 per cent. of the premium income.

The total assets of the company amount to £16.805 million. The Profit and Loss Account shows an available sum of £935,000 including a sum of £522,000 brought forward from last year's account. After the payment of dividends and other allocations a sum of £665,000 is carried forward to the next year's account.

Life and Annuity Account.

(In thousands of £)

New Business—	1933.	1934.	1935.
Number of policies ...	3,083	3,645	4,342
Amount ...	2,744	3,144	4,012
Premium on new business ...	94	90	108
Total Premium ...	774	771	805
Claims and annuities ...	885	951	816
Commission and expenses ...	141	146	154
Life fund at beginning of year ...	11,116	11,330	11,491

Life fund at year-end	11,330	11,491	11,764
Increase in fund ...	214	161	273
Ratio of expenses to Premium ...	18.2%	18.9%	19.1%

Fire Account.

Premium ...	946	1,012	1,012
Claims ...	474	424	399
Expenses ...	458	472	466
Reserve at 50% of Premiums ...	473	506	506
Special reserve ...	900	900	900
Total reserve ...	1,373	1,406	1,406
Ratio of Claims to Premium ...	50.1%	41.9%	39.4%
Ratio of expenses to Premium ...	48.4%	46.7%	46.0%
Ratio of reserve to Premium ...	145.1%	138.9%	148.8%

Accident Account.

Premium ...	31	30	28
Claims ...	17	17	17
Expenses ...	13	11	11
Reserve at 50% of Premium ...	15	15	14
Additional reserve ...	6	6	5
Total reserve ...	21	21	19
Ratio of claims to Premium ...	56.1%	58.4%	60.7%
Ratio of expenses to Premium ...	42.5%	38.1%	39.3%
Ratio of reserve to Premium ...	67.7%	70.0%	67.8%

Employers' Liability Assurance.

Premium ...	49	54	56
Claims ...	28	32	31
Expenses ...	21	22	22
Reserve at 50% of Premium ...	22	27	29
Additional reserve ...	34	34	39
Total reserve ...	56	61	68
Ratio of claims to Premium ...	56.1%	59.5%	55.3%
Ratio of expenses to Premium ...	42.2%	41.0%	39.3%
Ratio of reserve to Premium ...	114.3%	113.0%	121.4%

Marine Account.

Premium ...	299	303	309
Claims ...	200	214	219
Expenses ...	77	70	63
Reserve at 50% of Premium ...	150	152	155
Additional reserve ...	271	249	240
Total reserve ...	421	401	395
Ratio of claims to Premium ...	66.9%	70.6%	70.9%
Ratio of expenses to Premium ...	25.8%	23.1%	20.4%
Ratio of reserve to Premium ...	140.8%	132.0%	127.8%

Miscellaneous Account.

Premium ...	172	192	228
Claims ...	78	91	112
Expenses ...	76	81	97
Reserve at 50% ...	86	96	114
Additional reserve ...	57	63	92
Total reserve ...	143	159	206

Ratio of claims to Premium	45.1%	47.5%	49.1%
Ratio of expenses to Premium	44.1%	42.5%	42.5%
Ratio of reserve to Premium	83.1%	82.8%	90.4%

STANDARD LIFE ASSURANCE COMPANY.

(Established 1825)

Calcutta Office : Standard Buildings,
Calcutta.

Balance Sheet as at December 31st.

Liabilities—	1933	1934	1935
Capital	300	300	300
Funds: Life and annuity	11,330	11,491	11,763
" Fire	1,373	1,408	1,406
" Accident	21	21	19
" Employers' Liability	56	61	68
" Marine	421	401	394
General reserve fund	500	500	500
Other funds	682	680	1,285
Total funds	14,383	14,860	15,235
Other items	1,499	1,242	1,270
Total	16,182	16,402	16,605

Assets—	1933	1934	1935
Giltedge	5,548	5,850	6,473
Debentures and Preference shares	6,326	6,341	6,666
Equity shares	239	253	311
Mortgages and loans	2,403	2,283	2,066
Other investments and other items	1,407	1,387	958
Cash	259	288	331
Total	16,182	16,402	16,805

Profit and Loss Account.

Receipts—	1933	1934	1935
Brought in	460	480	522
Transferred from fire account	126	141	193
Transferred from accident account	1	2	3
Transferred from employers' liability account	3	...	...
Transferred from miscellaneous account	23	14	7
Transferred from marine account	50	40	30
Other items	77	81	180
Total	740	758	935

Disbursements—	1933	1934	1935
Dividend amount	148	152	152
Allocations	52	8	40
Other items	60	81	78
Carry forward	480	522	665
Total	740	758	935

The Standard Life Insurance Company is one of the oldest life offices of Scotland, having been established in the year 1825. In 1925 when the centenary of the office was celebrated, the company was converted into a mutual one, the shareholders' capital of £850,000 having been converted into fixed stock bearing interest at 5 per cent. Since then the company has been growing from strength to strength and the new business of the company is increasing rapidly.

The new business of the company for the year ending November 15, 1935 at £4.813 million shows a slight fall as compared with the previous year. The total premiums amounted to £1.663 million, considerations received for annuities were £619,328 and the net interest income exceeded £1 million. The life fund has been substantially increased by a sum of £1,200,000 to £24.264 million. The total assets stand at £27.165 million. The expense ratio at 17.2 per cent. shows a fall of 0.7 per cent.

