

Indian Finance

Year Book

1937 Price Rs. 5

TRAVANCORE NATIONAL & QUILON BANK LTD.

(INCORPORATED IN TRAVANCORE 1912)

(Amalgamating the Travancore National Bank, Limited
and the Quilon Bank, Limited)

Central Office : MADRAS

Branches :

Alleppey
Alwaye
Athirampuzha
Bangalore City
Bangalore Cantt.
(South Parade Road)
Bangalore Cantt.
(Central Street)
Bombay
Calcutta
Calicut
Changanacherry
Chirayinkil
Cochin
Coimbatore
Colombo
Coonor R. S.
Cuddaph
Devicolam
Dindigul
Ernakulam
Erode
Galle
Hyderabad (Dn.)
Jaffna
Kandy
Karaikudi
Kayamkulam

Kottayam
Kumbakonam
MADRAS OFFICES :
Anderson Hall, G. T.
Flower Bazaar
Mount Road
Triplicane
Mylapore
Vepery
Thyagarayanagar
Royapettah

Madura
Mangalore
Marthandom
Mercara
Munnar
Mysore
Nagercoil
New Delhi
Ootacamund
Palghat
Parur
Perumpavoor
Pollachi
Poona
Pudukottah
Quilon

Quilon Sub-Office
Rajapalayam
Sulem
Secunderabad
Shertallai
Srirangam
Tellicherry
Tenkasi
Tinnevelly
Tinnevelly Junction
Tirupur
Tiruvella
Trichinopoly
(25, Lascar Street)
Trichinopoly
(Chinnakadai
Teppakulam)
Trichur
Trippunittura
Trivandrum
(Main Road)
Trivandrum
(Chalai Bazaar)
Tuticorin
Udumalpét
Vellore
Virudhunagar
Vizagapatam

Offers extensive service and security through its 75 Branches
situated in important Commercial Centres in India and Ceylon.

For terms of Business please apply to the Central Office, Madras
or any of the Branches.

K. S. RAMANUJAM,
General Manager.

C. P. MATTHEN, Managing Director.
K. M. EAPEN,
Joint Managing Director.

11194

THE CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA

(INCORPORATED IN ENGLAND BY ROYAL CHARTER, 1853)
(Liability of Shareholders Limited)

CAPITAL	£3,000,000
RESERVE FUND	£3,000,000

HEAD OFFICE :
38, BISHOPSGATE, LONDON, E.C. 2

BRANCHES:

Alor Star (Kedah), Amritsar, Bangkok, Batavia, Bombay, Calcutta, Canton, Cawnpore, Cebu, Colombo, Delhi, Haiphong, Hankow, Harbin, Hongkong, Iloilo, Ipoh (F.M.S.), Karachi, Klang (F.M.S.), Kobe, Kuala Lumpur, Kuching (Sarawak), Madras, Manila, Medan (Sumatra), Peiping, Penang, Rangoon, Saigon, Semarang, Seremban, (F.M.S.), Shanghai, Singapore, Sitiawan (F.M.S.), Sourabaya, Taiping (F.M.S.), Tientsin, Tongkah (Bhuket), Tsingtao (N. China), Yokohama, Zamboanga (P.I.),

and at

MANCHESTER, HAMBURG AND NEW YORK.

CURRENT DEPOSIT ACCOUNTS opened and
FIXED DEPOSITS received on terms which may
be ascertained on application.

Calcutta Agency :

CHARTERED BANK BUILDINGS
1/1, CLIVE STREET, CALCUTTA

JOHN MELDRUM
Agent

Indian Finance Year-Book 1937

ANNUAL SUPPLEMENT TO
"INDIAN FINANCE"

Editor :

P. R. SRINIVAS

Managing Editor :

C. S. RANGASWAMI



**20. BRITISH INDIAN STREET
CALCUTTA**

(Full Copyright Reserved)

[Rupees Five

Indian Finance Year Book 1937

INTRODUCTION

In placing the 1937 Year-Book before our readers, it is perhaps, necessary to remind them that the volume refers to the year before the inauguration of Provincial Autonomy.

With Burma separated from India for more than a half-year, with popular ministries in the Provinces tackling one problem of rural reconstruction after another, the reader would very naturally look for facts and figures bearing on the problems which are now the most topical. But the difficulties in satisfying this demand are too obvious to be mentioned. For our part, we are far from content with the fact that in these matters we anticipated at an early stage the need for a new orientation in the presentation of statistics.

Thanks to the separation of Burma, current trade figures are not comparable with those of the last and previous financial years. Those who are interested can only rely on hypothetical calculations with aid of the figures of coastal trade. We can only hope that before the next Year-Book is due we shall be enabled to revise the figures according to present requirements. Of current problems, legislation for debt relief is the most important and as such has received even more detailed notice than usual. The other sections of the Year-Book have been brought up-to-date.

With the inauguration of the new reforms, not only the compilation is becoming more and more difficult, but the Year-Book has to include a large mass of new material which is only slowly becoming available.

We are confident that those who have so far given us their generous support will continue to co-operate with us and help us to accomplish the much bigger tasks that still remain.

P. R. SRINIVAS,
Editor.

C. S. RANGASAMI,
Managing Editor.

CONTENTS

	PAGE NO.		PAGE NO.
Indian Economy in 1936-37 ...	3	Imperial Bank of India Official	
Central Finances	9	Rates of interest	97
Provincial Finances in 1936-37 ..	12	Average yield of Securities	98
Principles of Debt Relief to		TRADE SECTION :	
Agriculturists	19	Foreign Trade	99—107
Bird's-eye view of Provincial Eco-		<i>Statistical Tables—</i>	
nomy	23	India's Foreign Trade	108—109
Provincial Legislation for the		Volume of Principal Exports	110—111
Relief of indebtedness	35	Value of Principal Exports	112—113
BUDGET SECTION :—		Exports of Raw Jute	114
<i>Statistical Tables—</i>		" " Jute Mfcs.	115—116
Receipts and Disbursements of		" " Raw Cotton	117
Central Government in India and		" " Tea	118
England	41—44	" " Oil Seeds	119—120
Madras Budget	45—46	" " Rice	121
Bombay Budget	47—48	" " Hides and Skins Raw	122
Bengal Budget	49—50	" " Wheat	123
United Provinces Budget	51—52	" " Hides and Skins	
Burma Budget	53—54	Tanned	124
Central Provinces & Berar Budget	55—56	" " Manganese Ore	125
Assam Budget	57—58	" " Shellac	125
Punjab Budget	59—60	" " Pig Lead	126
Bihar and Orissa Budget	61—62	" " Wolfram Ore	126
N. W. F. Provinces Budget	63	" " Coal	126
Sind Budget	63	" " Pig Iron	126
Revenue and Expenditure of the		" " Wool, Woollen Mfcs.	127
Central Government	64	Volume of Principal Imports	128—129
Review of Railway Results	65	Value of Principal Imports	130—131
CURRENCY AND MONETARY		Imports of Cotton Mfcs.	132—133
SECTION :		" " Sugar	134
Indian Finance in 1936-37	65—69	" " Machinery and Mill-	
<i>Statistical Tables—</i>		work	135
Balance of trade in India	70	" " Iron and Steel Mfcs.	136—137
Monthly exports and imports of		" " Electrical Instruments	138
Gold	71	" " Kerosene Oil	138
Monthly exports and imports of		" " Cement	138
Silver	72	" " Motor Vehicles	139
Annual exports and imports of		" " Rubber Mfcs.	140
Gold and Silver from 1900-01 to		" " Metals and Metal Mfcs.	141
1936-37	73	" " Salt	141
Cross Rate and Price of Gold	74	" " Boots and Shoes	142
Price of Silver—Bombay, London		" " Cotton Raw	142
and New York	75—76	" " Silk Raw and Mfcs.	143
Monthly T. T. Rates (Calcutta-		" " Wool and Woollens	144
London)	77	" " Artificial Silk Mfcs.	145
Monthly Purchase of Sterling	77	" " Tea	145
Monthly sales and discharges of		" " Food, Drink and	
T. Bills	78	Tobacco	146—147
Composition of Paper Currency		Trade with Principal Countries	148—150
Reserve	79—90	Index Numbers of Wholesale	
Statistics of the Reserve Bank of		Prices	151
India in the last week of each		Cost of Living Index Numbers	152
of the months of 1935-37	91	Tonnage of vessels engaged in	
Statistics of the Scheduled Banks		Foreign Sea-borne trade	153
for 1935-37	92	Rail-borne trade at Stations ad-	
Rates of Discount of Central Banks		jacent to land frontier routes of	
of certain countries	93	India	154—155
Gold and Foreign Assets of		Total Tonnage of Vessels in	
certain principal countries	94	India's Trade	156
Market Rates of Discount of		INTERNAL TRADE :	
certain principal countries	95—96	Internal Trade	157—159
		<i>Statistical Tables—</i>	
		Coasting Trade—Imports of Indian	
		Merchandise	160

" " —Exports of Indian Merchandise ...	161	Stock Exchanges in India ...	303—310
" " —Imports of Foreign Merchandise ...	162	INSURANCE SECTION :—	
" " —Exports of foreign Merchandise ...	163	Life Insurance ...	311—313
" " —Total Trade ...	164	Fire and Marine Insurance ...	314—315
Trade between India and Burma ...	165	Reviews of Balance Sheets :—	
Tonnage of vesels engaged in India's Coasting Trade ...	166	Indian Companies ...	316—350
Volume of India's Inland Trade ...	167	British Companies ...	351—377
Hydro Electric Development in India ...	168—181	Empire and Foreign Companies ...	378—382
INDUSTRIAL SECTION :—		BANKING SECTION :—	
Indian Tariff Board Historical Sketch ...	182—185	Banking in India 1936-37 ...	383—384
Tabular Statement of the Tariff Board Working ...	186—217	Reviews of Balance Sheets ...	385—411
Indian Coal Industry ...	218—224	CO-OPERATIVE SECTION :—	
Indian Jute Industry ...	225—229	Co-operation in India ...	411—416
The Cotton Textile Industry ...	230—234	POPULATION STATISTICS :—	
The Indian Tea Industry ...	235—239	Area and population of Principal Countries ...	417
Iron and Steel Industry in India ...	241—246	Infant Mortality ...	417
Sugar Industry ...	247—251	Annual Rate of Excess of birth for 1,000 inhabitants ...	418
Paper Industry ...	253—255	Annual Birth Rate for 1,000 inhabitants ...	418
Cement Industry ...	256—257	Annual Death Rate for 1,000 inhabitants ...	419
The Indian Salt Industry ...	258—261	The population of Indian Provinces and States ...	419
Paint Industry ...	262	Population of the Indian Cities ..	420
Hand loom Industry ...	263—265		
Lac Industry ...	266 267		
Agricultural Section	268—293		
TRANSPORT SECTION :—			
Railway and Railway Finance ...	294—302		

INDEX TO ADVERTISERS

	PAGE No.		PAGE No.
Allahabad Bank ...	386	Imperial Bank ...	8
Bank of Baroda ...	390	Indo Commercial Bank ...	396
Bank of India ...	394	Lakshmi Insurance ...	334
Bank of Mysore ...	390	Lloyds Bank ...	back cover
Bombay Provincial Co-operative Bank	391	Mercantile Bank ...	406
Burn & Co. ...	244	National Bank of India ...	404
Do. (pottery) ...	416	National Indian Life ...	350
Central Bank ...	406	National Insurance ...	336
Chartered Bank of I. A. & C. <i>front inside cover</i>		New India Assurance ...	340
Concord of India ...	350	P. & O. Banking Corporation ...	404
Comilla Union Bank ...	394	Publicity Society of India ...	4
Cooper Allan Co. ...	311	Punjab National Bank ...	18
E. B. Ry. ...	296	Tata Iron & Steel Co. ...	240
Empire of India Life ...	322	Titaghur Paper ...	252
Guardian of Indian Assurance ...	324	Travancore National & Quilon Bank <i>front cover</i>	
Hercules Insurance ...	326	Trust of Insurance Shares <i>back inside cover</i>	
Indian Affairs ...	382	United India Life ...	324
Indian Bank ...	396	Union Bank ...	410
Indian Fans ...	22	Western India Life ...	350
Indian Iron & Steel Co. ...	242	Zenith Life ...	348

INDIAN ECONOMY IN 1936-37

Writing at the end of 1937, we find it easier than on most former occasions, to see the year under review in proper perspective. The outlook of business has changed colour like a chameleon during the course of 1937. In the first quarter, it seemed as though 1937 was going to be a boom year with the slump not far off. The setback of April, while it was, no doubt severe, seemed till a late stage to be a passing phase, a natural reaction to the activity of the earlier period. It was not till the third quarter that the gloom deepened and talks of the beginning of the slump were rife in all parts of the world. From October there was a gleam of hope. It was beginning to be realised that 'recession' would be a more accurate description of the phenomenon than slump, that business activity had not by March reached the peak at which any serious slump would be possible and that sooner or later the world must pick up the broken threads of the revival. These sharp changes are helpful in assessing correctly the exact place of 1936-37. Whatever the future may have in store, it is certain that, considering what went before and what followed, 1936-37 must be pronounced to have been in every way a satisfactory year for world economy. While it undoubtedly took the revival up to practically unprecedented heights, it is on the whole innocent of having paved the way for the setback which has occurred since. India participated to a greater extent than we could have dared to hope in the revival of world economy and despite a little disappointment in respect of the budget, the country was enabled to wear a look of comparative affluence.

Few will gainsay the fact that the improvement noticed in 1935 was continued into 1936, and the close of the financial year justified the optimistic forecast we were induced to make. The progress of world recovery during 1936 has been somewhat even though obscured by the rearmament programmes but the gains resulting from enlarged production, increased employment and trade are reflected in adequate measure,

though it is difficult to judge the trend of the coming months in view of the uncertainties that have developed in recent months. To strike a balance or to predict the precise direction in which advance will be registered remains a somewhat difficult task, and even in looking back on a year, in which favourable factors outweighed adverse features, there is room for caution. Nevertheless, the optimism of 1936-37 stands out in welcome relief, and the striking increase in investment in joint-stock companies is not the least valuable feature testifying to the growth of confidence.

The year which opened under the shadow of the Rhineland adventure of Germany and the prolonged industrial unrest in France was favourably influenced by the devaluation of the franc and the tripartite monetary agreement of October. The increased stability of exchanges was reflected fully in the firmness of sterling and related currencies, thanks to the increase in gold holdings, and the forward movement of commodity prices benefiting primary producers stands out as a notable feature in a year of recovery. World economic conditions in spite of the inevitable lag in international trade have been influenced favourably by the universal desire to strengthen armaments, and the great improvement in prices resulted from the drain on the stocks of commodities during the second half of the year. Though it remains difficult to hope for a corresponding improvement in international trade, the increase in industrial production to well over pre-depression levels in Japan, Germany and the U. K. and the revival in the U. S. A., if somewhat disparate and belated is significant enough. The favourable effect on employment, particularly, in the heavy industries where the 'hard core' was too stubborn to be conquered is one of the consequences of the Great Powers' desire to speed up rearmament. The advance in iron and steel prices is the most noteworthy development hinging on the defence programme of the British Government. A desire to release world trade has been manifested to an in-

THE PUBLICITY SOCIETY OF INDIA, LTD.

(ESTABLISHED 1926)

Head Office:

No. 1, WATERLOO STREET, CALCUTTA

Directors :

**H. D. NAG
F. MAITLAND
C. S. RANGASWAMI**

General Manager :

A. V. KEITH

Asst. Manager :

M. S. RAJA GOPAL

Bombay Branch Manager :

D. RICHER

- Publicity Specialists with an All-India organisation.
- Manufacturers of Porcelain Enamelled Iron Signs.
- Concessionaires for Kiosk, Tram and Omnibus Advertising.
- Representatives of Newspapers, Medical Journals, etc.
- Miscellaneous Advertising, Cinema Slides, Hoardings, Signs of all descriptions.
- ● *We are equipped to advise upon and to effect advertising, modelled to the requirements of your product and the sales problems of India.*

Branches :

**MAYO ROAD, BOMBAY
NAPIER HOUSE, HIGH HOLBORN, LONDON, W. C. 2
P. O. Box 155, LAHORE**

Agencies at DELHI, KARACHI, MADRAS, LUCKNOW, RANGOON, Etc.

creasing degree and Anglo-American trade talks, even if conducted at intervals at long range, are likely to be the prelude to important concerted action to increase trade to presump dimensions.

In our own country, the desire to achieve a balanced economy through industrial development remains as strong as ever but foreign trade, thanks to the satisfactory growth in exports last year, is likely to receive more attention. The feeling, however, is latent that our foreign trade should not be the dominant consideration; that economic policy must pay more attention to the creation of new industries providing additional employment, that our economic fortunes should be independent as much as possible of world factors. Nevertheless, foreign trade must be a subject of unusual importance to Indian economy for years to come. As an agricultural country, whose internal industrial activity is subordinate to the export of commercial products to foreign markets, India's duty is to watch as closely as in the last decade the indices of foreign trade.

The outstanding feature was the increase of Rs. 36 crores in the value of India's exports last year as compared with 1935-36. But the leeway to be made up in prices is best indicated by the fact that the value of Rs. 1,96 crores was Rs. 64 crores below the value of exports in 1928-29. It is perfectly obvious that with the quantity of exports well above the pre-depression level, this difference, arising from the tardiness of response in the Indian price level, may legitimately be set down to the maintenance of the Rupee at an appreciated level. Last year's improvement in export trade was favoured by a good monsoon, but the greater part of the rise in commodity prices for instance, of wheat, is to be set down to outside influences. Wheat benefited by the drought in the U. S. A. and the short crop in the Argentine helped Indian linseed in export markets. Except in the case of tea and rubber, subject to international restriction agreements, India's agricultural production is not governed by any specific motive, and statistics do not afford evidence of any definite trend in recent years, except, perhaps, in the case of sugarcane where the great increase in acreage, by as much as 75 per cent. in comparison with 1929-30, must be set down to the development of the sugar industry. In the case of commodities like cotton and jute, the revival of demand was primarily responsible for the higher prices. World prices favoured a rise in Indian cotton and exports last year went

up to 4.3 million bales, showing an increase of 1 million bales on the previous year. The large increase in American consumption helped jute shipments, and in spite of a larger crop, the enlarged demand for internal mill consumption as well as shipment had a favourable effect on both demand and prices. One of the items to benefit appreciably from the tariff preference in the U. K. was linseed. The failure of the Plate crop was also a favourable factor and the reactions on Indian export trade is amply indicated by the rise in exports from 165,000 tons in 1935-36 to 296,000 tons in 1936-37.

Simultaneously with the rise in exports there occurred a falling off in India's imports. In the leading categories of textile goods, motor vehicles, iron and steel, imports declined and the fall of Rs. 9 crores in India's taking of foreign manufactures helped to increase the balance of trade in her favour. The result of the year's transactions is indicated in the table elsewhere.

In spite of a marked fall in gold exports and an advance in silver imports, the higher value of merchandise exports contributed to the rise in the balance of trade to Rs. 92 crores, a figure higher than in any year since 1928-29 when large but normal treasure imports reduced the merchandise balance from Rs. 86 crores to Rs. 52 crores.

The favourable developments in India's external trade are also reflected in the increase in shipping entered and cleared. Last year 8.7 million tons were cleared as against 8.3 millions in the previous year and 8.4 millions in 1928-29. Elsewhere will be found a more elaborate study of the foreign trade of India, but the general rise in the quantum of exports to only half a point less than that for 1929-30, accompanied by a further movement towards the correction of the disparity between the prices of agricultural and manufactured goods—it has been estimated that the spread last year was only five points—is a development that has been stimulated by the general trends of world economy. Since the middle of 1936, prices have been rising and the Bombay and Calcutta wholesale index numbers show fair rises over the 1936 average. The fact that the cost of living index has not moved up to the same extent as prices may prove to be an illustration of the usual time lag in both retail prices and wages with which we are familiar in India, but the fact that neither in Bombay, Ahmedabad nor Jharia, the index

went up was a matter for satisfaction to the wage-earning classes.

Financial conditions did not show any change. The Reserve Bank rate was unchanged and the cheap money era coincided with a burst of new issue activity. Security prices towards the middle of the year indicated considerable buoyancy, and activity on the Indian Stock Exchanges reflected the more hopeful and confident temper of the investing classes. Political conditions undoubtedly stimulated great interest, both on the part of speculators and genuine investors, and the rise of 3½ per cent. Paper to par was the outstanding feature of the year. The flattering reception to the 2½ per cent. loan floated by the Government of India was an indication of the high credit, strengthened by the budgetary position, as also of the pressure of funds seeking employment. The resumption of dividend payments by the Tata Iron and Steel Company, the completion of the cement merger and the amalgamation of the Bengal Iron and Indian Iron and Steel Companies were again developments that reassured those who had doubts about the inherent soundness of Indian economy.