Valuation is made annually and the company's reserves are calculated on a 2½ per cent. interest basis with an additional margin that makes it approximately equivalent to one at 2½ per cent. interest—a stronger basis of valuation than that adopted by any other Assurance Company in the world. An extra reserve was made to allow for the longevity of annuitants. The surplus available was £399,403. But of this surplus a compound reversionary bonus of 42s. per cent. was allotted and a balance of £30,970 is carried forward. The maintenance of this high rate of bonus, the chairman rightly pointed out, was due in a large measure to the cautious and conservative policy, pursued by the company for many years, of transferring a portion of the profits to the reserves.

Life Account

	(In Thousands of £)		
	1933.	1934.	1935.
Number of Policies	5,866	6,380	6,952
Amount Net	3,541	5,249	4,379
Net Premium on new business	176	223	380
Total Premium	1,272	1,473	1,663
Interest	1,018	1,062	1,103
Claims by death	568	831	323
" " maturity	271	323	266
Commission and Expenses	202	264	287
Life and Annuity Fund at beginning of year	21,124	22,336	23,064
Life and Annuity Fund at year-end	22,336	23,064	24,284
Increase in Fund	1,212	728	1,200
Ratio of expenses to premium	15.9%	17.9%	17.2%
Liabilities—			
Life Assurance and Annuity Fund	22,336	23,064	24,264
Capital Redemption Assurance and Annuity Certain Fund	728	761	796
General Reserve	850	850	850
Perpetual Stock	850	850	850
Total Funds	24,765	25,525	26,760
Current Liabilities	306	417	406
Total	25,071	25,942	27,166
Giltedge	9,224	9,914	10,321
Debenture and Preference Stocks	9,403	9,912	10,346
Ordinary Stocks	2,416	2,414	2,877
Mortgages and Loans on Life Interests and Reversions	1,620	1,612	1,445
Loans on Policies	1,421	1,222	1,112
Other Investments	643	668	660
Agents' Balances,	67	76	74
Cash	277	124	331
Total	25,071	25,942	27,166

SUN INSURANCE OFFICE, LTD.

(Established 1710)

Head Office: London

Calcutta Office: 2, Hare Street

Bombay Office: 24, Bruce Road.

The Sun is the oldest insurance office in the world. The company transacts on a world wide scale fire, marine and all branches of general accident insurance. It is connected with the Sun Life Assurance Society which transacts life business within the United Kingdom. The aggregate premium income of the office from all the 3 departments amounts to £4,701 million representing an increase of £26,000. This is

indeed creditable compared to the performances of similar composite office doing business on a wide area.

The fire premiums at £2.293 millions show a fall of £45,000 compared to the previous year and the loss ratio has fallen still further by 2.2 per cent. The trading profit of this section at £392,135 has slightly increased from £208,000 in the previous year the total reserves are kept at £2.517 million or 109.8 per cent. of the premiums.

The accident account shows a further substantial rise of £26,000 in the premium income which stands at 1,854 millions Here the loss ratio has increased by 6.5 per cent. to 64.4 per cent. The accident fund at the end of the year is kept at £1.308 million or 70.6 per cent. of the premium income.

The marine premiums at £554,000 is £9,000 lower than in last year. The contribution of this section to the profit and loss account amounts to £81,000. The marine funds stand at 933,000 or 168.4 per cent. of the premium income.

The total assets of the office are shown at £10.609 million in the balance sheet. The profit and loss account shows a total available sum of £1.922 million including a sum of £1.283 million brought forward from last year's account. After the payment of dividends to shareholders and other allocations a sum of £1.335 million is carried forward.

Fire Account.

	(In Thousands of £)		
	1933	1934	1935
Premiums	2,288	2,338	2,293
Claims	943	969	899
Expenses	1,093	1,127	1,069
Reserves at 40% for unexpired risk	805	985	917
Additional reserve	1,600	1,600	1,600
Total reserve	2,495	2,585	2,517
Ratio of Claims to Premium	42.1%	41.4%	39.2%
Ratio of Expenses to Premium	48.8%	43.2%	46.6%
Ratio of Reserves to Premium	111.5%	108.4%	109.8%

Marine Account.

Premiums	606	568	554
Claims	460	441	452
Expenses	61	69	66
Reserve	772	817	803
Additional reserve	180	180	180
Total reserve	902	947	933
Ratio of Claims to Premium	75.9	78.5	81.6
Ratio of Expenses to Premium	10.1	12.2	10.9
Ratio of Reserve to Premium	148.8	168.2	168.4

Accident Account.

Premiums	1,569	1,777	1,854
Claims	814	1,027	1,197
Expenses	585	646	656
Reserve for unexpired Risks	628	694	708
Additional Reserve ...	465	465	600
Total reserve	1,098	1,159	1,303
Ratio of Claims to Premium	52.0	57.9	64.4
Ratio of Expenses to Premium	40	86.4	85.4
Ratio of Reserve so Premium	69.7	65.3	70.6

Balance Sheet.

Liabilities—			
Capital	600	600	600
Funds—			
Fire	2,495	2,585	2,517
Accident	1,098	1,159	1,808
Marine	902	947	988
General Reserve Fund	1,000	1,000	1,000
Pension Fund	809	819	835
Total Funds	6,000	6,160	6,298
Other Items	8,818	8,475	8,916
Total	9,918	10,285	10,609
Assets—			
Giltedge	3,207	3,441	3,048
Debentures and Preference shares ...	2,268	2,084	1,826
Equity shares	467	726	790
Mortgages and loans	480	458	447
Other Investments and other Items	2,678	2,671	3,550
Cash	828	855	948
Total	9,918	10,285	10,609

Profit and Loss Account.

Receipts—			
Brought in	1,091	1,159	1,288
Transferred from Fire account	888	290	392
Marine	109	111	81
Accident	162	75	69
Other Items	101	118	97
Total	1,801	1,758	1,922

Disbursements—

Dividend Amount ...	244	247	258
Allocations	252	100	187
Other Items	146	128	147
Carry forward	1,159	1,288	1,385
Total	1,801	1,758	1,922

YORKSHIRE INSURANCE COMPANY

(Established 1824)

Head Office: YORK.

Bombay: 10, BRUCE STREET, FORT.

This company is one of the old established companies of England and it has acquired a number of subsidiary companies which do their business separately but whose accounts are included in those of the Yorkshire. The aggregate premium income of the Company from all departments amounted to £3.561 million as against £3.512 million in 1933 and the total assets stand at £15.001 million as against £14.351 million in the previous year.

The life new business exceeded £2½ million showing an increase of £31,000 over the last year's figure. The life fund has been increased by the substantial amount of £510,000 to £8.957 million. The quinquennial valuation of the life assets and liabilities as on December 31, 1933, has revealed the strong position of the department, disclosing a surplus of £900,000 nearly. Of this sum £611,000 is distributed as bonus to policyholders, £68,000 is allotted as the shareholders' portion of the assets, and £261,000 is carried forward unallotted. The same bonus as that awarded in 1928 maintained and the average rate is 48s. per cent. per annum.

The fire account shows an increase of £13,000 in the premium income which stands at £917,000 and the underwriting profits have slightly decreased to £94,000 or 10.2 per cent. as against 11.8 per cent. in the previous year. The accident premiums at £1.271 million represents an increase of £52,000 over the 1933 figure. The marine premiums at £376,000 are down £6,000 and the amount transferred to the Profit and Loss account from this department amounted to £50,000. The marine fund is kept at the high ratio of 16 per cent. of the premium income.

Life Account.

(In thousands of £)

	1932	1933	1934
New Business—			
Number	2,695	3,073	3,386
Amount	1,828	2,549	2,580
Premium on new business	114	136	123
Total premiums	678	705	710
Interest	315	328	354
Claims and annuities	463	396	526

Commission and expenses ...	91	98	99
Life fund at beginning of year ...	7,145	7,733	8,447
Life fund at year-end ...	7,733	8,447	8,957
Net increase in life fund ...	588	714	510
premium ...	13.5%	18.9%	13.9%
Ratio of expense to			

Fire Account.

Premiums ...	1,010	904	917
Claims ...	587	449	418
Expenses ...	411	392	400
Total reserve ...	724	682	687
Ratio of claims to premium ...	58.1%	49.6%	45.7%
Ratio of expenses to premium ...	40.7%	43.3%	43.8%
Ratio of reserve to premium ...	71.6%	75%	74.9%

Marine Account.

Premiums ...	443	382	376
Claims ...	353	284	97
Expenses ...	79	72	71
Reserve ...	603	617	607
Ratio of claims to premium ...	79.7%	69.1%	25.8%
Ratio of expenses to premium ...	17.8%	18.7%	18.8%
Ratio of reserve to premium ...	138.4%	161.5%	161.4%

Accident and General Account.

Premiums ...	1,223	1,219	1,271
Claims ...	712	668	727

Expenses ...	511	523	533
Total reserve ...	729	729	752
Ratio of claims to premium ...	58.2%	54.8%	57.2%
Ratio of expenses to premium ...	41.8%	43.0%	41.9%
Ratio of reserve to premium ...	59.6%	59.8%	59.2%

Liabilities—

Capital ...	290	293	902
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Funds—

Life ...	7,788	8,447	8,857
Fire ...	704	682	687
Accident and general ...	729	729	752
Marine ...	603	617	687
Sinking and capital redemption fund ...	421	466	564
General reserve fund..	1,258	1,074	1,191
Total funds ...	12,269	12,457	12,758
Other funds ...	1,444	1,574	1,951

Total ...	18,718	14,351	15,001
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Assets—

Giltedge investment ...	8,718	4,515	4,668
Debentures and Preference shares ...	2,904	1,787	1,966
Equity shares ...	88	89	45
Loans on life policies...	447	464	440
Other loans and mortgages ...	2,791	2,774	2,987
Other investments and other items ...	3,288	4,212	4,351
Cash ...	582	560	599

Total ...	18,718	14,351	15,001
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INSURANCE SECTION:

REVIEWS OF BALANCE SHEETS

EMPIRE AND FOREIGN INSURANCE COMPANIES

ALLIANZ UND STUTTGARTER LIFE INSURANCE BANK, LTD.

Head Office :—BERLIN

Head Office for India :

QUTAB ROAD, DELHI

As the title indicates, this concern carries on both insurance and banking business. The company has such large surplus fund that it found it convenient or rather necessary to conduct banking business side by side with insurance. The total assests of the company amount to £66.3 million. An indication of the largeness of the company can be found in the fact that the company has paid claims to the extent of £2.5 million during 1934. Recently the Allianz Und Stuttgarter has extended its business widely and has acquired shares of other life offices, both within Germany and without. The growth of the company within the last few years has been remarkable. In 1926, the total assurance in force was £26 million, and this has increased to £275.7 million by 1934. During the year 1935, the new business compared with that of the previous year, has increased by nearly £41,000. Mortality was satisfactory just like in the previous year, the profits on mortality in the direct business amounting to £805,265. The investments of the Company, without funds of the revalorisation stock, have increased by nearly £12 million against the previous year. Including the profit of non-participating business at home and abroad as well as of the re-assurance business the total surplus amounted to £2,548 million.

Direct New Business— (£ 000's omitted).