In the legislative sphere, the passing of the amended Companies Act inspired greater confidence in joint stock enterprise, and the proposals for reforming insurance legislation, in order to protect policyholders and shareholders, were generally welcomed. The Payment of Wages Act and the changes in the Trade Disputes Act went far to reassure the capitalist classes, and if the Finance Member gave no indication of the State's sympathetic concern in industrial development there were some who believed that under Provincial Autonomy, with Local Governments more responsive to the electorate, there would be a change in the angle of vision.

The changed outlook for Indian economy after the passing of the year is also to be measured in the advance in industrial production. Except for coal, all Indian industries increased their output. Iron and steel, cotton goods, cement, sugar and paper were all outstanding examples, and the reduction in imports is not wholly independent of the greater capacity of Indian industries to meet domestic demand. Prices of industrial products did not move up, and enhanced production led to a reduction of prices owing to its bearing on costs while intensified internal competition in many industries also played its part in keeping prices down. Only in the case of coal, which was unduly depressed

in 1935-36, was there a sharp rise produced mainly by the prolonged strike on the B.-N. Railway.

Though it is difficult to make an exact appraisal of the growth of profits, data are available to indicate that in the cotton mill industry, as in tea and cement, profits were higher than in preceding years. The crisis in the jute industry produced by the lapse of the restriction agreement affected the jute industry adversely and the acute struggle for existence in the sugar industry, hampered as it is by a countervailing excise duty, was responsible for a reduction in earnings. Nevertheless, the earnings of many representative companies at work since 1928 improved from Rs. 551 lakhs to Rs. 590 lakhs. It may be surmised that most industries fared better during 1936 than in any of the years since 1929, and the movement in share values during the past year strengthens the impression, that except for jute and sugar all Indian industries experienced a more prosperous year.

India's basic industry, agriculture, benefited by the increased interest shown by the Government in the improvement of agricultural methods. With a Viceroy, whose first passion is agricultural improvement, at its head the Central Government has endeavoured to further agricultural progress. A greater emphasis on animal husbandry is one of the noteworthy features of the I. C. A. R's activities and the setting up of the Central Jute Committee is the preliminary step to provide for jute an organisation that will do for jute what the Indian Central Cotton Committee has done for cotton. The improvement in the quality of cotton exports was largely responsible for the increased offtake of Indian cotton by Lancashire whose takings increased from 456,000 bales to 601,000 bales, and the retention of the principal market in Japan through the provisions of the Indo-Japanese Trade Treaty, renewed in April 1937, is also testimony to the success that has followed the efforts of the Committee to develop markets for India's biggest commercial crop. The higher quality of Indian wheat led to a revival of demand for export and the great rise in wheat exports from 10,000 tons to 232,000 tons in 1936-37 affords heartening evidence of the higher quality being appreciated by foreign customers. The devaluation of the Gold Bloc helped a striking increase in French demand for groundnuts, and the reduction in the import duty made in November enabled Indian produce to compete successfully with West African produce.

The resumption of trade with Italy deserves mention in this place, and the improvement in oilseed exports must be attributed to the recovery of an important market abroad. With the separation of Burma, the production of rice is a matter of domestic concern only, but the reduction in imports from Indo-China and Siam had a favourable effect on rice prices generally. Latterly, a small advance was registered in sympathy with the rise in wheat prices, but the larger crop available at the end of the year had its inevitable depressing influence.

More active conditions in internal trade are adequately mirrored in the larger railway earnings, which advanced from Rs. 91 crores to Rs. 96 crores on the State-owned Railways. Larger traffic in the main commodities showing a percentage rise of about 8, testifies to the more cheerful conditions obtaining, though the actual increases cannot be accurately indicated. The increase in the number of wagons loaded to 7.3 millions against 6.96 millions in 1935-36 is, however, sufficient evidence to warrant the inference that the increase in export trade was accompanied by a similar growth in internal trade. Apart from its favourable effects on railway finance, the increase shows that in conjunction with the increase in bank clearings, jointstock banks' advances, India's economic condition underwent a change for the better.

If recent developments do not sustain the favourable forecast such a review as the one preceeding may inspire, the essential validity of our conclusions receives some support from the Central and Provincial Budgets for the current year. It is true that without a fresh increase in taxation, such as the raising of the sugar excise and the silver duty, the Government of India were not in a position to keep expenditure in balance with revenue, but the striking improvement in the

railways' financial position leads one to revise the view that the Central Government could not release much to help the Provinces. The Provinces themselves received benefits of varying proportions as a consequence of Sir Otto Niemeyer's award, but the delay in preparing their Budgets has been atoned for by the very hopeful indications given, not only of the new Ministries' earnestness to promote popular welfare but of the probity and propriety of financial administration. Bengal's Budget is certainly the most significant example of what a popular government can hope to achieve by way of a begining. The larger provision for nation-building activities, the reduction of the burden of past indebtedness and the promise of assistance to deserving industries are as much features of the Bengal Budget as of the seven Provinces in which Congress Party ministries have taken office. The promise of retrenchment in administrative expenditure held out in all Provinces is also one to evoke admiration rather than apprehension. Except in the case of Bombay, the current year's receipts will be more than enough to meet expenditure in all Provinces, but in provinces like Assam and the Frontier, budgetary stability is too closely bound up with Central subventions. In the case of Sind, the burden of prior indebtedness is sufficiently onerous to dispel the hope cherished by some that Separation was the only necessary preliminary to a career of prosperity, but in the older Provinces of the Punjab and Madras, the tradition of sound and prudent administration inherited by the reformed governments, the high proportion of productive assets and the certainty of a share in the income-tax receipts to be distributed in accordance with Sir Otto Niemeyer's recommendations augur well for Provincial Autonomy.

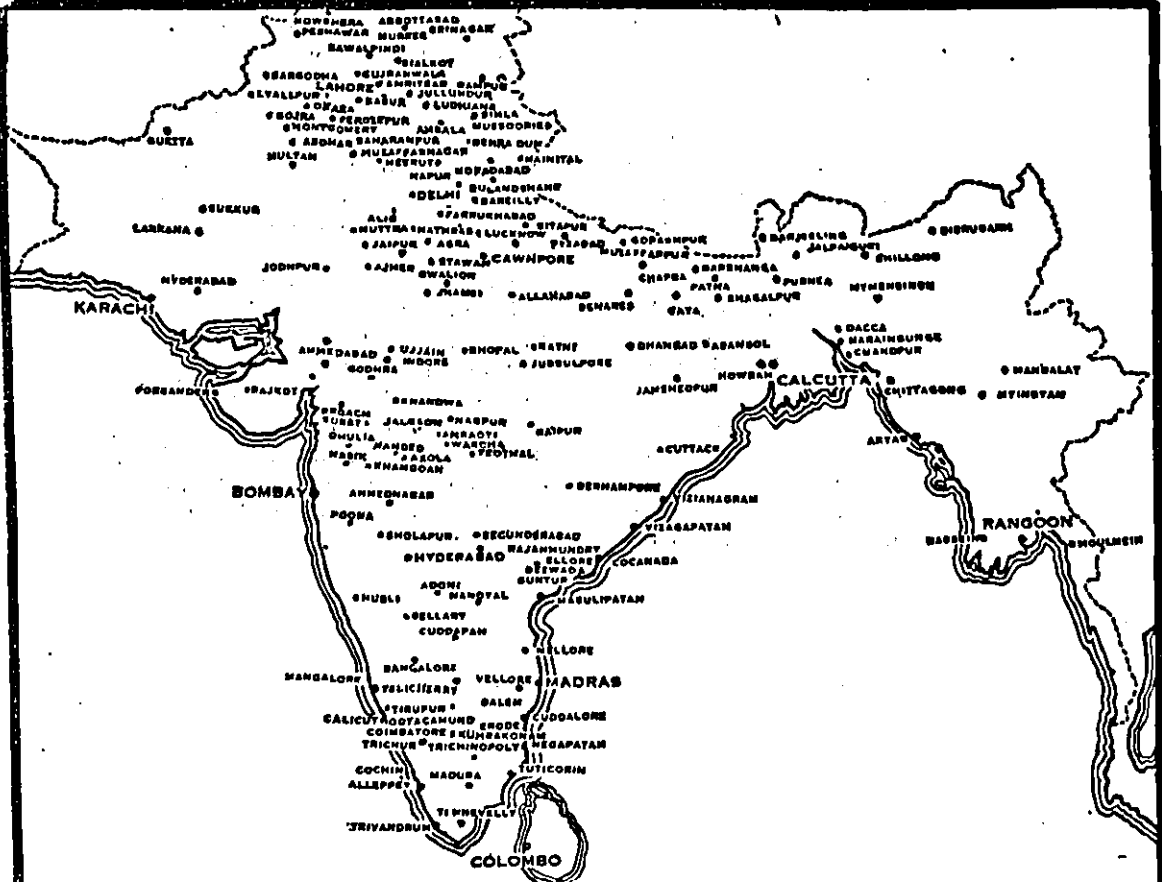
IMPERIAL BANK OF INDIA

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

BANKING FACILITIES OF EVERY DESCRIPTION



OVER 300 BRANCHES AND SUB-OFFICES
THROUGHOUT INDIA, BURMA AND CEYLON

CENTRAL FINANCES IN 1936-37

The national finances during 1936-37 revealed unmistakable signs of a slight deterioration and the pessimistic tenor of the Railway Budget was accentuated in the Finance Member's discussion of the financial results for 1936-37. The deficit for 1937-38 was placed at Rs. 3.42 crores, and the measures through which revenue was sought to be balanced with expenditure invited vehement criticism. The increase in the sugar excise and the silver import duty were features of the Budget, which indicates that far from expecting any relief, the taxpayer had to reconcile himself to a higher burden. A detailed review of the Budget appears below, but it may be said at the outset that the makeshift character of the Budget destroyed cherished hopes of trade and industry receiving some aid even after the definite indications of recovery which official statements tended to stress.

If the budget was disappointing, the protracted operations on the Frontier from the summer of 1937 went further to belie these hopes. It is tentatively computed that the total cost of frontier operations amounts to Rs. 1.6 crores, of which only a part will be contributed by the Defence Budget from its savings. On the revenue side, the continued growth of imports has had the effect of increasing the customs revenue, which for the eight months ended November totalled Rs. 37.13 lakhs in 1936-37. But it must be remembered that from the jute export duty, the higher share of the Bengal Government must be deducted, but assuming that current tendencies continue to operate, an increase of Rs. 4 crores in customs revenue would not be improbable.

So far as the Governments' remittance obligations are concerned this year's sales of sterling by the Reserve Bank of India are considerably lower, and the balances built in London has reduced the need for offerings. The marked falling off in merchandise and treasure exports, which has impaired the former strength of the balance of payments position, is, however, to be set against the reduction in remittances, and

the former may well be a consequence of the latter.

Official opinion, however, will look with more satisfaction on the continued recovery in railway earnings which supports the optimism implied in the proposal to resume payments in respect of borrowings from the Depreciation Fund. From April 1 to November 10 total approximate earnings of the State Railways amounted to Rs. 55.43 crores showing an increase of Rs. 3.65 lakhs on the actuals for the previous year. The improvement is general and well sustained, and the remarks of the Wedgwood committee in regard to the general financial position and outlook are also believed to support official confidence as regards the future of the railways. In spite of the continued improvement which may well be anticipated to yield at least Rs. 4 crores over the railway revenue in 1936-37 the Central Government's position is not so safe as may be concluded. Some effort will have to be made to stabilise the depleted Depreciation Fund when the Statutory Authority starts its career, but even more onerous will be the obligations cast by the Defence Budget on the Treasury. Mechanisation, in spite of the small grant from the British Exchequer, is likely to be expensive and the scheme of air raid precautions, of which we have only an inkling, will not prove comforting to the taxpayer. If the indirect revenue has exceeded Budget anticipations there is no indication that income-tax receipts are likely to exceed the receipts for 1936-37. The reduction in the profits of many industries will not be balanced by the small improvement in the mill industry's profits, and a further instalment of debt relief legislation in many provinces destroys the hope that the moneylender's earnings will prove a prop of the incometax department. Not much hope can be attached to the new methods to check evasion, and the other recommendations of the expert committee to increase collections have not yet been given effect to. On the other hand, the Ways and Means position is quite satisfactory and the credit of the Govern-

ment is more than supported by the continued easiness of money conditions. Since the coming of Provincial autonomy has relieved the centre of some part of its debt obligations, the future of the Government of India, as a debtor or borrower, is obviously more satisfactory than before, and the improvement under both customs and Railway receipts, inspires a measure of optimism for which we had not dared to hope in appraising prospects in the light of recent experience.

The Finance Member began with the confession that he had "a different kind of story to tell, a story of disappointment, and of unexpected difficulties super-imposed upon those which we expected and had braced ourselves to bear". For he was faced with a deficit of about Rs. 1.97 crores for 1936-37 and Rs. 3.42 crores for 1937-38. In March 1936 the Finance Member anticipated a surplus of Rs. 197 lakhs for 1935-36 and asked the House to transfer this amount to a revenue reserve fund to help out the finances of 1937-38, which is the first year of Provincial Autonomy. But the actuals proved to be Rs. 18 lakhs less than they were expected to be, owing to the decrease of Rs. 27 lakhs in salt and Rs. 61 lakhs under customs which, however, have been offset by an improvement of Rs. 27 lakhs under income-tax, Rs. 16 lakhs under interest receipts combined with a saving of Rs. 18 lakhs in interest payments.

As for 1936-37, the original budget surplus of Rs. 6 lakhs turned in the revised estimates into a deficit of Rs. 197 lakhs. This striking change was due predominantly to a deterioration in revenue of Rs. 178 lakhs, the excess in expenditure being only Rs. 25 lakhs. The main elements in the total deterioration of Rs. 178 lakhs were Rs. 216 lakhs under customs, Rs. 87 lakhs under income-tax and Rs. 28 lakhs under currency. Central excises, miscellaneous and salt showed an improvement of Rs. 41 lakhs, Rs. 87 lakhs and Rs. 10 lakhs respectively. To gauge the extent of the disappointment in respect of customs, it is necessary to add that silver yielded Rs. 158 lakhs more and artificial silk goods Rs. 55 lakhs more. Revenue from import duty on sugar decreased by Rs. 145 lakhs and that on British piece-goods by Rs. 75 lakhs. Metals other than iron and steel also had a fall of Rs. 40 lakhs. The increase of Rs. 25 lakhs in expenditure is the net result of heavier discharges of Post Office Cash Certificates interest charges to the extent of Rs. 46 lakhs and a number of savings under Civil

Administration and civil works which together made up about Rs. 20 lakhs. It was only in respect of post and telegraphs that the revised forecast showed an improvement, in as much as a surplus of Rs. 8 lakhs is expected as against a nominal surplus of Rs. 1 lakh anticipated in the original budget. The improvement is the result of savings of Rs. 12 lakhs under working expenses and Rs. 1 lakh under interest charges and a deterioration of Rs. 6 lakhs under receipts. It will be seen, therefore, that on the basis of the revised estimates 1936-37 is expected to leave a deficit of Rs. 197 lakhs.

A feature of the year 1937-38 is the additional burdens imposed on the central finances by the separation of Burma and other constitutional changes due on April 1, next. The Finance Member pointed out that the general effect of the separation of Burma is a net reduction of revenue of Rs. 388 lakhs and a net reduction in expenditure of Rs. 92 lakhs, these figures taking no account of a betterment of Rs. 18 lakhs in the net balance of the Post and Telegraph department. The net cost of the separation is, therefore, Rs. 288 lakhs. It may be added at this stage that on the revenue side the Government have taken credit for the receipt under the Amery Award of (1) Rs. 299 lakhs in respect of the debt and other liabilities taken over by Burma and (2) Rs. 94 lakhs in respect of Burma's liability for pensions in course of payment on March 31, 1937. The former is the provisional figure of the annuity payable by Burma for the next 45 years; and the latter represents the first of a series of annual payments which gradually taper off to nothing over a period of 20 years. The inauguration of Provincial Autonomy accounts for another reduction of Rs. 51 lakhs in revenue combined with an increase of Rs. 184 lakhs in expenditure or, in other words, a total cost to the Centre of Rs. 185 lakhs. There is thus an additional burden of Rs. 418 lakhs on the Central Budget due to the constitutional changes which are to be effected as from April.

It is necessary, therefore, in comparing the figures for 1937-38 with those of the current year to remember the changes resulting from the separation of Burma and the inauguration of Provincial autonomy. The total revenue including a contribution of Rs. 15 lakhs from Railways was estimated at Rs. 79,99 lakhs or Rs. 137 lakhs less than the revised estimate for 1936-37. Customs revenue was put at Rs. 44,66 lakhs which compares with the revised estimates for the current year, of Rs. 46,78

akhs. The apparent decline of Rs. 207 lakhs is, in fact, an increase of Rs. 219 lakhs, in as much as the separation of Burma may be deemed to account for a loss of Rs. 426 lakhs. Taxes on income are expected to yield Rs. 14,30 lakhs as against the current year's revised estimate of Rs. 15,80 lakhs. Here, again, as we have to allow for a loss of Rs. 140 lakhs owing to the separation of Burma, the estimate for the following year actually anticipates an improvement of Rs. 40 lakhs, of which, according to the Finance Member, Rs. 20 lakhs is due to the measures to be taken under the Income-tax Bill which has been passed by the Legislative Assembly.

As regards expenditure, the budget estimate for 1937-38 was placed at Rs. 88,41 lakhs or Rs. 8 lakhs more than the revised estimate for the current year. As the constitutional changes account for an increase in expenditure of Rs. 42 lakhs the budget estimate may be taken as indicating a net reduction of 84 lakhs. In the post and telegraphs, the surplus of Rs. 8 lakhs in the revised estimates for 1936-37 yields place to a small surplus of Rs. 4 lakhs in the budget estimates for 1937-38. It is proposed to change the present book packet rate of $\frac{3}{4}$ annas for the first five tolas and $\frac{1}{2}$ anna for every additional five tolas into $\frac{1}{2}$ anna for the first 2 $\frac{1}{2}$ tolas and $\frac{1}{2}$ anna for every additional 2 $\frac{1}{2}$ tolas. It is also proposed to eliminate the existing 2 annas rate for parcels weighing not more than 20 tolas so that all parcels weighing 40 tolas or less will be charged 4 annas. Summarising the position for 1937-38 it will be seen that revenue is placed at Rs. 79,99 lakhs and expenditure at Rs. 88,41 lakhs. There is thus to be faced a gross deficit of Rs. 842 lakhs. As there is a sum of Rs. 184 lakhs in the revenue reserve fund the net deficit is Rs. 158 lakhs; and the Finance Member proposes to meet this deficit with additional taxation on the indigenous production of sugar and on the import of silver. In the first place, the sugar excise is proposed to be increased from Re. 1-5 to Rs. 2 per cwt., and this increase is expected to yield an additional revenue of Rs. 115 lakhs. Secondly, the import duty on silver is to be increased from the present level of 2 annas to 8 annas per oz. and the additional yield from this source is estimated at Rs. 50 lakhs. With the additional revenue of Rs. 165 lakhs, the net deficit of Rs. 158 lakhs will be turned into a surplus of Rs. 7 lakhs, which will go to reduce the deficit for 1936-37 to about Rs. 190 lakhs.

As regards the ways and means, in

March 1936 the sterling requirements of the Government of India were estimated at £41 million, including £17 million for the repayment of the 5 $\frac{1}{2}$ per cent. stock 1936-38. As the Reserve Bank was able during April 1, 1936 and January 1, 1937 to purchase £41 million of sterling no difficulty was experienced in the repayment of the sterling loan without recourse to fresh borrowing. It is a matter for gratification that, in spite of so large a demand on the sterling resources, the Bank was able to replenish its sterling balances.