	1932	1933	1934
Number	189,183	...	...
Amount	20,351	...	...
Total Business in force	232,110	234,611	275,782
Profits on mortality in direct business	720	786	889
Total Surplus	2,334	2,088	2,548

Liabilities—

Share Capital	...	1,429	1,460	1,631
Statutory Reserve funds	...	143	146	163
Net Liabilities	...	82,878	86,570	46,243
Reserves for claims pending	...	140	124	135
Undivided policy-holder's profit	...	6,769	7,110	6,027
Investment Reserve fund	...	749	1,284*	1,459
Miscellaneous Reserves	...	1,236	1,382	2,333
Revalorisation stock	...	5,855	4,871	4,099
Other items	...	1,896	1,468	8,611
Total	...	51,410	54,415	66,801

	1932	1933	1934	
Assets—				
Securities	...	10,739	12,080	18,008
Bonds of Public bodies	...	3,796	5,762	6,217
Loans on policies within their surrender values	...	4,286	4,678	5,731
Mortgages	...	23,737	23,102	27,153
Real property	...	1,848	2,466	2,836
Cash	...	98	106	215
Other items	...	6,686	5,671	6,141
Total	...	51,140	54,415	66,801

Profit and Loss Account

Receipt—

Balance brought forward	...	87,420	48,895	51,941
Premiums	...	9,808	9,402	12,405
Interest, etc.	...	2,588	2,710	2,854
Revalorisation stock	...	8,999	6,800	5,744
Other items	...	2,154	3,156	4,809
Total	...	60,914	64,968	77,918

	1932	1933	1934
Expenditures—			
Claims paid ..	1,904	1,987	2,644
Surrenders ...	1,611	1,832	1,587
Management expenses and commissions	1,768	2,127	2,634
Undivided policyholders' profit ...	6,769	7,110	6,027
Valuation reserve at end of year ...	32,873	36,570	46,243
Revalorisation stock	8,974	6,299	5,733
Net profit ...	214	1.1	175
Other items ..	6,801	8,837	12,265
Total ...	60,914	64,968	77,313

THE GREAT EASTERN LIFE ASSURANCE CO., LTD.

(Established—1908)

Head Office: Singapore.

Calcutta Office: 1, Royal Exchange Place.

The Great Eastern is one of the big foreign life offices doing extensive business in India. During recent years the company has suffered great setback in the procuring of new business but it is gratifying to note that during the year 1935 the company has considerably increased (over 50 per cent.) its new business over the 1933 figure.

During the year under review the company booked 4,319 policies assuring a sum of Rs. 146.3 lakhs as against Rs. 81.74 lakhs in the previous year. The total business in force at the end of the year was Rs. 6.48 crores. The total premium income was Rs. 31.06 lakhs and the interest income Rs. 11.38 lakhs. The life fund has been increased by over Rs. 15 lakhs to Rs. 2.16 crores. The assets of the company at the end of the year stand at Rs. 2.42 crores.

(In Thousands of Rs.)

	1932.	1933.	1934.
New Business—			
Number of policies ...	1,987	2,751	4,319
Amount ...	54,11	81,74	1,46,80
Total Premiums ...	30,50	31,85	86,06
Interest, Dividends and Rents ...	10,25	10,04	11,48
Claims ...	12,75	18,55	17,10
Commission and expenses ...	9,28	10,04	12,43
Amount of Life fund at the beginning of the year ...	1,72,81	1,80,41	1,99,79
Amount of Life fund at the end of the year ...	1,80,41	1,86,43	2,15,52
Increase in fund ...	8,10	6,02	15,73
Ratio of expenses to premium ...	80.4%	81.5%	84.4%

Liabilities—

Capital ...	2,65	2,65	2,65
Life fund ...	1,80,41	1,86,43	2,15,52
Outstanding claims	4,66	4,86	5,23
Reserve fund ...	14,80	15,39	15,72
Other liabilities ...	2,16	2,42	2,63
Total ...	2,04,68	2,11,75	2,41,75

Assets—

Giltedge securities ...	28,86	39,57	59,21
Preference and ordinary stocks and shares	21,11	24,16	41,51
Loans on mortgages	97,61	87,12	72,43
Loans on Company's policies ...	26,00	28,22	30,09
Cash ...	4,82	2,14	2,46
Other assets ...	26,28	30,54	36,05
Total ...	2,04,68	2,11,75	2,41,75

THE NATIONAL MUTUAL LIFE ASSOCIATION OF AUSTRALIA, LTD.

(Established—1869).

Head Office: MELBOURNE, AUSTRALIA.

Calcutta Office: CHARTERED BANK BDGS.

Bombay Office: 15, ELPHINSTONE CIRCLE.

The National Mutual of Australasia is one of the soundest and biggest mutual life offices of the world, and does considerable business in India. The accounts of the Association for the year 1935 show considerable improvement over the figures of 1934. The new policies issued during the year 1935 amounted to 26,941 assuring a sum of £10.137 millions as against 23,056 policies assuring £9.2 millions in the previous year. The total premiums received amounted to £3.407 millions showing an increase of £107,000. The expense ratio of the Association stands at the low percentage of 13.4. The life fund at the end of the year has been considerably strengthened by £1.619 million to £39.161 million. The total assets of the Association stand at £40.780 million and are distributed scientifically.

(In thousands of £).

	1933	1934	1935
New Business—			
Number of policies ...	18,067	28,056	26,941
Amount ...	7,577	9,120	10,137
Premiums on new business ...	806	893	406
Total Premiums ...	3,238	3,300	3,407
Claims by death ...	982	968	1,003
„ maturity ...	1,236	1,170	1,301
Commission & expenses	387	401	457
Life fund at beginning of year ...	35,181	36,243	37,851
Life fund at the end of the year ...	36,243	37,851	39,161
Increase in fund ...	1,062	1,608	1,619

Balance Sheet.

Balance Sheet.			
Liabilities—			
Life fund	... 36,248	37,351	39,161
Reserve fund	... 831	791	1,170
Outstanding claims	... 418	379	407
Other items	... 55	97	42
Total	... 37,547	39,118	40,780
Assets—			
Government securities	10,197	11,102	12,123
Debentures and stocks	6,297	6,251	6,623
Loans on mortgage	8,780	8,760	8,880
Loans on policies	6,815	5,820	6,856
Cash	1,568	1,998	1,743
Other items	8,955	5,192	5,555
Total	... 37,547	39,118	40,780

SUN LIFE ASSURANCE COMPANY OF CANADA

(Established—1865)

Head Office: MONTREAL, CANADA.*Calcutta Office:* DALHOUSIE SQUARE, CAL.*Bombay Office:* CANADA BLDGS., BOMBAY.

The Sun Life of Canada is one of the largest life insurance companies in the world. It has been established in India for a long time and this accounts for a considerable amount of total India Life business in force. The popularity of the company has suffered a slight setback recently with the result that its business results show a marked fall in the years 1932 and 1933. But the business prospects have definitely improved towards the close of the year 1933 and the accounts, of the company for the year 1934 show that the upward movement has again begun.

The new business for the year 1934 has increased by 1,626 policies and 20 million dollars to 78,652 policies assuring a sum of \$236.2 million and the total premiums received \$104 million are nearly same as in last year. The life fund has been increased by \$36 million to \$569 million.

Among the assets of the company giltedge securities account for nearly 24.5 per cent. of the total assets, policy loans to 15 per cent. and stocks and shares to 45.6 per cent.

Life Account.

	(In thousands of \$)		
	1932.	1933.	1934.
New Business—			
Amount assured	284,099	216,567	236,216
Premiums on New Business	15,179	11,062	13,433
Total Premiums	115,698	103,978	103,845
Interest, Dividends and Rents	24,021	23,856	24,385
Total assurance in force	2,928,952	2,770,454	2,748,725
Claims by death	25,803	24,134	23,885
Total Claims	57,876	47,869	34,099
Expenses and commission	22,318	17,712	17,279
Life fund at the end of year	515,231	532,954	569,154

Balance Sheet.

Balance Sheet.			
Liabilities—			
Capital	2,000	2,000	2,000
Life and Annuity fund	515,231	532,953	569,154
Other funds	4,781	4,888	10,963
Claims, surrenders etc. due and unpaid	10,932	10,596	9,189
Other liabilities	78,492	73,711	54,073
Total	611,436	624,146	665,379
Assets—			
Giltedge Securities	*107,862	*116,009	*162,881
Preference and other stocks	312,049	305,220	302,424
Loans on Company's policies	99,478	100,981	97,467
Other loans and mortgages	29,897	28,844	27,518
Property	27,408	27,983	28,909
Outstanding and deferred premiums	19,618	18,286	17,441
Cash	5,556	18,201	19,583
Other assets	9,568	8,622	9,156
Total	611,436	624,146	665,379

* Including Municipal, Public Utility and other Bonds.

NEW ZEALAND INSURANCE CO., LD.

(Established 1859)

The New Zealand Insurance Company is one of the largest foreign insurance companies doing business in India. The company has a number of branches in New Zealand, Australia, America, S. Africa, India and the Far East. During the year under review, the premiums from fire, marine and accident departments amounted to £1,001,328 as compared with £1,008,530 in 1932-33. The profits for the

year at £110,593 show an increase of £35,989 over the previous year. Dividend has been declared at 10 per cent. just as in the previous year. But this year being the 75th anniversary of the company, the Directors have declared a further bonus of 2½ per cent.

Underwriting Account

(In thousands of £)

	1935-36
Fire, Marine and Accident Premiums ...	1,001
Reserve for Unexpired Risks at 31st May, 1935 ...	506
Total ...	1,507
Commissions, Salaries, Directors' Fees and other Expenses... ..	292
Government Taxes and Appropriations and Payments of Fire, Marine and accident Associations ...	45
Fire Marine, and Accident Losses and Appropriations for Unadjusted Losses Reserve for Unexpired Risks at 31st May, 1935 ...	554
Balance	110
Total ...	1,507

Balance Sheet.

Liabilities—	
Capital	1,500
Reserve Fund	500
Reserve for Unexpired Risks ...	506
" " Contingencies ...	146
" " Investment fluctuation ...	53
Other items	261
Balance	258
Total ...	3,224
Assets—	
Giltedge and other Securities ...	2,105
Mortgages and deposits	206
Shares	174
Office Premises and other properties ...	418
Interest and Rents	38
Branch and Agency Balances etc. ...	160
Cash	123
Total ...	3,224

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CO-OPERATIVE SECTION :

CO-OPERATION IN INDIA

Contrary to what one might expect from the natural wealth of India, the Indian peasant is steeped in poverty. The danger to the nation as a whole will be evident when the predominance of the agricultural population in India is taken into account. The poverty of the Indian cultivator is due to several causes. The holdings of the cultivators have been subject to frequent fragmentation, mainly due to the Hindu and Mohammedan laws of inheritance, with the result that the average holding has become very small and uneconomic. The Indian cultivator is exposed to the vagaries of the monsoon; but this unfavourable condition has been largely mitigated by the sound policy of irrigation adopted by the State. All these factors have resulted in his heavy indebtedness. Progress is rendered all the more difficult by his illiteracy. The problem of rural uplift is imprisoned in many a vicious circle and it is co-operation that must break all such vicious circles.