In the revised estimates for the 1937-38 requirements of the Provincial Government amounted to Rs. 667 lakhs against the budget estimate of Rs. 561 lakhs. The provision on this account for the coming year has to be increased, in as much as the Central Government will have to hand over Rs. 289 lakhs for minimum bank and treasury balances and Rs. 621 lakhs as the free and other earmarked balances. The total sum included in the estimate for all these items is Rs. 10,60 lakhs. As regards the internal debt, no increase in Treasury Bills over the figure assumed in the last budget is contemplated, so far as 1936-37 is concerned, but at the end of 1937-38 the balance of Treasury Bills is expected to be Rs. 84 crores or Rs. 4 crores in excess of the figure assumed for the beginning of the year. The increase is more than accounted for by Rs. 5 crores which the Government will have to pay to the Reserve Bank of India for the surplus rupees which the Bank will be returning to them under section 86 (1) of the Reserve Bank Act. The net receipts from Post Office Savings Banks Deposits are now estimated at Rs. 750 lakhs for the current year, as against the original estimate of Rs. 825 lakhs; and for the ensuing year, a decline to Rs. 800 lakhs is anticipated. Owing to the reduction in the yield of Post Office Cash Certificates from 8 per cent. to 2 $\frac{1}{2}$ per cent. with effect from July 1, last, the ways and means budget has to provide for a net discharge of Rs. 75 lakhs in the current year and Rs. 150 lakhs in the coming year. As no rupee or sterling loans mature in 1937-38 the ways and means budget does not provide for any new borrowing in the coming year, though, as the Finance Member has been careful to add, the Government would not hesitate to take full advantage of favourable conditions, should they again appear as during last year. The principal feature of the ways and means programme is the self-sufficiency of the Treasury.

PROVINCIAL FINANCES

Thanks to the inauguration of Provincial Autonomy and the advent of popular ministries in the Provinces, the customary review of Provincial finances can shed its routine character and be more than a mere array of figures. Not that the change from Finance Member to Finance Minister has proved the signal for a series of new measures and an altogether new policy. In fact, the budgets for 1937-38, which were published months later than usual owing to the delay in the assumption of office by the Congress Party, are largely a routine affair. But, generally speaking, there have been already clear signs of a new orientation. Even in regard to the financial situation, a profound change in the fortunes of more than one province was effected by the Government of India accepting and giving effect to the recommendations of Sir Otto Niemeyer. These changes, as they affect each province, will be noticed in some detail at later stages of this article. Here it should suffice to note that for a province like Bengal the adoption of Sir Otto's recommendations has meant a radical change from chronic and incurable deficits to a sound budget and, compared to most other provinces, even a degree of affluence. In fact, it would not be incorrect to suggest that, with the full realisation of the savings resulting from the release of detenus and the disappearance of terrorism, Bengal would be in a much better position than other provinces to undertake nation-building expenditure to the extent of about a crop and a half. The new provinces like Sind and Orissa can, of course, expect no big changes, as the relief in their case was calculated on the basis of a hypothetical standard budget. In other words, the cloth and the coat were alike predetermined to some extent. The U. P. and Bihar, which stand on a separate footing, alike from Bengal and from the new provinces, find it hard to make both ends meet, while in Madras, Bombay and the Punjab there is a mild undertone of resentment that they had been in the result penalised for the prudence of their financial administration in the past.

Whatever the justice of the Niemeyer award, it has for the present had the effect of eliminating ominous deficits from the initial stages of provincial autonomy. Even where deficits are budgetted for, they are either against a previous surplus or they are the result of non-recurrent expenditure. The deficits by themselves are no cause for anxiety in the present conditions.

But mere continuance of present conditions, however commendable it may be from the standpoint of financial prudence, would undoubtedly mean the doom of any popular ministry, and particularly, the Congress ministries which are committed to a large programme of reforms. Public opinion, it is true, has so far supported the first budgets under provincial autonomy; but great, perhaps even extravagant, expectations are entertained regarding the next; and the ministries are already engaged in a careful examination of the position with a view to find out the reforms which would be feasible. As an earnest of such reforms, there have already been a set of changes in each Congress province. In Madras, over a crore of land revenue has been given up, though taking into account the sacrifice made in the immediately preceding year the net sacrifice for the year is far less. In Bombay, arrears of land revenue have been remitted, grazing fees have been abolished. In the comparatively straitened circumstances of the U. P. and Bihar less has been done. All the Congress provinces are alike committed to a policy of prohibition the financial incidence of which is the sacrifice of excise revenue which amounts for all the Congress provinces put together to Rs. 12 crores. Madras has already made a beginning in the district of Salem and it is as certain as one can possibly be about the future that prohibition will have a very large extension, even if it is not to cover the whole of the province from April next. Other provinces have to follow suit.

It remains to be seen how the ministers are going to make up for last revenue, especially as side by side with a reform involving loss of revenue, there have to be a number of

new reforms necessitating increased expenditure. It is quite possible that the outlay on the reforms projected by the Congress is somewhat exaggerated. Mahatma Gandhi has been working out his main ideas in detail; and so far at least as education is concerned, the Wardha plan might occasion a reduction of expenditure on education.

But increase of public expenditure is inevitable in any progressive society, and however much the Congress party might endeavour to break new ground, the problem of finding new sources of revenue cannot be evaded. To some extent the Provinces will be relieved by a share of the income tax, which now seems possible as a result of the increase in the Railway earnings. But this will hardly suffice even for the most conservative beginnings in national reconstruction.

BENGAL

The first fruits of the Niemeyer Award and the potentialities of provincial autonomy were alike in evidence in the Bengal Budget for 1937-38. While Bengal started the dyarchic regime with a balance of over Rs. 2.72 crores, she had by the end of 1935-36 to borrow from the Central Government nearly Rs. 4½ crores to meet her revenue deficits. Such deficits had accumulated in spite of the fact that her contribution to the Centre of Rs. 62 lakhs was remitted earlier than the general abolition of all provincial contributions. Thus the actual results of the Meston Settlement, so far as Bengal was concerned, left no room for doubt, that the grant of adequate relief to this province is a dictate of justice. The net results of the adoption of the Niemeyer proposals is that Bengal's debt to the Central Government amounting to about Rs. 8 crores is written off, the Central Government at the same time appropriating to themselves about Rs. 6 crores of Bengal's deposits with the Centre; that Bengal's share of the jute export duty is increased from 50 to 62½ per cent; and that an opening balance of about Rs. 98 lakhs is given to Bengal comprising amounts earmarked for specific purposes.

These measures have made a world of difference to the financial outlook of the province. The abolition of all indebtedness to the Centre means a saving in interest charges of Rs. 23 lakhs a year, while the loss of Bengal's deposits would involve no strain in the ways and means position. The increase in the share of the jute export duty would bring in during 1937-38 an additional revenue of Rs. 45 lakhs which, if trade

conditions prove stable, may be counted on as a recurring addition. And now that 1936-37 accounts are expected to balance, Bengal may be deemed to open provincial autonomy with a clean slate and a very considerable augmentation of her revenue resources.

1935-36 closed with a deficit of only Rs. 4 lakhs against the original budgetted deficit of Rs. 68 lakhs. This was due to expenditure being Rs. 19 lakhs below estimates and revenue showing an improvement of Rs. 45 lakhs. It must also be remembered that new taxation measures yielding about Rs. 30 lakhs were adopted in 1935. The revised estimates for 1936-37 are equally encouraging. Revenue is now put at Rs. 11.95 crores against the original budget estimate of Rs. 11.51 crores, while expenditure at Rs. 11.92 crores shows an increase of only one lakh.

Revenue for 1937-38 is Rs. 60 lakhs higher than the revised estimate for the previous year. As Rs. 45 lakhs out of the total increase is due to the increase in the share of the jute export duty the balance may be deemed to be based on expectations of larger yields under other main heads. The increase of Rs. 60 lakhs in the revenue which is expected in the Budget will be devoted to a strengthening of the taxable capacity of the people by expenditure, economically beneficial and morally praiseworthy. The surplus now definitely forecast is a reassuring sign that Bengal will from now make up for her backwardness during the Montague-Chelmsford Reforms.

MADRAS

In Madras the Finance Minister has been helped to some extent by the fact that the finances of the Province suffered no serious reverse in either of the two immediately preceding years. 1935-36, according to the Budget estimates, was expected to give a small surplus in revenue account and, it is practically certain that the year closed in this respect as anticipated. There was even an improvement of Rs. 29 lakhs under capital and debt heads, due mainly to a special loan repayment by the Tuticorin Port Trust and a short fall in capital expenditure. Though the Famine Relief Fund was drawn upon for financing famine relief operations by Rs. 16½ lakhs more than was provided for, the year 1935-36 closed with a revenue balance of Rs. 186.29 lakhs, suspense etc., balances of Rs. 57.90 lakhs and balances of Rs. 114.48 lakhs in the Famine Relief Fund, making up a total of

Rs. 288.65 lakhs. Though there was at one time the fear that the opening balance for 1936-37 would be smaller than the closing balance of the previous year by reason of the separation of Orissa, the changes have, on the whole, been to the advantage of the province. Inasmuch as Orissa was a liability, Madras had secured as from the 1st of April, 1936, a relief to the extent of Rs. 22 lakhs, since the average expenditure in the transferred areas had been about Rs. 53 lakhs as against an average revenue of only about Rs. 31 lakhs. Likewise, the provincial debt was reduced to the extent of Rs. 47 lakhs by the transfer of this liability to the new province. As far as 1936 is concerned, the year must be deemed, in the light of the revised estimates, to have left a deficit of less than a lakh inasmuch as the paper deficit of Rs. 17.89 lakhs is due to a special transfer from revenue of Rs. 17 lakhs to the Famine Relief Fund in order to raise the balance to the credit of the Fund to the statutory limit of Rs. 60 lakhs. The result of the transfer is that, during the current year, the Government would not be liable to transfer to the Famine Relief Fund Rs. 5 lakhs which is the minimum annual appropriation necessary for this purpose so long as the balance in the fund stands at less than Rs. 60 lakhs. Under capital and debt heads, the Budget for 1936-37, contemplated an outlay of Rs. 218.54 lakhs of which Rs. 118.11 lakhs was intended to be borrowed from the Government of India. As no such borrowing took place and as the capital expenditure was less under various heads, the amount drawn from the balances came to Rs. 101.75 lakhs as against Rs. 38.54 lakhs provided for in the Budget. The suspense balances were reduced by Rs. 39.45 lakhs as against the original estimate of Rs. 22.24 lakhs. The total effect of the financial transactions of the year 1936-37 under all heads was that, as against a total opening balance of Rs. 288.65 lakhs, the year closed with a total cash balance of Rs. 129.56 lakhs, exclusive of the Rs. 60 lakhs held in the securities in the Famine Relief Fund.

Though half of the current year was over at budget time, it is not to be supposed that the task of budgeting for 1937-38 has thus been rendered easier. On the other hand, even according to the estimates prepared before the present Government came into office, Rs. 75 lakhs of land revenue had been foregone as against Rs. 56½ lakhs in fasli 1346. But due to the collection of arrears of last year in the current year, the extension of irrigation under the

Cauvery-Mettur Project and reduced provision for seasonal remissions in expectation of a normal season, the estimate of land revenue was put at Rs. 15½ lakhs over that of the year previous.

Thus the starting point of the task of budgeting was a total revenue of Rs. 16,06.74 lakhs (an increase of Rs. 31.82 lakhs over the revenue of the previous year) and a total expenditure of Rs. 1,590.49 lakhs, being slightly less than the expenditure for the previous year. The surplus, therefore, according to the old estimates, available for schemes of new expenditure was a sum of Rs. 16.25 lakhs only. It may be useful to note at this stage that this surplus is reduced to such a low figure in spite of the saving of Rs. 33 lakhs in debt charges consequent on the consolidation of debt, as the old Legislative Council had already entered into commitments which involved a provision in the Budget for 1937-38 amounting to Rs. 19.75 lakhs. Even the available surplus of Rs. 16.25 lakhs has been reduced in the programme of the Congress Ministry to Rs. 3.25 lakhs on account of the introduction of Prohibition into the Salem District. It must be noted that account is taken in the estimates for the loss on excise for the second half of 1937-38, as the first half has already yielded its full quota of excise revenue.

The sum of Rs. 13½ lakhs which is thus obtained, the Premier apportioned among the schemes which claimed his immediate attention. One can easily guess that innumerable schemes should have been pressed on the attention of the Premier as having the best claim to immediate government aid. Though a number of schemes of new expenditure were introduced last year by the old Legislative Council, more and more schemes were brought forward by the departments for consideration in connection with the current year's budget. According to the Premier, their ultimate cost would come to about Rs. 25 lakhs recurring and over Rs. 2 crores non-recurring, while the cost of getting them started in the current year would of itself be about Rs. 50 lakhs. These schemes have had to be shelved on the ground of inadequacy of finance. And even in regard to the smaller schemes, few can quarrel with the sense of values which determined the Premier's order of priorities. The 13½ lakhs are devoted, therefore, to the installation of broadcasting sets in the villages, subsidies for opening new rural dispensaries and employment of mid-wives and water supply

and drainage schemes. A grant of Rs. 2 lakhs is made for assistance to the hand-spinning movement, though these charges are to be met in part by the licensing fee for dealers in cloth other than hand-woven, which, incidentally, is the only additional measure of taxation proposed in the Budget.

BOMBAY

In the case of the Government of Bombay it is interesting to turn to the debt position, as it is to-day after the inauguration of Provincial Autonomy. The figures of the current year and the two previous years are not comparable inasmuch as the Government of Bombay's financial position was altered by the separation of Sind which came into effect on April 1, 1936 and the beginning of the current year saw the inauguration of Provincial Autonomy. To state the position briefly, the Government of Bombay owed on April 1, last a sum of Rs. 18.44 crores carrying 4½ per cent. interest to the Government of India and about Rs. 4.63 crores to public depositors, largely subscribers to provincial funds, and a sum of nearly Rs. 14.73 crores on account of loans advanced to the Improvement Trust and the Bombay Municipal Corporation. This position has been reached after the adoption of Sir Otto Niemeyer's recommendations in this regard. Sir Otto Niemeyer recommended that the loan outstanding against the Government of Bombay on April 1, last, should be consolidated into a single loan, repayable over a period of 45 years at their average rate of interest. Certain comparatively short-dated loans amounting to Rs. 10.61 crores which were advanced to the Government of Bombay and re-lent by them to the Bombay Municipal Corporation were to be excluded from this scheme. Before making such a consolidation, account has to be taken of the assets and liabilities of the Bombay Government in regard to various deposit accounts of a provincial character. As in the case of Bengal, so in the case of Bombay, the Government of India have, on the recommendation of Sir Otto Niemeyer, preferred to hand over Rs. 44 lakhs in cash for purposes of minimum balance and till money instead of handing over the assets in regard to these deposit accounts. The balance has been utilised for reducing the irrigation debt of the Government of Bombay incurred prior to 1921-22. Thus the pre-reform irrigation debt which stood at Rs. 6.15 crores has now been reduced to Rs. 2.16 crores. With the Rs. 16.28

crores of the post-reform debt, excluding loans taken on account of local bodies, and the long-dated loans advanced to the Improvement Trust amounting to Rs. 4.12 crores, the total consolidated debt of the Government of Bombay comes to Rs. 22.56 crores for which the interest charges during 1937-38 would amount to Rs. 1.03 crores.

With a closing balance of Rs. 106.16 lakhs for 1936-37 of which the free balance is Rs. 40.68 lakhs, the Government of Bombay can well afford to present to the Legislature a slightly unbalanced budget. The transactions of the current year are estimated to be as follows:—

		(in thousands of Rs.)
Revenue Receipts	...	11,99.55
Revenue Expenditure	...	12,17.22
Revenue Deficit	...	—17.67
Capital and debt heads receipts	...	14,18.07
Capital and debt heads disbursements	...	14,53.57
Capital and debt heads deficits	...	—35.50
Closing balance	...	52.99

The justification for the budgetted revenue deficit lies in the fact that it is due almost wholly to certain non-recurrent items of expenditure which the Government regards as a legitimate charge against the surplus of last year's account. Admittedly, the more comprehensive measures of social welfare and the financing of measures necessary for carrying them out are postponed to next year. It is therefore as a start that the Government have made a provision of Rs. 10 lakhs for the improvement of water supply in rural areas and Rs. 1½ lakhs for the development of village industries. Arrears of land revenue more than one year old are proposed, as a special case this year, to be remitted and it has been estimated that this measure will adversely affect land revenue receipts to the extent of Rs. 5 lakhs this year and Rs. 5 lakhs next year. Among other measures decided upon by Government are permanent reduction of land revenue assessment in certain areas by Rs. 5 lakhs; in excise policy as a beginning in the policy of prohibition Rs. 2 lakhs; the abolition of grazing fees which accounts for another cut in revenue of Rs. 5 lakhs and the provision of Rs. 40,000 as a further grant during the remaining months of this year for the education of the depressed classes. Against all this additional expenditure the Government have had a lump cut on several heads of expenditure to the extent roughly of Rs. 10 lakhs. Though the details of some of these cuts have not yet

been worked out, it is already decided that a saving of Rs. 4½ lakhs would be effected on contingent expenditure and on allowances to officers drawing more than Rs. 75 per month.

U. P.

The Niemeyer award did nothing to pull the finances of the Province from the morass of deficits and debts. On the strength of its recommendations, the accounts and balances were separated from the Centre and the responsibility for maintaining the ways and means position was transferred to the provinces. The Government of India Provincial Loans Fund having been closed, the outstanding balances of the loans taken from it by this province have been consolidated into a single debt which will be paid in equated instalments over a period of 45 years. All that the U. P. got by way of financial assistance was the provision of a subvention from the Centre of about Rs. 25 lakhs for five years with the additional provision that it should get 15 per cent. of one half of the proceeds of income-tax in case it is distributed to the provinces. The iniquitous nature of the award will be clear from the meagre subvention referred to above whereas other provinces got amounts varying from 15 to 110 lakhs a year. As regards the share in the income-tax proceeds, it will be awarded only if the railways resume their contributions to the Centre, a contingency which is still remote. The Premier referred to the fact that on the analogy of the jute export duty which Bengal shares, his province could on a similar basis claim portion of the excise receipts from sugar and matches, which now amount to nearly Rs. 269 lakhs. Pandit Pant condemned the usurpation by the Centre of nearly all the elastic sources of revenue, leaving the province to the mercy of deficits and dwindling revenues. The clamour of the provinces is bound to increase inasmuch as they have to forge ahead with their programmes of mass uplift and have to raise the wherewithal without, as far as possible, imposing new taxation.

This is the background against which the new budget proposals should be viewed. Turning to the figures for 1937-38, we find that Revenue Receipts are put at Rs. 12.54 crores, while expenditure figures total Rs. 12.66 crores leaving a deficit of Rs. 12 lakhs for the current financial year. The income falls under two main heads—one revenue and the

other loans, advances, deposits, etc. Land revenue contributes nearly half, Excise and Stamps between them yield a quarter, and the remainder is derived from various other sources including Irrigation, Forests, etc. Education, Police, Administration of Justice absorb more than half the revenue receipts. On the debts and deposits section of the budget, which refers to borrowings, deposits, loans and advance by Government to local bodies. Net receipts under debt and deposit heads amount to Rs. 2.15 crores as against Rs. 2.03 crores according to the revised estimates for 1936-37. Together with the opening balance of Rs. 75 lakhs, they come to Rs. 3.26 crores as against which net disbursements under revenue and deposit heads stand at Rs. 2.70 crores, leaving a closing balance of Rs. 55.98 lakhs. Examining the balance now separated from the Central Government, one finds that the provincial balances on March 31 last were Rs. 34 lakhs held by the Reserve Bank, and that the provincial deposits that have been transferred since the advent of provincial autonomy total Rs. 420 lakhs, of which Rs. 55 lakhs was the amount held by sub-Treasuries, etc. Thus Rs. 365 lakhs will remain, which will be set off against the outstanding debt to Centre computed at Rs. 29.47 lakhs in March last. The latter includes Rs. 12.19 lakhs being the liability for the capital outlay in irrigation projects, etc. in the past as well as subsequent borrowings. The balance of Rs. 2582 lakhs is proposed to be liquidated by half-yearly equated payments of Rs. 62 lakhs over a period of 45 years. Inclusive of other borrowings, the net amount due by the provinces on account of various loans and unfunded debts will amount to Rs. 3182 lakhs next March. This represents the public debt, which it has been thought necessary to detail at some length as it has such a large bearing on the financial position of the province.

As to the variations in actual expenditure under the several departments in the year 1936-37 and 1937-38, they may be summarised thus:—

		(lakhs Rs.)
General Administration	...	-4.29
Justice	...	-4.43
Police	...	-3.30
Industries	...	+3.06
Civil Works	...	+4.69
Education	...	+2.15
Medical	...	+0.71
Public Health	...	+1.67
Agriculture, Veterinary and Co-operative Credit	...	+11.79

This table shows that along with an increase of Rs. 23 lakhs for nation-building purposes, a real decrease has been effected in the expenditure in principal administrative departments, chief among them being General, Police and Justice. It is necessary to state that this year the revenue budget is bearing the whole of the capital repayment to the Government of India in respect of the consolidated loan. This has increased revenue expenditure by about Rs. 18 lakhs as compared with last year and to that extent the deficit is exaggerated.

The new items of expenditure are by far the most interesting features of the budget and provide a foretaste of Government's anxiety to help the people. Among negative measures may be mentioned the reduction of Jail Administration charges, and also the reduction of cattlegrazing fees by one-half. The provision of Rs. 20,000 to ensure pure supply of milk in the larger towns is a good move. Rs. 1½ lakhs for medical relief, Rs. 12,500 for Co-operative credit and an increased allotment of Rs. 37,500 for animal husbandry and agriculture in general are worthy of mention. The Government has also set apart Rs. 31,000 for intensive agricultural development. A unique feature about the industrial provisions is the starting of a company to be formed with a capital of Rs. 15 lakhs, and to which Government will render assistance. Rs. 10,000 have been allotted for starting new industries. A Marketing Company with a capital of Rs. 5 lakhs is to be set up besides. Lastly, and what is also the most arresting, is the provision of one lakh of rupees as grants to young men to undertake industrial ventures. Khaddar gets Rs. 10,000, the handloom industry Rs. 1,23,900, while glass, hide and oils get about Rs. 21,000 this year, as a token of the government's willingness to assist. Labour welfare gets Rs. 10,000, while Rs. 6,000 have been set apart for deciding industrial disputes.

BIHAR

Bihar owes much to the Niemeyer award and the changes consequent thereon. The Niemeyer award had given the province a balance of Rs. 21 lakhs of which Rs. 10 lakhs was the minimum balance to be kept with the Reserve Bank and the remainder was made of the normal treasury balance. Sir Otto Niemeyer's view that the province

deserved a subvention of Rs. 30.5 lakhs had been implemented by the cancellation of past obligations to the Centre, equivalent to a grant of Rs. 27.5 lakhs and by the larger share in the jute duty. The cancellation of the debt would provide certain sources of income from irrigation receipts etc. and the extra 12½ per cent. in the jute duty would bring in Rs. 2.5 lakhs. The Government of India besides cancelling the debt had also cancelled the deficit in balance amounting to Rs. 27 lakhs and the net gain resulting to the Province would work out at an average of Rs. 33 lakhs for the first four years, an average of Rs. 19 lakhs for the next 17 years and thereafter Rs. 11.5 lakhs in perpetuity. Starting with practically no deposit heads except the ordinary balance of Rs. 42.53 lakhs, made up partly of Rs. 21 lakhs received from the Centre, and Central grants for earthquake damage, road fund etc. the Provincial Government's decision to set up a Famine Relief Fund of Rs. 20 lakhs is to be welcomed. Withdrawals from the Fund are to be made good by repayments from revenue in following years.

The Bihar Budget is no exception to the story told in other budgets of higher revenue. The Minister estimated revenue for 1937-38 at Rs. 4.95 crores, showing an increase of Rs. 32.5 lakhs on the Revised Estimates for 1936-37. But Rs. 15.75 lakhs of the increase is derived from changes in accounting methods and Rs. 1.75 from the larger grant made by the I. C. A. R. Irrigation receipts, hitherto devoted for interest payments to the Centre, will provide a new source of provincial revenue, and the jute duty will also give a higher yield on account of the larger percentage allotted. Land revenue is expected to give Rs. 1,38,48,000 as against Rs. 1,36,20,000 in 1936-37 but stamps are expected to give Rs. 103,50,000 compared with Rs. 97,50,000 in 1936-37. The Minister anticipated a rise of over Rs. 5 lakhs in excise revenue and a small rise in judicial revenue also. Added to Rs. 11 lakhs, representing the excess of recovery of loans over the amount expected to be lent, the total revenue available for expenditure was Rs. 5.6 crores and the budget provides for a total expenditure of Rs. 5.334 crores, leaving a surplus of Rs. 2.66 lakhs. The Minister regards the surplus as no cause for jubilation. No important schemes of expenditure are provided for, as the Ministry has not found new funds. But it has striven valiantly to balance revenue and expenditure and the small surplus is a happy omen that Bihar, like Bengal will enjoy a happier financial history in the future. Over Rs. 4.9 crores of the revenue

is absorbed by expenditure to which the Government is already committed and Rs. 3 lakhs of the balance is expenditure incurred by the constitutional changes while Rs. 1.75 lakhs was tied up in expenditure on schemes renewed from year to year. The total available was only Rs. 7.5 lakhs, but the Ministry had succeeded in keeping down the expenditure on 'bricks and mortar' to below Rs. 1.5 lakhs and Rs. 6 lakhs was available for beneficent purposes. Increases in the discretionary grants placed at the disposal of the Governor, the Cabinet and

the Commissioners are made in order to further the valuable work done. An increase of Rs. 3 lakhs in assistance to District Boards for roads, drainage and medical relief, enlarged expenditure on agriculture, medical and veterinary relief, education and industries shows that Bihar, like other provinces, is fully aware of the need for nation-building expenditure. Emergency flood relief in Tirhut, scholarships for Harijans, an industrial information bureau, more scholarships for industrial education, these constitute notable items in the new expenditure.

1895—1937

THESE FIGURES DO SPEAK

The Punjab National Bank was established in 1895 with purely Indian Capital and Management.

The Authorized Capital is Rs. 1,00,00,000

**The Capital issued was ,, 50,00,000
and which is fully subscribed.**

The Capital Paid-up is Rs. 31,37,432

THE BANK HAS ACCUMULATED Rs. 20,64,774/- AS RESERVE FUND

It has as many as 47 BRANCHES and 10 SUB AND PAY-OFFICES in India and connections abroad. It affords excellent facility to Traders for collection of Bills and for other Commercial Transactions at competitive rates.

PRINCIPLES OF DEBT RELIEF TO AGRICULTURISTS

BY K. G. SIVASWAMY

The object of all debt legislation should be, to use the language of the recent Madras Bill, 'to rehabilitate agriculture by relieving the agricultural producer of the burden of debt, as otherwise, land will fall into the hands of people who are strangers to the calling of agriculture and consequently the hereditary skill of the agriculturist will pass into unemployment.'

Other measures of reform are also, doubtless, needed to rehabilitate agriculture, as reduction in the burden of debt alone will not achieve the latter. But no indication is given in the present Bill forecasting such measures. And, without such an indication, one should declare the measure as only one of partial relief. It is not very difficult to plan any scheme of relief of indebtedness in three stages: firstly, the lines on which the credit of the agriculturist should be facilitated and regulated by a control of rural money-lending; secondly, the scaling down of debts to a figure which is repayable by debtors, and, thirdly, provision of a credit machinery and necessary aids to agriculture which will supply the requirements of the smallholder. Relief of indebtedness should be followed by tenancy legislation eliminating the evils of landlordism both in *ryotwari* and *zamin* areas. These two measures will create a new peasantry with a larger credit power who can be assisted with the facilities of credit supplies, and sale through a State-aided and controlled agricultural bank. Experience in other provinces shows that scaling down of debts will be quicker and easier if it is preceded by a Moneylenders' Act to control agricultural credit on sound lines. Though legislation may not do much in this respect, it can eliminate the defects in the civil law which facilitate the rapid transfer of land from agriculturists to non-agriculturists. In the

Central Provinces, conciliation became easier after the passing of the Moneylenders' Act. In Bihar, Government have brought in a Moneylenders' Bill. The present Bill in Madras has only two provisions regarding control of moneylending relating to the rate of interest that should be levied on decrees on old loans, and on new loans. The object of this article is not so much to suggest the exact lines on which any particular Bill is to be amended, as to clarify the principles which govern debt relief legislation.

It is but logic and commonsense to say that they cannot repay any past debts. In any scheme of liquidation their debts should be so scaled down that they will have to make little or nominal repayments. They need not repay unsecured loans. They may repay a small amount in the case of secured loans. Conciliation officers in the Central Provinces have found the greatest difficulty in persuading creditors to leave a portion of the land for the maintenance of the debtor and his family. They have found it equally difficult to fix any instalments in their case. The Bengal Relief Act permits the conciliation officer to set apart not more than one-third of the holding of a judgment debtor for the maintenance of his family subject to the reservation of one acre in the case of debtors holding 3 acres and less. The same principle has been embodied in the Bihar Moneylenders' Act. The U. P. Temporary Regulation of Executions Act provides, in the case of tenants and landowners paying a local rate of one rupee, that the annual instalment should not be more than two annual rentals, that they shall carry no interest, and that the number of instalments shall not be more than five. The Deccan Agriculturists' Relief Act provides, in the case of insolvents, that secured loans should be repaid from the income from land in 20 years or

in the alternative by selling the same, and unsecured loans from land incomes in 7 years, after setting apart the extent of land necessary for the maintenance of the judgment debtor. The Royal Agricultural Commission have recommended that debts which can not be repaid in 20 years should be cancelled. The C. P. Industrial Workers' Liquidation of Debts Act provides that a debt which cannot be recovered from assets should be reduced to an amount equivalent to six monthly instalments and collected in 36 monthly instalments.

The extent of a subsistence holding and less should be made non-saleable for past debts. If the holding is made non-saleable for past debts, it should be equally exempt from sale for future debts. It will be, no doubt, proper to exempt a subsistence holding from sale in execution of decrees for future creditors too, by making such legislation a permanent part of the civil law.

The question next arises, if a holding is only exempt in court sales but, if private sales are permissible, whether our object, namely, to preserve the land in the hands of the small-holder and prevent its passing to those of moneylenders, will not be frustrated. Outright prohibition of sale will create a hereditary class of cultivators preventing the latter from choosing their occupation and preventing also the purchase of lands by those who desire to pursue agriculture as a calling. Voluntary sales may be permitted with certain restrictions. Lands should be sold only to *bona fide* agriculturists. A ryot who has an uneconomic holding or a smaller holding among the buyers may be given the preferential right to buy the land over one with a large holding. The rules in force restricting the sale of occupancy rights in the Sir land of Melguzars may be adapted to suit local conditions.

It might be argued that it would prove difficult to fix one uniform size for a subsistence holding. This is not impossible for Government to do, though details will have to be worked out for different regions. A subsistence holder may be defined on the basis of land revenue or the local rate that he pays. In the case of holders of lands under tenures other than ryotwari, the local rate they pay may be the criterion, or the Collector may declare the extent of land that they should possess if they were to pay land revenue or local rates like the ryotwari subsistence holders. If it is considered necessary to be exact in fixing the limit of a subsistence holding, the land revenue paid on garden lands which yield an income

similar to wet lands but do not pay a similar land tax, may be equated to the land tax on wet lands. Or the holding may be defined for each region. The determination of net incomes from land will become more and more important with the introduction of agricultural income tax, and the starting of a State-controlled agricultural bank.

The third principle in scaling down debt is to bring it down to a size which will be repayable by a small holder. A debt which cannot be repaid out of 20 years' net profits from land should be certainly considered beyond the capacity of the borrower to repay. While the recurring credit of a ryot is little, his long-term needs are greater, owing to failure of crops or death of cattle, and investment in wells. There should be sufficient margin to raise credit to meet unforeseen expenses and productive expenditure.

Land Alienation Acts outside Madras, and the Agricultural Relief Act, of the U. P. restrict the duration of possessory mortgages to 20 years. The Agricultural Credit Department of the Reserve Bank of India have recommended the fixing of an upper limit for loans as a certain multiple of net profit, after setting apart a certain land income for the maintenance of the agriculturist. The general principle that the total liability under mortgage loans shall not be decreed for more than 20 years' net profits has been worked out in the provincial legislatures in several ways. Firstly, the Court is empowered to alienate land, when executing a decree, only for a period of 20 years. Secondly, instalments creating a charge on the land are allowed to run for 20 years. Thirdly, conditional sales are prohibited. Fourthly, mortgages are revised and their terms fixed so as not to exceed a twenty year lease. Fifthly, summary redemption of mortgages is permitted on the application of a mortgagor even before the due date, and when he can not repay the full amount due. These provisions need not be applied to all agriculturists as it will be interfering unduly with the law of contract. The purpose should be to arrest the passing of lands of the agricultural producers to non-agriculturists. These provisions, when given retrospective effect, will give the necessary relief to the small holder.

The third principle that should guide the scaling down of debts is that a sufficient income from land should be set apart, when granting instalments with a charge on the land, or when making temporary alienations of land, for the repayment of a debt, for the maintenance of the judgment debtor and his

family. This is a principle admitted in the Punjab Debtors' Protection Act, the Deccan Agriculturists' Relief Act and the Bengal Agriculturists' Relief Act. This provision should also be made applicable in the case of small holders.

The fourth principle is that it should be made obligatory on courts to grant instalments in the case of agriculturist debtors who apply for the same in respect of money decrees, and in the case of preliminary decrees for foreclosure and sale. The instalments should not exceed twenty. Such a power will authorise the courts to grant instalments not merely in the case of money decrees but also in mortgage suits thereby preventing the sale of land. The instalments should be revisable in seasons of agricultural depression and calamities, and debtors should be permitted to make even advance payments. The Madras Bill only reduces the amount but makes no provision for easy repayments by the debtor. Its result will be a large number of foreclosures and sales in the case of debtors who can not repay the reduced amount. Hence similar provision providing for instalments is equally necessary in the Madras Bill if the scaling down is to be of any benefit to the agriculturist.

The fifth principle is whether, in a country of small agriculturists, sufficient provision is necessary or not to exempt a certain portion of the produce, the materials used in husbandry, and the animals kept for agricultural purposes from attachment and sale in execution of a decree. The clause in the Civil Procedure Code does not exempt all materials as cattle fodder and manure. It leaves it to the discretion of the court. The onus of proof that the debtor is an agriculturist lies on the debtor. The Section about the applicability of execution proceedings to the dwelling house has been interpreted as covering only those having non-transferable holdings. Only certain provinces have exempted produce necessary for the subsistence of the cultivator and for cultivation expenses till the next harvest, even though Section 61 of the C. P. C. empowers Local Governments to make rules in this behalf. A certain portion of the produce necessary for subsistence ought to be exempted in the case of small holders who have been already defined.

Sixthly, the fixing of the rate of interest on decrees at a figure which will make it profitable for agriculture to pay will be a beneficial piece of legislation. Section 10 fixes the maximum at 6 per cent. subject to the contractual rate, whichever is lower. But should 6 per cent. be the rate on decreed amounts, particularly when more than five

instalments are fixed for repayment of a loan? Some difference might be made between the rate of interest on decreed amounts repayable in 5 instalments and the rate on amounts repayable in more than five instalments.

But it is doubtful how far the legal fixing of a six per cent. rate for *future loans* will be efficacious. The regulation of the rate has wisely been restricted to defined agricultural loans, and to landowners, Zamin tenants and non-Zamin tenants holding lands on lease. The area of fictitious transactions effected by overwriting the bonds has been thereby narrowed. Regulation of rates of interest by controlling the rules of business in the case of such moneylenders who are registered and licensed to do the business of moneylending will be more effective. If it is considered necessary to fix the rate of interest on future loans, then it would be better to add a proviso fixing a lesser rate for loans which have to be repaid in more than five instalments.

Seventhly, provision should be made that the court shall fix a fair price at which land should be sold in the execution of its decrees. The creditor should either take the land for which a fair price is fixed in lieu of the debt due to him or, whatever the amount that is fetched in auction, he should be content with the sum realised as satisfying the decree in full.

Eighthly, there is the question of the applicability of not only case of old loans but also in the case of future loans. In Madras, the law of Damdupat will apply in respect of loans from 1-6-1933 and that too only under the Madras Debt Conciliation Act. The object of making the law of Damdupat part of the Civil law is to prevent the accumulation of arrears of interest. The recent Bihar Bill provides that no Court shall pass a decree in respect of loans taken after the commencement of the Act on account of arrears of interest, for any period exceeding three years.

The Court is normally empowered by all debt relief legislation to scale down debts in respect of suits against agriculturists brought by creditors. But it is necessary that these provisions should also apply in respect of all decrees already passed.

There should be enabling provisions also to enable the debtor to take an account through the Court and to deposit in court the debt due in full or in part. The former is provided in the U. P. Agriculturists' Relief Act and the latter in the Debtors' Protection Act of the Punjab.

It is quite possible that clever debtors may take advantage of an Act by buying

a piece of land and thereby satisfying the definition of an agriculturist. Therefore, it will be necessary to add a clause that these provisions shall apply only to those who were agriculturists at the time of the advance of the loan.

Supposing these provisions were not added, the Court need not grant instalments; it may bring to sale the lands of the subsistence-holders and those holding less; it may have to alienate lands in favour of creditors for more than 20 years, it need not set apart a portion of the holding when granting instalments or making temporary

alienations, it may have to sell the lands of the debtors even for a song, and it cannot prevent future accumulation of interest. Also, Government will not be in a position to stop private sales to moneylenders.

It is not claimed that these provisions will reduce all the debts. Debtors who are creditworthy and who require running credit may not like to antagonise their creditors. In such cases private settlement may be quickened. But the establishment of a credit machinery to repay the debts scaled down, and to provide future credit on sound lines is immediately necessary.

PERFECT FAN FOR ENTIRE SATISFACTION

India

For D. C.

Bharat

For A. C.



Runs 30 to 60 hours per unit
On I. S. D. Contract for last 12 years

Manufacturers :

THE INDIA ELECTRIC WORKS LTD.

H. O. & Factory :
25, South Road, Entally, Calcutta

City Show-room :
10, Chowringhee, Calcutta

Branches :
12-A, Lingha Chetty Street
Madras

Meston Road, Cawnpore

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 ...	68.84	67.11
2. Exploitation of minerals ...	0.29	0.28
3. Industry ...	8.80	9.97
4. Transport ...	1.99	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. Raneeunge 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 descendants 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 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. 113 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	...	82,88	86,15	88,68
India	...	115,86	132,29	134,89

EXPORTS OF MERCHANDISE

(Lakhs of Rupees)

	1933-34	1934-35	1935-36
Bengal ...	68.69	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 ...	8.22	4.71	4.49
Metals & Ores ...	8.86	4.18	4.91
Machinery & Millwork ...	5.16	4.65	5.94
Sugar ...	81	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	28.22
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	1.28	1.65
Seeds ...	2.12	1.80	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 ...	2.8	1.58
5. Trade ...	5.8	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 ...	0.8	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 $2\frac{1}{2}$ 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 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, 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 ...	46,19	58,70	54,51
India ...	115,86	182,27	184,89

EXPORTS OF MERCHANDISE

(Lakhs of Rupees)

	1932-33	1933-34	1934-35	1935-36
Bombay ...	25.14	80,50	82,40	88.11
India ...	185,49	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	4,88
Cotton raw ...	8,42	5,01	6,87
Machinery and Mill-work ...	4,22	4,27	8,01
Metals and Ores ...	8,10	8,61	8,59
Oils ...	1,94	2,19	2,18
Silkgoods ...	2,42	2,29	1,76
Cotton twist and yarn ...	87	1,87	1,68
Sugar ...	1,00	81	88
Motor cars ...	88	1,86	1,26
Woollen goods ...	86	1,87	96

EXPORTS FROM BOMBAY

(Lakhs of Rupees)

	1933-34	1934-35	1935-36
Oil seeds ...	4,60	8,28	8,02
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	18.85	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	17.85	15.71
India ...	115.86	182.25	184.39

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-ggds ...	1.86	1.57	1.19
Machinery and Millwork ...	1.45	1.56	1.67
Oils ...	1.01	5.09	1.08
Cotton Twist and Yarn ...	54	64	69
Sugar ...	56	48	88
Motor Cars ...	24	88	68

EXPORTS FROM THE PRESIDENCY

(Lakhs of Rupees)

	1932-33	1933-34	1934-35
Oilseeds ...	6.18	5.68	5.80
Tea ...	3.90	4.86	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 ...	.88	.82	.84
Rice (not in the husk)			
Machinery and Mill. ...	.80	.88	.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	81.4	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	8.8	11.8	11.8	8.8	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	8.9	4.4	2.0	2.2	4.1	2.0	8.8
Others ..	2.6	1.14	9.2	10.0	2.6	8.9	8.72	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 Niemeier,, 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 or 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 for 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 $7\frac{1}{2}$ 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 defaults 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.