It is more than a quarter of a century since the co-operative movement began in India. The movement was largely influenced by the two most outstanding examples in co-operation abroad—Germany and Denmark. Economic conditions in Germany in the middle of the last century, in so far as they affected the agriculturist, were not much different from those in India to-day. The small farmer was exploited by the moneylender. The success of the institutions abroad attracted the attention of those who were anxiously looking for assistance in solving the problem of rural poverty. The Government of Madras took the initiative and Mr. Nicholson who was deputed to study the problem, brought out a very valuable report. In the United Provinces and the Punjab several societies were organised on the initiative of the Government. The Famine Commission of 1901 strongly advocated the establishment of mutual Credit Societies. The recommendations were carefully considered by two committees; and

these efforts led to the passing of the Co-operative Credit Societies Act of 1904.

The Act provided only for the formation of credit societies. The main reason for this restriction was that in a relatively backward population, the non-credit organisations might encounter too many impediments. Also, special emphasis was laid on rural credit on account of its more urgent character.

The various provincial governments immediately gave effect to the policy of co-operation. A separate department was formed and with the increasing progress, the department grew in numbers and importance. The aim of the department, from the beginning, was to instruct the people as to the benefits of co-operation and train individuals for the task of managing the new societies in accordance with co-operative principles. In the first few years the number of societies grew up slowly, but from 1910 the growth was much accelerated; and soon it exceeded the expectations of its promoters. The credit societies paved the way for societies for distribution and other non-credit purposes. There was a great need for the free supply of capital and improved system of supervision; and various central agencies were established to control and finance the primary credit societies. But these organisations had no legal recognition.

In order to remove the deficiencies of the Act of 1904, a revised Act was passed in 1912, known as the Co-operative Societies Act of 1912. The non-credit forms of co-operation were recognised by this Act. It also recognised the three kinds of central societies as distinguished from primary societies, namely, Unions consisting of primary societies for mutual control and audit; central banks consisting of societies and individuals and provincial banks consisting of individuals. In certain provinces the unlimited liability societies were allowed, subject to consent by the provincial governments concerned, to declare dividends in view of the importance of share capital.

According to the new Act, the distinction between societies was made on a more scientific basis namely, "limited" and "unlimited liability societies."

The new Act gave a fresh impetus to the movement. New types of societies, such as co-operative produce sale societies, milk supply societies and cattle insurance societies were started; and many of them made good progress. There was a rapid increase in the number of central societies; and the movement was winning the confidence of the public. The Reforms Act of 1919 made co-operation a provincial Transferred Subject; and every province was enabled to make progress on lines best suited to its local needs.

Though the movement has made rapid strides, the progress has not been uniform in the different parts of the country. Bengal, the Punjab and Madras have the largest number of societies while a major province like Bombay and others like Bihar and Orissa, the United Provinces, the Central Provinces, Burma and Assam have a distinctly smaller number of societies. The co-operative movement has also made considerable progress in many of the India Native States. Bhopal and Gwalior have the largest number of societies among the Native States.

In spite of the steady progress of the movement for nearly twenty years, the burden of agriculturist indebtedness has hardly lessened. This is due to the reason that co-operative credit was confined only to short-term loans. To remedy this defect, a Co-operative Land Mortgage Bank was started in Punjab in 1920: and soon the other provinces followed suit. Defaults in repayment of loans and other defects became common. The various provinces established Co-operative Enquiry Committees and certain provinces like Bombay and Madras passed their own Provincial Co-operative Acts.

The non-credit co-operative movement had to encounter more obstacles and its progress was comparatively slow. Co-operative Cotton Sale Societies were established in Karnatak, Guzerat and Khandesh. In Burma cattle insurance societies were established and several co-operative irrigation societies sprang up in Bengal and in Bombay. But the most remarkable form of non-credit co-operation in India is the consolidation of holdings by co-operation in the Punjab. Many important recommendations for the progress of both the credit and non-credit forms of co-operations have been

made by the Royal Commission on Agriculture appointed in 1926 and the recent Indian Central and Provincial Banking Enquiry Committees.

The co-operative movement was much affected by the period of depression. At the instance of the Government of India, an All-India Co-operative Conference was held in January, 1934. The Conference was attended by the Registrars of Co-operative Societies, the Ministers in charge of co-operation of the various provinces and the representatives of the two All-India organisations—the Institute's Association and the Provincial Banks' Association. The Conference recommended the enactment of an All-India Co-operative Societies Act so as to permit the registration of co-operative societies working in the whole of India or in more than one province. It also recommended that the Government should help the development of land mortgage banks by both guaranteeing the interest on their debentures as well as the capital. A third suggestion was the creation of a Central Board in order to bring about a closer co-ordination of work between the different provinces and States of India.

Though the co-operative movement has produced valuable results it has not gone to the root of the economic and social ills from which the country is suffering to-day. But its achievements cannot be denied. "Knowledge of the co-operative system is now widespread; thrift is being encouraged; training in the handling of money and in elementary banking principles is given. Where the co-operative movement is strongly established, there has been a general lowering of the rate of interest charges by money-lenders; the hold of the money-lender has been loosened, with the result that a marked change has been brought about in the out-look of the people."

It must be, however, admitted that all these benefits have been secured only on a small scale. Much remains yet to be attained in the sphere of non-agricultural co-operation. Even agricultural co-operation has been practically confined to the sphere of credit. The various defects in the present working of the movement—such as unpunctuality of payments, unnecessary delay in issuing loans and the appointing of those who are not properly trained for the task should be remedied. In co-operation lies the future of rural India. "If co-operation fails, there will fail the best hope of rural India."