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

(In Thousands of Rupees)

	1924-25		Accounts, 1925-26		Accounts, 1926-27		Accounts, 1927-28		Accounts, 1928-29		Accounts, 1929-30		Accounts, 1930-31	
	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	Net Receipts
Principal Heads of Revenue—														
Customs ... ..	...	46,96,18	...	46,56,84	...	47,86,60	...	46,34,42	...	50,80,15	...	45,87,37	...	...
Taxes on Income ... ..	...	15,27,21	...	15,03,21	...	14,40,83	...	16,01,83	...	15,98,76	...	15,25,61	...	...
Salt ... ..	...	5,07,91	...	5,49,85	...	5,86,67	...	6,86,67	...	5,49,50	...	5,56,80	...	...
Opium ... ..	...	2,03,52	...	2,32,69	...	3,07,52	...	2,71,64	...	2,55,28	...	1,78,91	...	...
Other Heads ... ..	...	1,52,08	...	1,60,98	...	1,75,00	...	1,62,43	...	1,62,25	...	1,39,08	...	...
TOTAL ... ..	...	70,86,85	...	72,08,57	...	71,96,62	...	75,06,59	...	75,95,94	...	69,87,72	...	...
Forest and other Capital outlay Charged to Revenue	17,82	...	7,18	...	7,88	...	12,58	...	8,62	...	5,18	...	4,02	...
Irrigation	11,44	...	8,12	...	5,25	...	8,83	...	12,85	...	20,02	...	30,78	...
Railways ... ..	...	5,49,04	...	6,01,13	...	6,27,88	...	5,28,19	...	6,11,86	...	5,73,57	...	...
Posts and Telegraphs ... ..	...	1,88,25	...	...	5,18	...	47,23	...	74,22	...	81,18	...	1,55,87	...
Debt Services	15,27,23	...	14,12,29	...	12,65,90	...	11,99,23	...	12,82,41	...	12,18,07	...	14,03,71	...
Civil Administration	9,88,61	...	9,86,51	...	10,27,89	...	10,22,09	...	10,42,58	...	11,49,32	...	12,36,93	...
Currency and Mint ... ..	...	8,93,78	...	8,89,40	...	1,39,79	...	2,16,71	...	1,99,48	...	27,84	...	...
Civil Works	1,64,52	...	1,47,57	...	1,78,95	...	1,42,41	...	1,42,24	...	2,35,62	...	2,35,47	...
Miscellaneous	8,89,42	...	8,71,42	...	8,86,15	...	8,22,85	...	8,16,45	...	8,50,02	...	8,84,43	...
Military Services	55,68,40	...	55,99,86	...	55,96,96	...	54,79,45	...	55,10,00	...	55,10,00	...	55,30,00	...
Provincial contributions and Miscellaneous adjustments between Central and Provincial Governments ... ..	...	6,03,41	...	5,18,23	...	2,60	...	2,02	...	8	...	...	...	...
Extraordinary Items ... ..	...	87,80	...	...	2,89,18	2,17,38	...	1,08,42	...	1,83,88	...	83,58	...	...
GRAND TOTAL	86,11,94	88,64,18	85,82,95	86,57,07	86,57,07	82,34,22	82,34,22	83,52,38	83,84,37	85,96,19	85,69,86	76,72,21	88,88,66	...

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

	Accounts, 1931-32		Accounts, 1932-33		Accounts, 1933-34		Accounts, 1934-35 Revised, 1935-36 Revised, 1936-37		Budget, 1937-38					
	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 ...	45,53,17	...	51,02,28	...	46,17,85	...	52,67,42	...	52,24,87	...	50,92,50	...	40,76,50	...
Taxes on Income ...	16,74,89	...	17,19,81	...	16,80,86	...	17,54,52	...	17,07,89	...	15,80,00	...	15,80,00	...
Salt ...	7,42,24	...	8,95,84	...	7,70,91	...	8,00,01	...	8,42,80	...	8,83,00	...	8,25,00	...
Opium ...	1,27,64	...	5,99	...	88,15	...	71,93	...	61,10	...	47,81	...	49,52	...
Other Heads ...	1,61,45	...	1,27,10	...	1,25,49	...	1,91,54	...	1,05,98	...	96,65	...	94,04	...
TOTAL ...	72,59,89	...	78,50,97	...	72,82,76	...	80,85,42	...	79,42,14	...	76,81,46	...	78,75,06	...
Forest and other Capital outlay charged to Revenue ...	...	66	...	2,87	...	89	...	1,67	...	50	...	...	...	86
Irrigation ...	...	8,72	...	8,76	...	8,99	...	5,99	811	5,06	29	53,5,54	101	11,85
Railways ...	...	...	...	...	...	...	...	82,86,84	81,97,90	81,97,90	81,66,55	81,66,55	80,18,74	29,98,92
Posts and Telegraphs ...	...	41,71	...	46,46	...	56,67	44,96	...	79,83	80,05	86,76	88,70	76,98	79,30
Debt Services ...	...	17,81,44	...	16,58,06	...	16,65,74	...	18,25,11	86,48	13,49,85	61,87	12,66,08	71,85	14,12,22
Civil Administration ...	...	11,28,11	...	8,82,11	...	8,77,40	...	11,10,44	91,94	10,58,92	91,87	11,05,78	91,78	10,42,79
Currency and Mint ...	1,02,52	...	1,64,96	...	74,11	...	74,55	...	1,16,90	42,16	97,61	86,89	1,6,49	84,00
Civil Works ...	...	1,96,26	...	1,58,79	...	1,71,80	...	2,42,28	28,68	2,18,88	88,12	2,50,97	84,71	2,87,28
Miscellaneous ...	...	2,77,24	...	8,80,29	...	8,42,81	...	4,89,77	1,86,84	8,87,22	1,66,92	8,18,14	1,41,51	76,7,08
Defence Services ...	...	51,76,00	...	86,74,00	...	44,42,48	5,80,02	49,64,28	52,0,58	50,18,58	5,12,10	50,87,10	5,22,10	49,88,92
Provincial contributions and Miscellaneous adjustments between Central and Provincial Governments ...	...	...	...	96,05	...	1,06,00	...	2,97,78	...	1,19,52	...	2,77,57	...	8,15,99
Extraordinary Items ...	18,50	...	...	...	...	2,46,09	...	2,84,90	2	...	20	26,48	5,07,20	1,17
GRAND TOTAL ...	78,80,41	85,55,14	80,15,98	78,60,74	78,06,87	78,06,87	1,25,10,18	1,25,10,18	1,22,01,09	1,22,01,09	1,20,90,28	1,20,90,28	1,19,41,881	19,41,88

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

	Accounts, 1925-26		Accounts, 1926-27		Accounts, 1927-28		Accounts, 1928-29		Accounts, 1929-30		Accounts, 1930-31	
	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	8,81,18	...	...	...	...	...	...	81,54	26,88	...	...	11,58,45
Capital Accounts—												
Capital outlay on Security Press...	...	16,40	...	16,50	...	-9,77	...	-4,76	...	23	...	4,02
Railway Capital not Charged to Revenue	...	22,72,70	...	29,85,93	...	88,14,99	15	29,85,07	2,44	80,18,84	...	18,20,87
Payment for discharge of Railway Debentures	...	...	...	...	...	...	...	...	...	...	...	27
Construction of Irrigation Works	...	-97	...	-70	...	7	...	86	...	2,99	...	-3,68
Capital outlay on Posts and Telegraphs	...	2,28,54	...	82,59	...	46,88	...	58,88	...	83,07	...	98,78
Capital outlay on Vizagapatam Port	...	64,77	...	81,86	...	29,05	...	29,28	...	85,75	...	-18
Capital outlay on Lighthouses and Light Ships	...	...	...	...	...	...	...	...	...	13	...	1,85
Currency Capital outlay	...	...	...	8,66	...	12,95	...	...	...	69	...	...
Initial Expenditure on New Capital at Delhi	...	99,06	...	61,68	...	46,58	...	8,37	...	72,72	...	48,27
Payment of commuted value of Pensions	...	...	...	28,85	...	44,26	...	86,65	...	88,80	...	42,66
Capital outlay on Bombay Land Scheme	...	...	...	...	...	20,74	...	86,09	...	88,09	...	2,10,87
Payments to Retrenched Personnel	...	...	...	...	...	...	...	...	...	...	...	...
Debt Deposits Advances and Remittances—												
Permanent Debt	...	4,08,85	8,81,66	...	4,88,88	...	28,01,91	...	20,89,57	...	46,97,54	...
Floating Debt	...	25	...	8,18,00	...	1,94,60	8,62,25	...	80,10,65	...	...	6,59,86
Unfounded Debt	18,45,51	...	12,72,14	...	11,86,68	...	8,40,95	...	18,04,22	...	...	...
Deposits and Advances	15,54,74	...	28,78,26	...	12,89,97	...	8,17,00	...	...	2,81,68	5,78,41	9,56,15
Loans and Advances by Central Government	...	8,92,45	...	5,88,77	...	7,77,48	...	12,72,24	...	7,20,11	...	10,97,02
Loans between Central and Provincial Governments	...	...	...	...	...	...	...	...	...	...	...	...
Remittances	...	85,91	1,21,88	...	10,22	...	75,66	...	...	51,12	6,15	...
Balances of Provincial Governments	8,20,25	...	4,85,26	...	4,78	...	56,84	...	8,70,76	...	...	7,07,68
Opening Balance	45,25,29	...	40,19,51	...	82,18,88	...	16,70,97	...	16,19,88	...	84,27,91	...
Closing Balance	...	40,19,51	...	81,11,10	...	16,70,97	...	16,19,88	...	84,27,91	...	24,68,67
TOTAL	80,76,97	80,76,79	81,18,45	81,18,45	61,58,58	61,58,58	60,69,79	60,69,79	80,08,54	80,08,54	78,10,54	87,10,01

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

	Accounts 1931-32		Accounts 1932-33		Accounts 1933-34		Accounts 1934-35		Accounts 1935-36		Revised Estimate 1936-37		Budget Estimate 1937-38	
	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 ...	...	11,74,78	1,55,19	..	...	...	86,00	...	...	...	...	...	7,17	...
Capital Accounts—														
Capital outlay on Security Press ...	...	—3,82	...	..	...	—9,01	...	1,12	...	—90	...	—14	...	81
Railway Capital not charged to Revenue ...	...	6,75,68	...	—72,57	...	—1,81,49	...	68,70	...	...	...	...	...	2,68
Payment for discharge of Railway Debentures ...	...	...	...	...	...	...	...	...	...	2,61,20	...	2,17,85	...	4,45,80
Capital outlay on Agricultural improvement and Revenue ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Construction of Agricultural Works ...	...	0	...	...	...	...	...	...	...	20,81	...	9,88	...	...
Capital outlay on Posts and Telegraphs ...	...	37,92	...	14,82	...	5,38	...	82,87	...	89,24	...	44,52	...	68,12
Capital outlay on Vizagapatam Port ...	...	36,48	...	52,42	...	51,02	...	14,71	...	5,15	...	5,54	...	8,87
Capital outlay on Lighthouses and Light Ships ...	...	...	...	...	...	...	...	...	...	5,18,28	...	—1,24	...	4
Currency Capital outlay ...	...	—6	...	—3,88	...	—4,14	...	51	...	87,77	...	22,24	...	29,55
Initial Expenditure on New Capital at Delhi ...	...	14,61	...	...	...	9,10	...	72,18	...	47,11	...	86,01	...	24,67
Payment of commuted value of pensions ...	...	42,82	...	78,89	...	82,99	...	59,88	...	...	...	...	...	...
Capital outlay on Bombay Land Scheme ...	...	...	...	...	...	...	...	...	...	2,68	...	—4,68	...	—487
Payment to Retrenched Personal ...	...	1,45	...	12,68	...	2,94	...	—1,08	...	22,06,66	...	18,54,08	...	2,95,16
Debt Deposits Advances and Remittances—														
Permanent Debt ...	...	47,89	22,71,74	...	...	4,90,80	8,81,09	...	...	22,21,25	...	2,44,00	4,00,00	...
Floating Debt ...	40,08,76	...	...	45,12,65	...	2,83,50	...	4,89,45	15,50,58	...	18,20,70	...	...	...
Unfunded Debt ...	10,18,08	...	20,09,74	...	22,81,07	...	14,52,71	...	23,60,51	...	9,68,19	...	8,00,71	...
Deposits and Advances ...	...	4,88,61	50,96	...	...	9,64,67	...	6,27,91	10,02	...	5,80,28	...	...	...
Rail way Depreciation and Resrve fund as pere ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Railway Budget net ...	...	...	...	...	...	...	...	...	...	...	...	...	...	5,82,82
Loans and Advances by Central Government ...	...	12,63,48	...	6,91,63	...	2,28,56	...	2,10,09	...	9,02,77	...	...	6,59,00	...
Loans between Central and Provincial Governments ...	...	...	...	66,90	...	...	...	...	...	...	...	1,53,98	2,60,81	...
Remittances ...	...	1,22,07	...	...	62,95	...	...	9,89	...	...	2,04	...	...	2,89
Balances of Provincial Governments ...	...	1,59,68	2,59,82	...	25,28	...	...	1,54,89	1,80,10	87,81	...	4,85,00	...	10,60,00
Opening Balance ...	24,68,67	...	83,84,48	...	27,78,88	...	82,76,48	...	87,20,88	...	15,27,48	...	16,88,12	...
Closing Balance ...	...	83,84,48	...	27,78,88	...	82,76,48	...	87,20,87	...	15,27,48	...	16,88,12	...	8,68,52
TOTAL ...	74,90,51	74,90,51	81,81,88	81,81,88	51,47,58	51,47,58	58,01,88	58,01,88	78,21,54	78,21,54	48,98,64	48,98,64	38,24,81	83,24,81

Revenue—Government of Madras Since 1925-26
(In Thousands 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 1936-37	Budget 1937-38
Taxes on Income ...	4,27	4,64	5,94	5,48	7,27	6,75	...	...	...	...	...	..	...
Land Revenue ...	6,89,79	6,22,00	6,23,77	5,24,89	5,21,06	4,88,62	5,82,78	5,02,57	6,98,84	7,15,41	4,94,64	4,71,56	4,87,14
Excise ...	4,94,85	5,10,53	5,34,37	5,58,76	5,92,26	5,24,28	4,25,80	4,26,96	4,28,83	4,23,12	4,08,26	3,95,40	3,87,06
Stamps ...	2,45,08	2,52,80	2,50,11	2,51,17	2,50,92	2,84,71	2,84,98	2,41,58	2,28,11	2,17,11	2,08,18	1,95,12	1,95,38
Forest ...	51,81	56,24	53,44	61,55	63,56	52,69	45,82	49,72	41,58	44,84	44,97	48,86	47,83
Registration ...	33,61	40,58	39,06	34,12	35,53	31,80	30,73	33,49	31,15	31,93	31,15	30,69	30,91
Scheduled Taxes ...	...	...	...	..	...	...	...	...	...	...	42,61	49,89	50,83
TOTAL ...	14,78,91	14,86,24	15,06,69	14,85,97	14,70,65	13,88,35	12,69,51	12,54,82	14,28,01	14,81,91	12,29,81	11,91,02	11,98,60
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	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	2,15,66	2,21,06	2,21,12
Interest Receipts ...	16,21	20,36	25,17	34,27	40,88	42,52	30,76	29,66	33,42	25,07	21,84	23,82	20,15
Civil Administration ...	60,81	60,25	63,78	68,62	74,94	72,17	98,02	1,03,86	1,01,20	1,14,14	78,49	79,00	81,58
Civil Works ...	9,67	8,87	9,25	13,06	11,52	24,89	22,46	20,55	21,84	24,56	20,95	37,84	47,30
Miscellaneous ...	18,09	16,69	13,85	17,69	22,18	19,95	17,48	18,27	15,63	15,96	37,47	22,19	24,98
Contribution to the Central Government by Provincial Government	—2,21,98	—1,65,19	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjustment between Central and Provincial Governments (net) ...	88	...	—5,51	...	...	...	...	...	...	...	...	...	...
Extraordinary Receipts	17,90	...	...	...	...	...	...	...	...	...	...	...	...
Transfers from Revenue Reserve Fund ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India ...	14,71,34	15,18,49	16,99,85	17,53,02	18,08,77	16,88,39	16,29,85	16,40,23	16,03,01	16,19,81	16,04,22	15,73,93	15,98,73
Revenue in England with Exchange ...	1	1	1	9	10	4	8	2	4	...	...	...	...
TOTAL REVENUE ..	14,71,35	15,18,50	16,99,86	17,53,11	18,08,87	16,88,93	16,29,83	16,40,25	16,03,05	16,19,81	16,04,24	15,73,93	15,98,73

* Previously shown under the Old Major Head "Miscellaneous"

Expenditure—Government of Madras Since 1925-26
(In Thousands 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 1936-37	Budget 1937-38
Income-Tax	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue	83,15	88,96	89,16	80,78	28,89	28,45	25,51	19,89	19,88	19,66	29,69	28,18	28,89
Excise	47,12	42,69	42,96	48,67	45,19	46,88	86,57	88,24	82,94	83,81	35,20	83,21	82,58
Stamps	5,62	5,78	6,25	6,71	7,67	5,96	6,06	6,68	5,71	6,18	5,82	5,08	5,82
Forests	42,88	44,52	42,81	41,89	43,81	42,50	88,86	88,59	85,21	84,69	40,90	40,64	40,68
Registration	24,75	25,53	26,84	27,04	29,08	29,51	28,17	26,67	28,65	29,10	29,66	28,90	29,58
Scheduled Taxes	...	...	...	...	...	...	...	...	...	...	83,90	41,87	43,45
TOTAL	1,58,02	1,57,53	1,57,02	1,50,04	1,54,14	1,52,80	1,84,67	1,25,07	1,22,84	1,22,98	1,77,17	1,77,83	1,79,95
Forest and other Capital outlay charged to Revn.	4,16	5,48	5,38	4,77	4,81	4,27	2,98	6,48	6,51	6,15	...	...	...
Railways	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation	88,84	98,90	97,84	1,05,82	1,28,71	1,27,47	1,82,18	1,26,88	92,89	99,78	1,25,62	1,24,61	1,33,58
Debt Services	40,24	45,18	53,68	58,06	89,83	21,80	17,45	11,56	97,44	95,25	5,58	1,58	-42,11
Civil Administration	8,61,81	8,85,85	9,24,80	10,03,48	10,45,41	11,06,95	10,16,16	9,88,68	10,04,26	10,26,26	10,27,84	10,18,97	10,57,86
Civil Works	95,54	1,10,86	1,40,27	1,58,78	1,82,04	2,84,92	1,89,43	1,58,09	1,44,82	1,24,75	1,81,66	1,84,85	1,48,78
Miscellaneous	81,98	78,89	78,15	83,07	86,98	95,43	88,88	1,13,00	89,40	90,14	1,81,50	1,85,00	1,15,66
Extraordinary Items	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Expenditure in India	18,80,04	18,71,69	14,56,64	15,68,77	16,85,87	17,48,14	15,81,70	15,24,71	15,57,16	15,65,81	15,99,87	15,91,82	15,98,67
Expenditure in England with Exchange	42,95	45,88	41,49	45,20	48,91	46,55	42,77	38,88	89,65	43,57	...	...	...
TOTAL EXPENDITURE	18,72,99	14,17,02	14,98,13	16,18,97	16,84,78	17,89,69	16,24,47	15,63,04	15,96,81	16,08,88	15,99,87	15,91,82	15,98,67

Revenue—Government of Bombay Since 1925-26
(In Thousands 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 1936-37	Budget 1937-38
Taxes on Income ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Salt ...	...	...	...	...	...	...	17	19	7	4	3	2	2
Land Revenue ...	5,41,11	4,66,94	5,28,19	4,84,68	4,79,68	4,74,45	5,01,34	4,71,24	3,85,10	3,40,86	3,74,85	3,22,76	3,29,25
Excise ...	4,15,83	4,09,89	3,96,21	3,92,26	4,07,80	3,04,85	3,26,55	3,50,85	3,64,37	3,12,13	3,33,47	3,23,97	3,12,69
Stamps ...	1,76,35	1,67,53	1,75,40	1,68,89	1,77,15	1,58,06	1,50,28	1,58,96	1,56,85	1,39,52	1,42,77	1,44,55	1,39,79
Forest ...	75,28	76,56	72,94	73,43	79,75	52,24	56,74	59,71	54,30	48,31	52,10	48,39	42,06
Registration ...	12,78	12,04	11,82	11,75	12,33	10,89	11,36	12,54	16,21	14,59	15,58	15,03	15,03
Scheduled Taxes ...	15,30	19,55	21,20	21,52	20,21	16,39	19,19	18,77	19,05	58,20	59,25	74,81	84,06
TOTAL ...	12,36,15	11,52,06	12,00,76	11,52,03	11,76,87	10,16,88	10,65,63	10,72,06	9,95,45	9,13,65	9,77,55	9,39,53	9,23,90
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	42,11	49,24	42,04	65,72	46,80	33,12	58,40	71,78	67,76	22,16	18,33	20,37	21,50
Interest Receipts ...	1,65,80	1,63,13	1,53,27	1,51,52	1,45,86	1,47,23	1,44,87	1,47,69	1,38,77	1,38,87	...	93,36	75,71
Civil Administration ...	57,77	59,10	56,04	76,91	82,51	89,77	95,49	1,00,83	1,04,07	81,67	87,87	88,69	90,94
Civil Works ...	16,18	16,39	34,70	33,71	52,93	53,06	72,53	62,04	60,81	42,44	37,25	38,44	68,40
Miscellaneous ...	30,67	34,54	33,82	33,87	32,93	33,92	35,43	44,99	60,46	16,16	15,50	19,29	18,09
Contribution to the Central Government by Provincial Governments	-34,00	-28,00	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjust- ments between Central and Provincial Govern- ments (net) ...	9,55	4,03	4	-4,00	-4	...	...	...	...	...	...	...	...
Extraordinary Receipts	...	2,53	7,91	1,96	3,56	7,06	9,60	25,75	33,34	4,41	29,39	53	1,01
Transfer from Revenue Reserve Fund ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India...	15,24,18	14,58,07	15,34,48	15,21,72	15,91,42	13,80,54	14,31,95	15,25,09	14,60,68	12,29,36	11,65,44	12,00,26	11,99,55
Revenue in England with Exchange ...	1...	...	..	2	11	82	9	8	6	...	...	...	...
TOTAL REVENUE ...	15,24,18	14,58,07	15,34,48	15,21,74	15,91,53	13,80,86	14,32,04	15,25,17	14,60,74	12,29,36	11,65,14	12,00,26	11,99,55

Expenditure—Government of Bombay Since 1925-26
(In Thousands 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* 1936-37	Budget* 1937-38
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	68,98	65,51	66,48	64,77	66,08	64,98	69,86	66,76	62,84	46,15	46,79	48,12	46,08
Excise ...	54,08	68,92	47,94	46,82	44,25	41,68	89,01	46,78	48,16	42,54	89,88	41,62	89,02
Stamps ...	1,26	1,75	1,82	2,67	2,65	2,42	2,84	2,42	2,26	1,87	1,85	2,08	1,98
Forest ...	40,54	40,94	40,58	41,25	43,27	40,65	40,06	85,18	82,14	26,25	20,15	29,29	27,91
Registration ...	6,68	6,64	6,58	6,55	6,64	6,88	6,29	6,02	6,06	5,44	5,59	5,75	5,66
Scheduled Taxes ...	81	10	20	20	21	21	81	24	29	17,10	68	80,95	88,27
TOTAL ...	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	1,41,85	1,88,94	1,57,81	1,54,47
Forest and other Capital outlay Charged to Revenue ...	2,08	2,22	2,48	2,88	2,22	1,76	58	1,10	64	...	...	...	...
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	94,05	95,50	1,05,20	99,05	1,12,24	99,78	86,04	1,07,66	1,40,08	5,24	5,15	47,29	46,87
Debt Services ...	2,76,99	2,49,81	2,25,88	2,18,81	2,18,73	1,80,28	2,80,51	2,29,28	2,29,67	..	...	1,62,17	1,27,46
Civil Administration ...	7,87,55	7,85,75	7,85,77	8,05,22	8,26,10	8,88,65	8,05,81	7,50,89	6,59,84	5,65,49	5,76,28	5,98,70	6,00,40
Civil Works ...	90,28	1,20,84	1,47,85	1,45,96	1,40,26	1,54,41	1,18,32	98,40	92,92	81,47	89,24	1,18,48	1,50,18
Miscellaneous ...	1,56,21	1,46,89	96,58	80,60	82,68	87,42	98,76	1,18,05	1,24,91	1,16,01	1,21,45	1,81,29	1,88,81
Extraordinary Items ...	...	...	...	...	...	...	2	3'24	2,75	1,25	80	18	8
Total Expenditure in India ...	15,78,78	15,79,96	15,25,76	15,13,28	15,40,28	15,22,52	14,88,81	14,59,42	14,01,71	9,00,81	9,81,86	12,10,87	12,17,22
Expenditure in England with Exchange ...	41,79	48,71	87,50	42,87	40,52	89,89	41,08	89,58	42,02	86,11	...	..	...
TOTAL EXPENDITURE ...	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	9,86,92	9,81,86	12,10,87	12,17,22

* Excludes the province of Sind.

Revenue—Government of Bengal Since 1926-27

(In Thousands of Rupees)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	Revised 1936-37	Budget 1937-38
Customs ... ..	...	...	...	...	...	...	...	...	...	...	...	2,23
Taxes on Income ... ..	...	...	...	...	...	...	...	...	...	...	...	...
Salt ... ..	...	...	...	...	...	5,87	6,04	2,12	1,19	96	55	59
Land Revenue	8,11,18	8,15,12	8,26,76	8,24,74	8,08,93	8,06,22	8,00,06	8,21,14	8,43,85	8,43,29	8,45,48	8,51,85
Excise	2,25,17	2,24,81	2,24,91	2,26,25	1,80,16	1,56,00	1,40,82	1,84,06	1,88,65	1,88,78	1,84,00	1,87,00
Stamps	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	2,95,94	8,04,60	8,07,65
Forest	81,24	88,49	81,18	80,52	28,12	16,94	15,12	15,08	17,82	20,10	18,18	18,28
Registration	88,50	40,17	89,94	81,69	28,72	19,88	18,47	19,67	22,43	28,70	28,60	24,00
Scheduled Taxes	16,91	19,47	16,99	16,29	18,00	18,04	11,80	11,22	18,77	14,71	16,00	56,80
Total	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	8,82,48	8,42,86	11,19,12
Railways	1,24	2,45	1,02	1,19	92	76	81	28	...	58	52	41
Irrigation	45	-4,62	-1,19	-2,65	-2,09	-58	-2,80	-1,38	-8,18	16	-71	1,78
Interest Receipts	4,11	6,29	6,24	6,13	4,67	4,80	6,18	5,42	6,88	5,57	5,69	7,22
Civil Administration	64,08	68,86	77,85	82,41	71,58	75,24	87,66	84,07	90,27	95,18	96,88	79,42
Civil Works	6,03	6,61	5,54	5,25	10,86	17,35	15,76	12,40	18,77	16,69	28,85	28,68
Miscellaneous	20,20	18,84	12,90	17,04	16,43	15,81	21,44	18,61	11,68	26,98	46,20	17,55
Contribution to the Central Government by Provincial Govts. ... ..	...	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjust- ments between Central and Provincial Govts. ... ..	...	1,59	...	...	...	...	2,14	...	1,59,68	1,68,78	1,79,97	...
Extraordinary Receipts ... ..	...	2,41	49	5,06	2,17	58	2,10	85	1,92	1,13	10	85
Transfer from Revenue Reserve Fund ... ..	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India	10,50,66	10,81,80	10,97,01	11,85,89	9,65,92	9,01,00	9,88,11	9,05,77	11,02,71	11,47,45	11,94,81	12,55,08
Revenue in England with Exchange	-80	-1	1,66	-2	85	6	-7	-4	+2	2	2	...
TOTAL REVENUE	10,50,86	10,81,29	10,98,67	11,85,87	9,66,27	9,01,06	9,88,04	9,05,78	11,02,78	11,47,47	11,94,83	12,55,08

Expenditure—Government of Bengal Since 1925-26

(In Thousands of Rupees)

	1925-26	1926-27	127-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	Revised 1936-37	Budget 1937-38
Income-Tax ... ..	...	..	...	...	...	...	...	...	...	...	...	...	...
Land Revenue	85,59	88,48	88,45	46,78	45,09	45,86	41,24	87,76	87,88	89,08	86,79	86,89	87,70
Excise	26,04	24,98	28,8	22,98	22,26	21,80	19,55	17,00	17,54	16,60	17,88	18,95	19,20
Stamps	8,68	8,48	8,98	9,00	6,28	5,23	4,10	4,61	4,30	4,88	4,80	5,10	5,85
Forest	12,84	18,90	14,40	15,48	15,47	15,17	14,96	14,48	14,42	14,90	15,47	14,98	15,98
Registration	18,78	18,76	20,71	20,25	22,18	19,95	18,94	17,47	17,51	17,70	18,48	18,97	18,81
Schedule Taxes	15	15	15	15	15	16	15	15	5	5	11	8	4,98
TOTAL	1,01,58	1,04,65	1,06,51	1,14,84	1,11,83	1,07,67	98,94	91,47	91,15	98,16	98,58	94,42	1,01,92
Forest and other Capital outlay charged to Revenue	48	8,28	2,62	1,04	1,17	78	1,64	61	...	...	...	...	...
Railways ... ..	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation	80,89	85,12	85,17	86,92	84,18	80,78	20,02	28,75	81,07	83,12	88,74	82,51	88,98
Debt Services	-8,48	-7,44	-7,17	-7,92	-1,68	28	1,10	18,49	10,22	16,04	26,88	27,84	-7,55
Civil Administration	6,80,48	7,07,21	7,09,72	7,29,86	7,54,92	7,78,99	7,50,18	7,24,12	7,89,28	7,89,68	7,61,07	7,74,79	8,14,42
Civil Works	1,10,12	1,11,87	1,01,06	97,82	94,54	1,01,0	88,48	76,25	76,20	80,24	86,72	1,00,25	1,81,15
Miscellaneous	79,10	75,49	97,74	80,57	97,58	84, 9	80,26	91,89	98,87	1,01,42	1,07,17	1,18,76	1,42,18
Extraordinary Items ... ..	...	...	...	...	...	...	...	...	...	2,50	...	...	...
Total Expenditure in India	9,94,02	10,29,68	10,45,65	10,52,68	10,91,94	10,99,18	10,58,57	10,27,58	10,41,79	10,66,11	11,09,06	11,48,07	12,21,05
Expenditure in England with Exchange	86,61	41,82	89,92	87,84	41,70	41,61	41,95	40,25	89,87	41,90	42,11	48,45	...
TOTAL EXPENDITURE	10,80,63	10,70,95	10,85,57	10,90,47	11,83,64	10	11,00,52	10,67,83	10,81,66	11,08,01	11,51,17	11,91,52	12,21,05

Revenue—Government of the United Provinces Since 1926-27
(In Thousands 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 1936-37	Budget 1937-38
Taxes on Income	...	...	...	...	71	1,40	...	...	...	...	...	...	...
Salt	...	...	...	...	...	...	9	10	8	2	...	...	...
Land Revenue	6,90,25	6,87,97	6,92,56	6,04,88	6,85,83	6,47,99	6,12,41	5,70,76	5,58,23	5,85,96	5,87,84	5,66,21	6,00,48
Excise	1,32,72	1,81,00	1,40,97	1,80,86	1,80,85	1,12,22	1,08,23	1,22,29	1,80,92	1,88,76	1,40,68	1,54,00	1,50,50
Stamps	1,76,46	1,69,29	1,71,87	1,72,70	1,80,65	1,69,67	1,65,96	1,85,44	1,74,97	1,60,47	1,49,70	1,62,00	1,58,18
Forest	64,26	58,29	66,08	61,80	61,80	40,76	45,82	45,98	45,19	49,02	48,55	45,56	47,70
Registration	18,70	18,81	12,92	18,54	18,77	11,98	11,89	18,26	11,86	11,08	10,47	10,81	12,00
Scheduled Taxes	...	...	...	...	...	...	...	...	...	...	2	1	18,00
TOTAL	10,77,42	10,59,86	10,83,90	9,88,28	10,72,61	9,98,02	9,48,40	9,37,88	9,21,20	9,40,81	9,37,26	9,38,59	9,76,86
Railways	2,07	84	2,23	1,87	1,85	1,45	86	1,00	1,29	1,18	70	1,80	1,00
Irrigation	85,32	99,35	97,88	84,99	1,27,86	1,00,71	97,61	1,29,18	1,20,75	1,10,02	1,55,89	1,47,45	1,43,37
Interest Receipts	12,90	9,23	11,76	10,29	16,92	15,26	18,88	12,64	12,21	12,68	12,06	11,49	12,68
Civil Administration	41,96	44,85	47,70	46,65	48,47	49,77	46,46	44,12	44,04	44,86	47,88	52,64	59,29
Civil Works	4,03	3,92	3,84	3,45	3,28	6,78	5,69	3,99	5,29	6,97	17,63	21,99	16,79
Miscellaneous	46,88	41,11	38,06	14,25	27,85	20,23	18,96	16,85	18,85	14,60	16,60	18,21	19,08
Contribution to the Central Government by Provincial Governments	-1,83,83	-1,50,85	...	...	...	...	...	...	...	...	...	1...	25,00
Miscellaneous adjustments between Central and Provincial Governments	45	-15	67	...	...	...	...	...	...	...	...	...	...
Extraordinary Receipts... Transfers from Revenue Reserve Fund	18	30,55	36	...	...	...	...	...	...	...	...	...	...
Total Revenue in India	10,86,68	11,38,71	12,86,40	11,44,78	12,98,84	11,96,27	11,21,31	11,45,06	11,23,68	11,80,07	11,87,97	11,91,67	12,54,07
Revenue in England with Exchange	...	...	-2	37	27	46	35	15	...	14	17	1	...
TOTAL REVENUE	10,86,68	11,38,71	12,86,38	11,45,15	12,98,61	11,96,73	11,21,69	11,45,21	11,23,68	11,80,21	11,88,14	11,91,68	12,54,07

Expenditure—Government of the United Provinces Since 1925-26

(In Thousands 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 1936-37	Budget 1937-38
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Salt ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	81,78	85,94	86,62	90,61	92,62	95,52	88,16	78,89	74,28	78,85	78,79	83,84	89,16
Excise ..	15,09	12,79	18,18	18,41	18,26	12,81	11,80	10,76	11,58	11,45	11,80	11,87	11,91
Stamps ...	8,42	8,48	8,81	8,75	8,41	8,24	8,18	8,08	2,99	2,89	2,61	2,87	2,86
Forests ...	86,64	81,68	82,26	81,42	82,58	82,02	27,11	25,98	26,42	27,18	27,55	27,88	29,08
Registration ...	4,75	4,64	4,74	4,90	4,97	4,96	4,68	4,81	4,52	4,54	4,61	4,72	4,69
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	...	...	...	10,10
TOTAL ...	1,41,68	1,88,48	1,40,06	1,44,09	1,46,79	1,48,55	1,84,88	1,17,97	1,19,69	1,19,41	1,20,86	1,80,68	1,47,80
Forest and other Capital outlay charged to Revenue ...	85	1,88	1,78	1,01	1,84	74	17	7	7	22	28	86	...
Railways ...	16	17	18	18	18	18	8	8	8	7	7	8	7
Irrigation ...	74,08	78,68	86,08	1,05,07	94,12	1,02,80	1,05,47	1,07,52	1,07,11	1,06,92	1,06,82	1,08,58	1,14,28
Debt Services...	83,09	41,06	59,59	62,28	66,75	89,86	77,81	82,21	50,54	46,14	45,26	58,70	57,87
Civil Administration ...	6,93,68	6,95,09	7,14,99	7,23,80	7,44,56	7,41,69	6,92,80	6,52,99	6,70,17	6,84,80	7,08,25	7,21,42	7,53,81
Civil Works ...	69,62	67,90	65,74	70,82	50,02	65,64	87,94	44,89	47,28	52,45	62,24	68,11	68,98
Miscellaneous...	69,12	70,88	67,17	82,95	88,41	92,87	91,56	84,49	88,60	89,47	89,61	96,57	1,24,46
Extraordinary Items ...	...	...	...	...	...	...	...	...	58	1,16	66	26	8
Total Expenditure in India ...	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	11,28,55	11,86,72	12,66,75
Expenditure in England with Exchange ...	85,80	40,76	89,83	89,84	41,08	45,99	48,98	40,21	42,63	42,16	42,26	41,96	...
TOTAL EXPENDITURE ...	11,17,48	11,83,80	11,74,82	12,28,49	12,83,20	12,87,77	11,83,69	11,29,93	11,26,75	11,42,80	11,70,81	12,28,68	12,66,75

Revenue—Government of Burma Since 1925-26
(In Thousands 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 1936-37	Budget 1937-38
Taxes on Income ...	8,92	14,81	14,98	12,90	11,40	10,86	8,58	..	...	...	...	...	1,49,16
Salt ...	...	...	...	...	...	...	4,89	4,66	2,05	1,68	1,78	1,80	44,68
Land Revenue ...	5,34,48	5,22,98	5,85,62	5,40,38	5,27,78	2,82,77	5,75,85	8,87,58	4,77,14	4,95,17	5,14,44	4,91,90	5,09,79
Excise ...	1,28,68	1,82,39	1,28,68	1,88,87	1,26,94	1,07,48	80,29	84,57	80,20	85,08	83,68	89,08	87,77
Stamps ...	66,59	65,84	70,05	70,65	69,84	59,48	59,11	58,86	46,12	42,18	40,91	40,89	87,97
Forest ...	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	1,88,09	1,07,24	1,87,06
Registration ...	6,87	6,89	7,02	6,48	6,40	6,42	7,01	5,02	3,94	3,88	3,18	309	3,88
Scheduled Taxes ...	...	...	...	4,57	4,15	8,06	10,95	10,77	10,03	10,79	14,43	18,64	4,75,83
TOTAL ...	9,49,86	9,59,72	9,59,18	9,28,40	9,33,78	6,18,64	8,48,09	6,83,42	6,99,48	7,52,78	7,96,46	7,47,64	14,45,04
Railways ...	10	-2	-1	...	...	...	...	...	...	...	...	...	...
Irrigation ...	43,58	23,87	81,68	88,41	14,88	19,85	27,80	49,82	81,58	81,08	85,89	26,86	82,72
Interest Receipts ...	18,28	11,68	11,24	11,82	10,90	9,46	9,54	9,87	7,84	4,07	2,98	2,87	3,23
Civil Administration ...	84,58	86,67	44,48	49,48	54,59	52,44	49,65	47,49	50,77	48,85	46,68	46,80	45,11
Civil Works ...	9,26	18,12	21,52	24,41	8,85	16,02	15,01	10,88	12,98	59,75	-4,26	19,85	11,78
Miscellaneous ...	5,49	10,02	5,28	7,06	5,20	9,81	9,49	29,06	21,75	6,08	7,76	4,61	86,57
Contribution to the Central Government by Provincial Governments	-44,85	-50,28	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Government	-1,89	...	-58	...	...	...	...	...	...	18,98	18,00	18,00	...
Extraordinary Receipts...	8,78	8,20	-61	44	2,62	1,17	24	21	1,21	81	-18	...	...
Transfers from Revenue Reserve Fund ...	...	...	...	...	...	...	...	...	...	...	...	6	9
Total Revenue in India ...	10,18,94	10,06,08	10,72,08	10,54,52	10,80,77	7,21,89	9,59,82	7,80,75	8,25,61	9,21,80	9,02,98	8,65,19	15,74,45
Revenue in England with Exchange ...	-12	1	1	8	6	45	25	12	...	...	...	...	...
TOTAL REVENUE ...	10,18,82	10,06,04	10,72,09	10,54,55	10,80,88	7,22,34	9,60,07	7,80,87	8,25,61	9,21,80	9,02,78	8,65,19	15,74,45