POPULATION STATISTICS

AREA AND POPULATION OF PRINCIPAL COUNTRIES

Countries	Area in Square Miles	Latest Census year	MALES	FEMALES	Total population
			In Millions		
India	1,805,332	1931	181·9	171·1	353·0
Australia	2,974,581	1932	3·4	3·2	6·6
Union of S. Africa (Whites only)	472,347	1931	·9	·9	1·8
Canada	8,729,665	1931	5·4	5·0	10·0
Great Britain and North Ireland	94,668	1931	22·1	24·0	46·1
United States of America	2,973,776	1930	62·1	60·6	122·8
Brazil	8,275,510	1920	15·4	15·2	30·6
Mexico	767,198	1930	8·1	8·3	16·4
China	4,278,352	1932	.....	.....	474·8
Japan	147,592	1930	32·4	32·1	64·5
Germany	181,723	1931	31·4	33·3	64·7
France	212,659	1931	.....	.....	41·8
Italy	119,713	1931	20·1	21·1	41·2
Soviet Russia (U.S.S.R.)	8,241,921	1926	71·0	76·0	147·0

Infant Mortality

Death Under One Year for 1,000 Living Births

Countries	Annual Average between		1929	1930	1931	1932	1933*
	1921-25	1926-30					
(British) India	192	177	178	180	...	...	...
Union of S. Africa (White population only)	78	67	64	67	65	59	60
Canada	98	98	92	89	85	...	...
Australia	58	52	51	47	42	41	39
United Kingdom	78	70	76	68	68	68	66
U. S. A	74	68	68	65	62	59	58
Japan	159	187	142	124	132	118	...
Germany	122	94	96	85	88	79	76
France	95	89	95	78	76	76	75
Italy	126	119	125	106	118	...	...

* Provisional figures

INDIAN INSURANCE DEVELOPMENT

The existing Indian Insurance Companies for their Capital and reserve strength, are in a position to take care of all insurance business that is available in this country in all branches—whether Life, Fire, Marine or Accident.

Much has been done by the companies themselves to educate the people of this country in the direction of looking to Indian Companies for insurance; and the general public—be it said to their credit—are now rallying round Indian Companies.

More, however, remains to be done and it behoves every Industrialist and businessman of this country in particular and the public in general to do everything in their power to stand behind Indian Institutions.

The salvation, strength and stability of every nation consist in the continuance and growth of large financial institutions. It therefore behoves the Insuring public of India to continue their support in a whole-hearted manner and the day will not be far off when Indian Insurance Companies will be real power in the economic fabric of the country.

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Annual Rate of Excess of Births for 1,000 Inhabitants

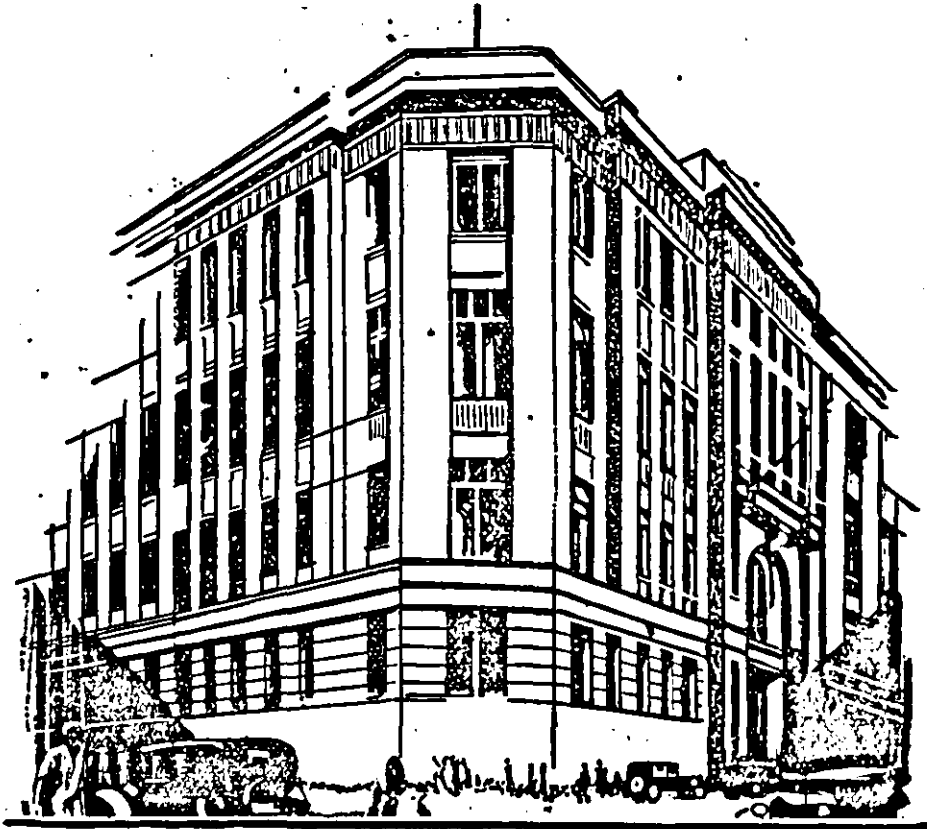
Countries	Annual Average Between		1929	1930	1931	1932	1933*
	1921-25	1926-30					
British India ...	6.7	9.0	8.8	8.3	9.5	...	...
Union of S. Africa...	17.4	16.4	16.7	16.7	16.0	14.4	14.4
Canada ...	16.2	18.0	12.2	13.2	13.1	12.5	...
Australia ...	14.4	11.7	10.7	11.8	9.5	8.3	7.9
United Kingdom ...	8.0	4.9	3.1	5.1	3.8	3.5	2.4
U. S. A. ...	10.7	7.9	7.0	7.6	6.7	6.5	..
Japan ...	12.8	14.1	12.9	14.2	13.2	15.2	13.8
Germany ...	8.8	6.6	5.3	6.4	4.8	4.3	3.5
France ..	2.1	1.4	0.2	2.4	1.1	1.5	0.5
Italy ...	12.4	10.8	9.1	12.6	10.1	9.2	10.0