Expenditure—Government of Burma
(In Thousands 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 1936-37	Budget 1937-38
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	10,58
Land Revenue ...	67,91	67,61	65,88	64,12	61,78	58,83	60,40	52,40	53,59	53,96	56,92	55,56	56,02
Excise ...	80,69	22,18	22,18	22,08	22,59	24,20	21,14	18,96	10,48	17,56	17,80	18,61	19,85
Stamps ...	1,89	1,50	1,78	1,76	1,59	1,89	1,29	1,25	1,06	98	1,00	92	98
Forest ...	77,05	79,08	75,01	60,18	65,04	64,08	-18,89	59,72	1,12,58	89,48	58,50	59,52	59,25
Registration ...	1,58	1,68	1,81	1,87	1,88	1,87	1,80	1,61	1,62	1,87	1,29	183	1,88
Scheduled Taxes ...	...	...	...	...	4	8	2	2	5	1	116	68	18,96
TOTAL ...	1,78,62	1,72,05	1,66,11	1,50,86	1,52,92	1,44,85	65,76	1,83,96	1,88,83	1,18,26	1,86,67	1,86,62	1,61,42
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	18,53	25	60	1,07
Railways ...	15	-4,70	...	...	...	...	...	...	...	...	...	...	1,04
Irrigation ...	67,72	57,80	60,22	43,14	86,04	86,77	...	28,59	28,18	26,82	34,87	32,78	34,67
Debt Services ...	-14,08	-25,11	-25,48	-20,78	-21,64	-16,09	5,58	18,23	51,99	21,08	19,63	18,98	1,80,44
Civil Administration ...	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	4,95,28	4,96,14	5,54,15
Civil Works ...	2,33,01	2,17,60	2,51,21	2,50,21	2,11,64	2,10,78	1,11,40	91,89	85,95	74,50	90,78	97,29	1,28,82
Miscellaneous ...	59,01	75,27	39,55	62,81	78,75	82,42	85,04	70,85	70,29	71,71	98,25	1,08,92	3,88,84
Extraordinary Items ...	...	81,61	11,68	1,52	28	...	2	4	...	18	...	1	1
Total Expenditure in India ...	10,80,41	10,85,37	11,39,39	10,89,06	10,87,20	10,17,01	8,29,39	8,57,18	9,11,72	7,04,47	8,75,18	8,86,34	18,95,46
Expenditure in England with Exchange ...	49,12	56,88	57,81	68,91	61,77	60,37	55,07	51,44	50,80	52,40	...	...	...
TOTAL EXPENDITURE ...	10,79,53	11,41,75	11,96,70	10,52,97	10,98,97	10,77,38	8,84,46	9,08,57	9,62,52	8,47,17	8,75,18	8,86,34	18,95,46

Revenue—Government of the Central Provinces and Berar Since 1926-27
(*In Thousands 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 1936-37	Budget 1937-38
Taxes on Income ...	1,86	2,18	1,72	2,23	2,74	2,65	8	...	...	...	...	...	...
Salt ...	...	...	...	...	...	...	1	1	...	...	...	...	...
Land Revenue ...	2,21,88	2,82,88	2,45,26	2,19,31	2,04,99	2,18,59	2,10,68	2,44,66	2,24,16	2,84,78	2,44,55	2,58,28	2,50,27
Excise ...	1,56,57	1,85,45	1,20,67	1,22,76	1,24,45	86,27	65,56	57,61	57,04	58,80	60,22	61,75	66,48
Stamps ...	71,05	61,45	65,20	69,72	67,18	59,19	55,55	57,22	58,08	58,68	52,00	51,00	49,30
Forest ...	49,88	53,21	50,78	54,46	59,97	51,12	44,47	42,90	44,06	47,91	49,89	47,50	49,07
Registration ...	6,66	6,48	6,57	7,80	7,00	5,85	4,79	5,10	5,04	4,91	4,85	5,00	5,65
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	...	8,66	4,00	41,82
TOTAL ...	5,06,90	4,91,65	4,90,20	4,75,78	4,67,33	4,23,17	3,81,09	4,07,50	3,88,88	4,00,08	4,14,67	4,27,53	4,25,04
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	92	1,92	1,28	-18	-26	3,20	-1,86	-1,47	1,86	1,95	3,80	4,22	4,49
Interest Receipts ...	2,72	2,49	3,77	3,82	2,86	4,18	3,22	4,72	4,00	4,26	3,58	3,69	3,98
Civil Administration ...	20,85	20,15	21,58	22,81	22,65	22,18	24,04	22,16	22,33	22,66	19,76	19,98	23,07
Civil Works ...	4,76	5,10	5,26	4,90	5,04	5,10	5,99	9,33	7,78	18,37	18,55	18,99	11,99
Miscellaneous ...	55	7,67	17,20	23,53	30,22	12,03	6,44	6,75	6,34	5,30	6,33	4,53	6,27
Contribution to the Central Government by Provincial Government	-13,00	-22,00	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Governments	1,99	-41	27	...	...	...	...	...	...	...	...	...	...
Extraordinary Receipts ...	45	4 5	26	18	34	18	25	2	11	9	5	10	...
Transfers from Revenue Reserve Fund ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India ...	5,85,14	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	4,61,76	4,74,09	4,74,84
Revenue in England with Exchange ...	...	...	...	4	6	7	28	28	...	...	...	...	...
TOTAL REVENUE	5,85,14	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	4,61,76	4,74,09	4,74,84

Expenditure—Government of the Central Provinces and Berar Since 1926-27

(In Thousands 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 1936-37	Budget 1937-38
Income-Tax ...	...	...	...	...	...	...	..	...	...	...	...	...	..
Land Revenue	25,00	26,64	23,74	29,22	28,91	28,67	22,87	18,89	17,98	18,18	18,60	18,38	18,65
Excise ...	21,02	17,85	14,75	12,98	11,48	11,70	9,80	8,12	10,00	9,25	9,61	9,41	9,58
Stamps ...	2,18	1,89	1,86	1,79	1,69	2,40	1,16	1,25	1,15	1,17	1,16	1,08	1,12
Forest ...	83,25	86,14	86,56	88,22	88,64	88,81	84,19	82,49	83,78	84,82	86,54	87,85	87,25
Registration	2,16	2,17	2,21	2,20	2,22	2,16	1,95	1,74	1,88	1,89	1,94	1,95	1,98
Scheduled Taxes	...	..	...	...	...	...	..	...	...	...	40	48	43
TOTAL	83,56	84,69	84,12	84,86	82,80	83,33	68,97	62,49	64,74	64,76	68,25	69,00	69,21
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	26,60	28,00	27,48	29,82	29,59	30,61	31,30	32,10	32,40	30,81	29,22	27,89	27,65
Debt Services	1,55	28	4,48	8,86	-1,26	80	2,91	16,86	21,55	7,53	8,07	9,89	-8,08
Civil Administration	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	2,38,10	2,55,11	2,61,87	2,68,95
Civil Works ...	75,80	1,02,12	1,09,98	96,57	81,68	69,92	51,87	51,18	52,86	56,70	62,28	62,39	68,11
Miscellaneous	78,54	71,88	29,06	89,80	56,40	37,88	34,69	38,29	41,19	48,20	54,84	57,61	53,69
Extraordinary Items	28	9	...	...	...	...	...	...	...	...	...	...	...
Total Expenditure in India	5,14,88	5,55,09	5,19,20	5,36,04	5,20,93	4,94,34	4,37,98	4,30,82	4,49,46	4,40,60	4,77,77	4,88,67	4,74,53
Expenditure in England with Exchange	17,74	19,29	18,47	18,97	21,54	19,89	19,72	18,61	19,45	19,71	...	...	...
TOTAL EXPENDITURE	5,32,62	5,74,38	5,37,67	5,55,01	5,42,47	5,14,23	4,57,65	4,49,43	4,68,91	4,60,31	4,77,77	4,88,67	4,74,53

Revenue—Government of Assam Since 1925-26

(In Thousands 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 1936-37	Budget 1937-38
Taxes on Income ...	...	...	...	...	...	...	2,42	1,69	1,72	3,28	2,56	8,62	...
Salt ...	5,29	4,92	5,62	6,63	5,58	4,84	64	78	25	14	12	9	10
Land Revenue ...	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	1,18,11	1,25,80	1,24,85	1,82,00
Excise ...	78,82	71,98	70,94	66,89	66,23	58,87	52,84	40,42	84,61	82,05	85,24	86,09	85,48
Stamps ...	22,22	26,56	23,50	22,01	19,98	19,49	19,16	18,01	17,26	17,21	17,48	17,75	20,50
Forest ...	80,89	81,67	86,14	87,68	85,20	12,63	19,27	16,16	14,57	14,80	14,84	15,60	16,24
Registrations ...	2,18	2,28	2,80	2,82	2,09	11,97	1,92	1,68	1,55	1,59	1,67	1,78	1,81
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	...	...	...	2,88
TOTAL ...	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	1,97,16	1,99,78	2,08,56
Railways ...	29	17	12	...	...	...	...	...	...	...	...	...	...
Irrigation ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Interest Receipt ...	80	1,02	1,59	1,57	2,74	95	1,10	1,18	67	28	58	48	76
Civil Administration ...	9,18	8,58	9,06	12,09	12,70	18,10	12,80	11,88	11,40	11,89	12,56	12,80	14,76
Civil works ...	4,51	4,80	4,21	4,68	4,48	5,90	7,92	9,55	6,68	8,60	...	22,88	17,45
Miscellaneous ...	8,85	8,84	2,95	8,12	2,25	2,41	1,62	1,04	1,47	1,54	1,89	1,54	2,05
Contribution to the Central Government by Provincial Governments ...	-9,00	-15,00	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Government ...	1	5	14	...	...	...	...	...	...	8,54	8,18	8,71	41,16
Extraordinary Receipts ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Transfers from Revenue Reserve Fund ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India ...	2,50,05	2,43,49	2,69,36	2,78,62	2,71,94	2,44,42	2,40,02	2,19,66	2,00,88	2,16,99	2,88,79	2,45,59	2,84,74
Revenue in England with Exchange ...	...	...	...	8	1	1	8	1	...	...	...	...	...
TOTAL REVENUE ...	2,50,05	2,48,49	2,69,86	2,78,70	2,71,95	2,44,43	2,40,05	2,19,67	2,00,88	2,17,00	2,88,79	2,45,59	2,84,74

Expenditure—Government of Assam Since 1925-26
(In Thousands 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 1936-37	Budget 1937-38
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	17,29	18,09	19,10	19,07	20,55	21,88	20,61	18,82	17,81	17,82	16,89	16,80	16,58
Excise ...	18,88	10,99	7,90	9,60	9,15	8,48	6,00	6,09	5,18	4,99	5,87	5,80	4,82
Stamps ...	90	92	97	94	64	59	46	40	40	40	42	42	89
Forests ...	14,64	18,27	12,92	19,53	20,43	19,50	15,46	18,66	11,97	12,11	10,95	11,45	11,74
Registration ...	1,88	1,41	1,52	1,57	1,74	1,70	1,01	1,47	1,46	1,43	1,58	1,57	1,88
Scheduled Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	1,96
TOTAL ...	48,04	44,68	42,49	50,71	52,51	52,15	44,14	40,44	36,77	35,48	35,21	35,54	36,82
Forest and other capital outlay charged to Revenue ...	89	1,08	1,15	1,70	1,77	1,66	66	45	...	...	...	...	...
Railways ...	1,09	85	58	58	59	60	50	48	47	44	...	...	25
Irrigation ..	78	64	98	1,18	90	71	68	46	55	48	44	54	58
Debt Services ...	-68	-67	-75	-86	-1,02	-65	2,42	4,78	6,21	4,54	5,70	6,84	8,60
Civil Administration ..	1,11,58	1,18,19	1,24,61	1,29,88	1,36,58	1,39,59	1,31,07	1,21,81	1,29,79	1,56,40	1,37,18	1,40,84	1,52,31
Civil Works ...	39,58	40,48	58,05	67,64	77,17	57,57	41,18	89,87	85,05	46,16	56,15	64,77	54,95
Miscellaneous ...	17,19	18,59	14,78	14,85	18,52	16,54	16,62	17,74	16,00	2,95	24,80	26,61	34,82
Extraordinary Items ...	84	...	...	...	...	...	...	5	55	22	...	...	...
Total Expenditure in India ...	2,18,76	2,32,24	2,41,84	2,65,63	2,87,02	2,68,17	2,37,22	2,26,08	2,25,89	2,66,62	2,59,07	2,74,14	2,82,78
Expenditure in England with Exchange ...	9,45	10,97	9,68	9,54	10,70	10,76	10,51	10,89	10,48	...	...	...	...
TOTAL EXPENDITURE ...	2,28,21	2,43,21	2,51,52	2,72,17	2,97,72	2,78,93	2,47,73	2,36,97	2,36,37	2,66,62	2,59,07	2,74,14	2,82,78

Revenue—Government of the Punjab Since 1925-26
(In Thousands 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 1936-37	Budget 1937-38
Taxes on Income ...	3,82	4,02	4,88	4,02	3,60	2,00	...	...	...	...	...	...	...
Land Revenue ...	3,07,18	3,21,26	3,00,15	2,77,93	2,57,76	2,69,43	2,22,46	2,67,65	2,50,40	2,98,13	2,78,34	3,05,40	2,91,46
Excise ...	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	99,71	1,00,56	1,00,07
Stamp ...	1,14,65	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	92,16	91,88	91,87
Forest ...	41,12	39,08	31,94	35,28	31,58	23,85	22,44	19,52	19,48	18,85	19,58	20,16	19,82
Registration ...	9,44	9,11	9,08	9,21	9,33	8,83	8,15	9,43	3,89	9,26	9,24	9,30	9,50
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	6,58	7,50	7,65	9,43
TOTAL ...	5,98,98	6,11,05	5,81,67	5,68,88	5,82,42	5,25,20	4,58,05	5,08,21	4,81,28	5,85,39	5,06,48	5,35,84	5,22,15
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	4,57,08	3,80,08	0,48,33	3,74,39	3,04,45	3,61,59	3,80,88	3,67,88	4,42,21	4,01,76	4,27,15	4,27,11	4,19,86
Interest Receipts ...	11,76	8,79	10,89	8,59	9,70	10,02	9,58	9,88	9,49	10,62	10,08	9,85	3,97
Civil Administration ...	40,99	45,50	52,75	574,9	60,23	54,98	65,59	64,71	65,80	61,66	68,14	65,98	74,42
Civil Works ...	5,80	4,89	3,60	6,85	7,01	9,74	17,92	19,78	19,45	20,25	18,52	28,98	37,84
Miscellaneous ...	2,22,96	26,72	23,36	27,54	35,70	38,03	26,78	21,18	19,79	19,63	17,92	19,77	30,15
Contribution to the Central Government by Provincial Governments ...	18,84	-85,78	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Governments ...	44	...	28	...	...	...	...	...	...	...	...	...	2,00
Extraordinary Receipts ...	1,27,84	84,69	1,16,05	72,24	73,27	46,46	36,09	37,28	34,61	16,40	22,59	24,38	33,82
Transfers from Revenue Reserve Fund ...	...	10,00	...	...	15,00	9,86	...	...	...	...	...	...	...
Total Revenue in India...	11,52,00	10,85,99	12,06,43	11,15,43	11,27,78	10,55,33	9,94,79	10,23,87	10,72,63	10,66,26	10,60,88	11,10,91	11,24,21
Revenue in England with Exchange ...	...	-28	-6	26	-59	28	1,71	5	...	...	...	...	...
TOTAL REVENUE ...	11,52,00	10,85,71	12,06,37	11,15,69	11,27,19	10,56,51	9,96,50	10,23,92	10,72,63	10,66,26	10,60,88	11,10,91	11,24,21

Expenditure—Government of the Punjab Since 1925-26
(In Thousands 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 1936-1937	Budget 1937-38
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	43,60	42,99	41,59	40,95	40,87	39,68	37,28	35,47	36,32	36,91	38,48	40,45	41,20
Excise ...	17,82	15,22	15,49	11,71	13,78	12,74	11,57	9,88	9,85	10,42	11,01	10,86	10,94
Stamps ...	2,75	2,40	2,32	2,43	3,46	1,87	1,86	2,02	1,69	1,73	1,57	1,63	1,60
Forest ...	24,95	26,80	25,52	24,93	24,78	23,83	20,99	18,12	19,00	21,25	21,17	21,67	21,71
Registration ...	1,00	99	1,03	1,04	99	96	87	76	73	74	78	74	76
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	51	78	1,18	1,47
TOTAL ...	90,12	88,40	85,95	81,06	83,78	78,53	72,52	65,74	67,59	71,61	73,74	76,53	77,69
Forest and other Capital outlay charged to Revenue ...	1,93	4,22	4,02	4,71	4,95	...	...	3,93	5,62	2,85	10,30	13,87	13,64
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	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	1,34,05	1,33,27	1,40,10
Debt Services ...	-4,13	-10,70	-22,39	-22,05	-16,27	-11,36	-8,34	3,63	-5,13	-10,32	-2,69	-17,07	-14,32
Civil Administration ...	5,13,37	5,44,69	5,63,67	6,17,05	6,50,91	6,39,57	5,35,03	5,49,11	5,33,45	5,73,39	6,03,51	6,13,53	6,33,33
Civil Works ...	1,07,53	1,49,25	2,05,99	2,45,00	1,33,11	1,44,73	1,24,35	1,20,00	1,21,43	1,23,79	1,25,30	1,33,55	1,43,71
Miscellaneous ...	54,76	56,79	57,16	46,62	54,95	70,70	77,25	31,17	93,53	1,01,32	1,06,46	1,13,35	1,07,61
Extraordinary Items ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Transfer to Revenue Reserve Fund ...	...	20,00	15,00	...	..	...	...	...	...	...	...	...	...
Total Expenditure in India ...	9,60,42	11,09,23	11,52,24	11,23,01	10,92,39	10,59,25	9,93,45	9,70,35	9,71,31	10,10,16	10,50,67	10,32,53	11,02,31
Expenditure in England with Exchange ...	33,96	37,42	34,29	33,19	33,36	33,49	33,59	35,56	37,63	33,50	...	...	...
TOTAL EXPENDITURE ...	9,94,38	11,46,70	11,86,53	11,56,20	11,32,25	10,93,74	10,33,04	10,06,41	10,09,49	10,43,73	10,50,67	10,32,53	11,02,31

Revenue—Bihar and Orissa Since 1925-26

(In Thousands 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* 1936-37	Budget* 1937-38
Taxes on Income ...	2,41	3,24	3,20	4,74	4,49	3,14	2,13	1,22	1,32	29	...	...	...
Salt ...	...	...	...	...	...	...	2,84	2,19	1,12	62	51	27	9
Land Revenue ...	1,67,08	1,69,21	1,68,66	1,73,98	1,77,88	1,80,04	1,76,09	1,80,85	1,77,03	1,82,67	1,73,98	1,86,20	1,86,56
Excise ...	1,96,68	1,97,85	1,96,40	1,89,27	1,90,82	1,42,09	1,22,07	1,20,01	1,23,79	1,89,88	1,43,73	1,16,25	1,17,00
Stamps ...	1,07,52	1,07,12	1,09,75	1,10,86	1,11,34	1,07,80	1,05,78	1,06,57	1,06,48	1,18,24	1,16,99	97,50	1,00,75
Forest ...	10,29	8,45	9,89	10,97	9,89	8,11	6,28	6,19	6,85	8,11	7,82	5,56	6,25
Registration ...	15,01	15,42	16,74	17,03	17,08	14,54	13,30	12,66	12,58	14,29	14,50	12,50	13,00
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	...	82	23	13,74
TOTAL ...	4,93,89	5,00,79	5,04,14	5,06,85	5,10,95	4,55,72	4,28,44	4,30,69	4,29,17	4,58,60	4,62,30	3,68,56	3,86,89
Railway ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	22,54	24,27	22,44	20,92	17,01	17,68	21,42	22,98	20,70	24,82	22,70	22,27	21,88
Interest Receipts ...	7,52	9,33	7,29	7,72	7,56	5,92	5,32	5,16	4,65	4,61	6,17	6,92	19,18
Civil Administration ...	29,20	25,51	24,20	210	81,42	28,76	23,26	29,19	25,78	27,10	31,07	33,01	43,43
Civil Works ...	6,66	6,50	8,21	6,46	6,46	6,86	8,78	10,65	9,16	9,72	10,62	10,47	7,96
Miscellaneous ...	13,83	7,22	5,65	7,33	20,25	10,85	27,03	7,20	7,16	7,33	7,61	9,73	16,86
Contribution to the Central Government by Provincial Govern- ments ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjust- ment between Central and Provincial Govern- ments ...	80	87	51	...	...	...	...	...	...	10,58	11,18	11,75	..
Extraordinary Receipts ...	...	...	...	...	...	1,58	...	...	...	3,12	...	...	...
Transfer from Revenue Reserve Fund ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India	5,78,94	5,78,99	5,72,44	5,77,88	5,94,55	5,27,37	5,19,25	5,05,32	4,96,57	5,45,91	5,51,65	4,62,71	4,95,15
Revenue in England with Exchange ...	...	-2	-2	34	-1	22	22	1	...	...	...	..	...
TOTAL REVENUE	5,78,94	5,78,97	5,72,42	5,78,22	5,94,54	5,27,59	5,19,47	5,05,33	4,96,57	5,45,91	5,51,65	4,62,71	4,95,15

* For Bihar only. Separation of Orissa.