* Provisional figures

Annual Birth Rate for 1,000 Inhabitants

Countries	Annual Average between		1929	1930	1931	1932	1933*
	1921-25	1926-30					
India (British only) ...	32.7	33.2	32.7	32.9	34.8	...	...
Union of S. Africa ...	27.1	26.1	26.2	26.4	25.5	24.3	23.7
Canada ...	27.4	24.1	23.5	23.9	23.2	22.4	...
Australia ...	28.9	21.0	20.3	19.9	18.2	16.9	16.8
U. S. A. ...	22.5	19.7	18.9	18.9	17.8	17.4	...
United Kingdom ...	20.4	17.2	16.7	16.8	16.3	15.8	14.9
Japan ...	34.6	33.4	32.7	32.4	32.2	32.9	31.6
Germany ...	22.1	18.1	17.9	17.5	16.0	15.1	14.7
France ...	19.3	18.2	17.7	18.0	17.4	17.3	16.3
Italy ...	29.7	26.8	25.6	26.7	24.9	23.8	23.5

*Provisional figures



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Annual Death Rate for 1,000 Inhabitants

Countries	Annual Average between			1930	1931	1932	1933*
	1921-25	1926-30'	1929				
(British) India ...	26.0	24.2	24.0	24.8	24.8	...	...
Union of South Africa ...	9.7	9.5	9.5	9.7	9.5	9.9	9.3
Canada ...	11.2	11.1	11.3	10.7	10.1	9.9	...
Australia ...	9.5	9.3	9.6	8.6	8.7	8.1	8.9
United Kingdom ...	12.4	12.3	13.6	11.7	12.5	12.8	12.5
U. S. A. ...	11.6	11.8	11.9	11.3	11.1	10.9	10.0
Japan ...	21.6	19.8	19.8	18.2	19.0	17.7	17.8
Germany ...	18.8	11.6	12.6	11.1	11.2	10.8	11.2
France ...	17.2	16.8	17.9	15.6	16.3	15.8	15.8
Italy ...	17.3	16.0	16.5	14.1	14.3	14.6	13

*Provisional figures

The Population of Indian Provinces and States as per Census of 1931 and 1921

(Population in millions)

	1921 Census			1931 Census		
	Total	Males	Females	Total	Males	Females
Assam ...	8.6	4.5	4.1	7.5	3.9	3.6
Bengal ...	50.1	26.0	24.1	46.7	24.2	22.5
Bihar and Orissa ...	37.6	18.8	18.8	34.0	16.8	17.2
Bombay ...	22.2	11.7	10.5	19.3	10.2	9.2
Burma ...	14.7	7.5	7.2	13.2	6.8	6.4
Central Provinces and Berar	15.5	7.8	7.7	13.9	6.9	7.0
Madras ...	46.7	23.1	23.6	42.3	20.9	21.4
Punjab ...	23.6	12.9	10.7	20.7	11.3	9.4
U. P. ...	43.4	25.4	28.0	45.4	23.8	21.6
Baroda ...	2.4	1.3	1.0	2.1	1.1	1.0
Gwalior ...	3.5	1.9	1.6	3.2	1.7	1.5
Hyderabad ...	14.4	7.8	7.1	12.5	6.4	6.1
Kashmir ...	3.6	1.9	1.7	3.3	1.8	1.5
Mysore ...	6.6	3.4	3.2	6.0	3.1	2.9
Cochin ...	1.2	.6	.6	1.0	.5	.5
Travancore ...	5.1	2.6	2.5	4.0	2.0	2.0
Total British India ...	277.7	140.1	131.6	246.9	126.8	120.1
Total States and Agencies ...	31.2	15.9	13.8	27.1	13.2	11.9
Total Indian Populations ...	308.9	156.0	145.4	274.0	140.0	132.0

Population of the Indian Cities.

	Population in 1931	Population in 1921
Ajmer-Merwara—		
Ajmer	119,524	118,512
Bengal—		
Calcutta Proper	1,198,888	1,077,284
Howrah	222,488	198,801
Dacca	188,518	119,450
Bihar and Orissa—		
Patna	158,280	119,976
Bombay—		
Bombay	1,157,851	1,175,914
Ahmedabad	810,000	274,007
Karachi	260,689	216,888
Poona	168,100	214,796
Sholapur	185,682	119,581
Burma—		
Rangoon	400,415	845,621
Mandalay	144,899	148,917
C. P. and Berar—		
Nagpur	215,088	145,198
Jubbulpur	124,469	108,798
Delhi—		
Delhi	447,442	804,420
Madras—		
Madras	667,228	526,911
Madura	182,007	188,894
Trichinopoly	141,640	120,422
Salem	102,181	52,244
N.W. Provinces—		
Peshawar	121,866	104,452
Punjab—		
shore	429,747	281,781
Amritsar	284,840	160,218
Multan	119,457	84,806
Rawalpindi	119,284	101,142
United Provinces—		
Lucknow	274,659	240,566
Cawnpore	248,755	216,486
Benares	205,815	198,447
Agra	229,764	185,582
Allahabad	183,914	157,220
Bareilly	144,081	129,459
Meerut	186,709	122,609
Moradabad	110,562	82,671
Baroda State—		
Baroda	127,827	94,712
Central India Agency—		
Indore	127,827	98,091
Hyderabad State—		
Hyderabad	877,006	404,187
Jammu and Kashmir—		
Srinagar	178,649	141,785
Mysore—		
Bangalore (including Civil and Military Station)	806,865	287,496
Rajputana Agency—		
Jaipur	144,179	120,207

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