Expenditure—Bihar and Orissa Since 1925-26
(In Thousands 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* 1928-24	Budget* 1937-38
Income Tax	...	...	...	...	...	...	...	...	...	...	...	...	...
Salt	...	...	...	...	...	...	...	...	...	1	1	...	...
Land Revenue	21,21	21,89	23,84	27,50	25,72	24,68	21,80	18,99	17,14	16,20	14,71	12,08	12,06
Excise	22,75	19,89	19,16	18,08	18,88	18,14	15,41	14,45	14,62	16,51	17,06	12,89	12,99
Stamps	2,97	8,06	8,18	8,89	2,58	2,89	2,17	2,02	1,92	2,07	2,05	1,87	1,89
Forests	6,58	8,41	6,68	7,19	7,62	7,84	7,01	6,17	6,88	6,54	7,98	5,60	5,88
Registration	5,88	6,08	6,24	6,28	6,49	6,41	6,18	5,71	6,00	6,12	6,44	5,58	57,5
Scheduled Taxes	...	...	...	...	...	...	...	...	...	...	81	27	26
TOTAL	59,84	58,88	58,55	62,84	60,69	58,91	52,57	47,84	46,56	47,45	48,56	88,29	...
Forest and other Capital outl charged Revenue	99	,811	1,29	1,62	1,40	1,51	62	15	17	...	...	...	...
Railways	...	...	..	...	...	...	...	:	...	...	...	...	...
Irrigation	25,48	27,64	27,41	25,76	28,49	25,47	25,94	24,41	24,07	25,57	28,98	18,02	15,88
Debt Services	8,42	2,48	1,98	1,28	1,82	1,99	1,95	2,20	2,00	2,76	10,25	5,77	5,52
Civil Administration	8,81,72	8,62,40	8,58,85	8,62,66	8,78,84	8,80,88	8,45,50	8,27,54	8,48,09	8,58,06	8,70,09	8,24,07	8,42,12
Civil Works	72,98	88,18	84,82	76,42	85,68	80,25	56,07	42,20	88,47	44,96	51,96	46,24	52,18
Miscellaneous	89,91	40,48	87,79	82,47	84,12	82,79	86,42	84,24	25,28	52,07	58,85	58,61	51,56
Extraordinary Items	...	...	...	...	...	...	1	18	28	20	7	8	...
Total Expenditure in India	5,88,79	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	5,58,76	4,81,08	5,05,49
Expenditure in England with Exchange	21,14	28,78	22,57	28,02	22,48	24,88	28,46	22,22	21,64	22,16	...	...	...
TOTAL EXPENDITURE	5,54,98	6,05,00	5,87,11	5,85,27	6,08,42	6,06,18	5,42,54	5,00,48	5,26,46	5,48,28	5,58,76	4,81,08	5,05,49

* For Bihar only. Separation of Orissa.

Revenue—Government of Sind

(In Thousands of Rupees)

	Revised Budget		
	1935-36	1936-37	1937-38
Taxes on Income ...	...	...	...
Land Revenue ...	81,45	89,51	88,05
Excise ...	82,85	81,42	81,10
Stamps ...	17,78	18,50	18,50
Forest ...	6,80	6,66	6,87
Registration ...	1,94	2,00	2,00
Scheduled Taxes ...	4,82	4,47	4,27
Total ...	94,59	1,02,56	95,29
Forest and other capital outlay charged to Revenue ...	8,49	8,45	8,48
Railways ...	...	...	...
Irrigation ...	48,08	88,97	45,60
Debt Services ...	...	3,39	3,60
Civil Administration ...	7,94	8,72	9,59
Civil Works ...	4,10	3,80	8,06
Miscellaneous ...	1,74	1,60	2,14
Provincial, contribution Miscellaneous adjustments between Central and Provincial Governments ...	1,08,00	1,08,00	1,25,00
Extraordinary Items ...	78,26	74,70	69,79
Total Revenue in India...	8,42,20	8,89,69	8,62,50
Revenue in England with Exchange ..	...	...	...
Total Revenue ...	8,42,20	8,89,69	8,62,50

Expenditure—Government of Sind

(In Thousands of Rupees)

	Revised Budget		
	1935-36	1936-37	1937-38
Income-Tax ...	...	...	...
Land Revenue ...	12,90	17,47	17,57
Excise ...	8,28	8,85	8,28
Stamps ...	89	41	42
Forests ...	8,27	8,48	8,48
Registration ...	79	80	81
Scheduled Taxes ...	15	16	20
Total ...	20,78	25,62	25,71
Forest and other capital outlay charged to Revenue ...	...	...	...
Railways ...	...	...	...
Irrigation ...	12,28	1,40,16	1,85,06
Debt Services ...	...	31,66	5,86
Civil Administration ...	114,87	1,26,54	1,84,04
Civil Works ...	10,99	11,75	21,89
Miscellaneous ...	5,88	28,62	22,59
Provincial contribution, Miscellaneous adjustments between Central and Provincial Governments ...	...	...	...
Extraordinary Items ...	...	...	...
Total Revenue in India...	1,64,24	8,59,85	8,44,65
Revenue in England with Exchange ...	...	1,77	2,36
Total Revenue ...	1,64,24	8,61,12	8,47,01

Revenue—Government of North-West Frontier Province.

(In Thousands of Rupees.)

	Revised Budget		
	1935-36	1936-37	1937-38
Income Tax ...	...	...	...
Land Revenue ...	22,10	21,57	21,25
Excise ...	8,57	8,68	7,45
Stamps ...	9,05	7,84	7,94
Forest ...	3,89	4,85	4,78
Registration ...	69	68	70
Scheduled Taxes ...	82	80	1,70
Total ...	45,12	48,87	48,77
Railways ...	...	...	...
Irrigation ...	18,89	12,05	12,84
Interest Receipts ...	87	74	87
Civil Administration ...	7,28	9,28	8,26
Civil Works ...	8,97	5,74	12,05
Miscellaneous ..	2,08	2,81	2,40
Contribution to the Central Government by Provincial Governments ...	...	...	...
Miscellaneous Adjustments between Central and Provincial Governments ...	1,00,00	1,00,00	1,00,00
Extraordinary Receipts ...	...	...	...
Transfers from Reserve Fund ...	...	...	...
Revenue in England with Exchange ...	...	...	...
TOTAL REVENUE ...	1,72,61	1,78,94	1,79,69

Expenditure—Government of North-West Frontier Province.

(In Thousands of Rupees.)

	Revised Budget		
	1935-36	1936-37	1937-38
Income-Tax ...	...	...	...
Land Revenue ...	8,55	8,56	8,49
Excise ...	77	82	85
Stamps ...	22	21	22
Forests ...	8,08	8,26	4,17
Registration ...	11	11	11
Scheduled Taxes ...	5	5	12
Total ...	7,78	8,01	8,96
Forest and other capital outlay charged to Revenue ...	...	...	...
Railways ...	...	...	...
Irrigation ...	14,27	14,28	18,89
Debt Services ...	1,28	99	10,89
Civil Administration ...	1,08,25	1,06,12	1,15,84
Civil Works ...	81,70	88,83	48,94
Miscellaneous ...	10,87	11,87	14,07
Extraordinary Items ...	...	...	...
Total Expenditure in India	1,69,2	1,74,10	1,85,81
Expenditure in England with Exchange ...	5,88	6,09	...
TOTAL EXPENDITURE ...	1,74,50	1,80,19	1,85,81

Railway Budget.
Review of results from 1925-26 to 1937-38 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	8,79
1926-27	27,664	98,42	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	58,06	11,88	88,99	-87	88,12	27,27	10,85	6,28	4,57
1928-29	29,111	1,08,78	54,22	12,00	87,51	-87	87,14	29,88	7,81	5,28	2,58
1929-30	30,878	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	18,07	27,64	-11	27,58	32,72	-5,19	5,74	-10,98
1931-32	31,640	86,68	49,81	18,46	28,96	1	28,87	33,07	-9,20	...	-4,95
1932-33	31,642	84,48	49,08	18,77	21,58	1,10	22,68	32,91	-10,23	...	...
1933-34	31,644	86,68	49,50	18,56	23,57	1,05	24,62	32,58	-7,96	...	...
1934-35	31,619	90,20	50,27	18,72	26,21	58	26,74	31,80	-5,06	...	...
1935-36	31,782	90,65	50,87	18,25	26,58	87	27,40	31,89	-8,99	...	...
Revised Estimate 1936-37	31,782	95,00	50,75	18,15	31,10	-12	30,98	30,88	15	...	...
Budget Estimate* 1937-38	29,724	90,75	48,75	12,59	29,41	10	20,51	29,86	15	15	...

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 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 amounts involved are as follows: in 1932-33, and 1933-34, Rs. 1,19 lakhs each, in 1934-35, Rs. 90 lakhs, and in 1935-36, Rs. 1,10 lakhs. From 1936-37, they are taken in reduction of expenditure met from the Depreciation Fund.

NOTE 3—Working expenses were reduced in 1930-31 by Rs. 1,66 lakhs by a credit from the Depreciation Fund for correction of past accounting adjustments, and in 1924-25, by Rs. 1,79 lakhs by certain abnormal refunds of expenditure in previous years.

*Excluding Burma Railways.

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	1,38,40	...	-23,19	4,46	-27,65
1922-23	1,21,41	1,31,88	...	-10,47	4,55	-15,02
1923-24	1,38,17	1,27,16	...	+6,01	3,62	+2,39
1924-25	1,38,04	1,28,58	...	+9,46	3,78	+5,68
1925-26	1,33,88	1,25,05	...	+8,28	4,97	+8,31
1926-27	1,31,70	1,28,77	...	+7,93	4,97	...
1927-28	1,25,04	1,22,22	...	+2,82	5,04	...
1928-29	1,28,24	1,23,88	...	+4,36	5,42	-32
1929-30	1,32,69	1,26,68	...	+6,01	5,74	+27
1930-31	1,24,60	1,30,04	...	-5,44	6,14	-11,58
1931-32	1,21,64	1,26,50	...	-4,86	6,89	-11,75
1932-33	1,26,40	1,18,01	...	+8,39	6,84	+1,55
1933-34	1,20,37	1,14,65	2,72 (a)	+3,00	3,00	...
1934-35	1,25,10	1,17,14	4,60 (b)	+3,86	3,00	-86
1935-36	1,22,01	1,16,72	45 (c)	+4,84	3,00	...
1936-37	1,18,98	1,17,90	...	+1,08	3,00	-1,92
(Revised)						
1937-38	1,17,53	1,16,85	...	+1,23	3,00	+7
(Budget)						

- (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.

CURRENCY & MONETARY SECTION :

INDIAN FINANCE IN 1936-37

LIKE its predecessor, 1936-37 is notable for the smooth run of the Indian exchange and money markets at a time when the exchanges of the world as well as the currencies of several nations had been subjected to frequent waves of disturbance. It is true that the state of monetary affairs in India had always been to some extent insulated against the unsettlements suffered by most monetary systems in the world, but this need not detract from the credit which undoubtedly accrues to the Reserve Bank of India, as the Premier Central banking institution in this country discharging most of the duties appertaining to it as a result of its constitution. The second year of the Reserve Bank's existence has thus been one of complete success, especially in regard to the management of India's currency and exchange. The Bank has rightly taken over the issue and regulation of Treasury Bills in India as part of its normal functions, and by virtue of its position as a Central Bank also undertakes on its account the purchase of sterling funds in order to meet the Government of India's remittance requirements. It is therefore of not a little interest to note here in passing that the accumulation of large amounts of sterling balances in London is no longer the vital concern of either the Government of India or the Secretary of State, since these functions have now devolved on the Reserve Bank on which lies the entire responsibility for the maintenance and upkeep of adequate resources. For instance, between January and April in 1937, something like £80 millions were purchased by the Bank at 1s. 6½d. This means in effect that the Indian money market had at its disposal a sum of Rs. 40 crores coming in as a result of these sterling purchases. For the same reason, the total of Treasury Bills outstanding with the public was permitted to decline from Rs. 28 crores to Rs. 18 crores during the three months referred to above. There was not much currency expansion, but what little was there of about Rs. 12 crores was fully

covered by sterling assets. On April 1, 1937, Rs. 5 crores of silver coin was handed over to the Government against rupee securities. This is cited only as an example of what the Reserve Bank is doing to uphold the credit as well as the stability of the rupee exchange. Fortunately for it, the declining trend of the exports of gold has been more than offset by increased exports of merchandise with the result that the balance of trade has not been adversely affected nor the rupee exchange.

There have been a number of changes in the political structure of the country, which have called for striking changes in the financial position of India as a whole. The inauguration of Provincial Autonomy, constituting as it does one of the most notable political advances conceded by Parliament has, in the first place, caused many alterations between the Reserve Bank and the provincial governments. Then again, there is the political separation of Burma, whose currency and monetary management in general lies in the hands of the Reserve Bank. The latter still retains the sole right of note issue in both countries and the weekly statement of the Reserve Bank shows the total notes in circulation in India and Burma separately. Indian notes remain legal tender in Burma but not so are the Burman notes. Both classes of notes, however, possess the right of convertibility into rupees and a statute expressly provides that the Indian silver rupee coins shall remain legal tender in Burma for not less than two years from April 1937. Perhaps the most far-reaching change is the part played by the Reserve Bank in its capacity as the Provincial Governments' banker in the provincial loans issued in the middle of the years by each provincial government. It should suffice here to observe that the currency and monetary management of this country has been assigned to the right channels and bids fair to be looked after with the utmost solicitude. Perhaps, such an observation cannot pass muster without having a big

proviso appended to it—namely, that the Reserve Bank of India as the custodian of the exchange and currency ought to be free from all interference from the Central Government in the prosecution of policies best suited to the stability of the exchange and, what is more, to the larger interests of the country as a whole. The Reserve Bank of India is yet to show itself proof against the blandishments and advances of the Centre, but until it shall have done so, it cannot legitimately claim to justify its existence to the satisfaction of the country at large.

It is worthwhile inquiring into the alarms and excursions in foreign currencies which form a background for the exceeding stability with which India's monetary position has been maintained in regard to her currency and exchange systems.

In April last, the whole world was rent with rumours regarding a revaluation of the dollar price of gold. President Roosevelt's intention to put a curb on the inflationary tendencies in the American economy before the boom had overdone itself lent this gold scare a plausibility. Confidence in gold was impaired and the great gold scare caused a good deal of anxious interest throughout the world. Fortunately, it died the death it richly deserved and the Administration at the last moment decided to desist from the enactment of deflationary moves. Subsequent history has attested to the wisdom of this decision and the unwisdom of the earlier suggestion, as even in July the recession seemed to commence. The dollar attracted huge hoards of short-term capital and gold poured into America with the result that the Administration "sterilised" the incoming stocks of gold. This means buying them from loans taken from the market and not from the funds of the Treasury. Something like £1,800 million worth of gold were accumulated in this manner, to safeguard the economy from the shocks likely to arise from the fidgety movements of hot money. August was to show the first beginnings of a reversed trend in all things, boom, gold scare, etc. but to anticipate them is outside our purpose. The above sketchy account of the events in international finance should suffice to convey an idea of the magnitude of the storms that now and then shook the world of finance, inasmuch as each contemplated action by America was fraught with the gravest significance to the rest of the world. India remained practically

immune to these tremors and the rupee exchange was seldom in troubles.

India's foreign indebtedness is large and large sums are required to be remitted to Britain by way of interest as well as on account of past and present services rendered in respect of administration or defence. Present estimates of the external indebtedness put the figure at £380 millions while the total of British capital invested in India may be anything like £800 millions. In the last five years, thanks to the gold flow outward, there has been a large reduction in indebtedness—nearly £70 millions—and the Reserve Bank of India has been a steady accumulator of sterling balances in London and a buyer of securities abroad. The statement of the Reserve Bank at the close of the last financial year showed that balances abroad stood at a level which was Rs. 8.4 crores in excess of those held a year ago.

Through the entire period of the depression and the post-depression years, India has maintained a stable valuation of its currency in terms of sterling. Ever since 1926 the rupee has been maintained at 18d. and since the departure of sterling from the gold standard, the rupee has been maintained more or less within this parity. This policy of the Central Government met with considerable criticism but was, however, embodied in the legislation enacted in connection with the Reserve Bank which to-day can buy or sell sterling near about this rate. While the countries in the so-called sterling group derived much economic advantage when the pound suffered depreciation in terms of gold and subsequently when they further depreciated their currencies in terms of sterling, India was less fortunate than most of such raw material producing countries. It should not seem surprising or unconscionable that a tremendous agitation should have centred on the necessity of devaluing the rupee, especially as at the time when the pound went off gold, the case for a 16d. rupee had been argued with overwhelming completeness and consummate plausibility. The devaluation of the franc last year and the fall of the erstwhile gold bloc currencies naturally gave a further fillip to this agitation which was again revived with full force last year and the question discussed threadbare in the press, platform and threadbare in press, and legislatures.

The figures of foreign trade are definitely impressive. The trade recovery that set in the summer of 1932, and which was steadily kept up in the years 1933, 1934 and 1935, continued in 1936-37 at a pace

distinctly more rapid than in the previous years. The main features that strike one in regard to the foreign trade are there. Firstly whereas in the previous years, the expansion of trade was noticeable, both in exports and imports, during the year under review it was confined to exports only. Imports declined from 164.27 crores in 1935-36 to 125.22 in 1936-37, the exports alone rising from 164.29 crores in 1935-36 to 202.33 crores in 1936-37. Secondly, the improvement in foreign trade was shared by all the principal agricultural commodities, such as Raw Jute, Jute manufactures, Raw Cotton, Tea, Rice, Oilseeds, Wheat, Hides and skins, raw and tanned, lac, etc. The improvements in tonnages and value in each of these commodities was gratifying. Similarly broadbased was the fall in imports. India took less of cotton twists and yarns, cotton piecegoods and raw cotton. Thirdly, there was a reduction in the extent of transactions in private Treasuries. As against a nett export surplus of 86.88 crores in 1935-36, it was only 14.49 in 1936-37. For those who had been watching with considerable concern the vast sums of gold bullion that was exported in the depression years, this should no doubt come as a consolation. The substantial improvement in the surplus of merchandise exports, showing as it did a rise of over Rs. 45 crores on the previous year, more than offset the fall in gold exports and the total visible balance of trade for the year at Rs. 92.25 crores compares favourably with Rs. 66.97 crores in 1935-36 and Rs. 52.54 crores in 1934-35, so that even the increase of nearly Rs. 25 crores in the purchase of sterling by the Reserve Bank had little effect on the balance of payments position.

The improvement in foreign trade, however gratifying it may be, will remain only as one side of the economic prosperity of the nation, which, if it were to be complete, should be accompanied by internal trade activity. It is a heartening feature that internal production kept pace with internal activity. The following shows that the general level of production extended to all principal commodities.

Despite the increased activity, money conditions continued easy practically throughout the year, save for a slight stringency towards the end of the year, when the exigencies of trade demand, of a purely ephemeral type, forced up the rate for call money to $1\frac{1}{2}$ per cent. This was in fact at such a late period in the year that bank profits were practically unaffected, and in most cases, showed

definite improvement over those of the previous years. Otherwise, for the year money continued cheap and short credits were in such plentiful supply that banks were hard put to find remunerative employment for their surplus funds.

Commodity prices were visibly on the rise in the year under review, and although throughout 1936, Indian prices were lagging far behind the rest of the world, the last quarter of 1936 and the first half of 1937 have thrown up signs to show that Indian prices, acting on the spur of war scares and similar alarms and excursions, have been quickly on the mend. Trade demand has not indeed swelled in proportion but with the bank rate zealously preserved by the authorities at 8 per cent., it will follow suit in due course.

The interest of the market in the floating debt of the Government was, on the whole, satisfactory enough and was reflected in the rates at which the Government of India were able to effect sales of Treasury Bills. As against an average of Rs. 1-4-2 paid on the floating debt in 1935, the average rate for the year 1936 came down to Rs. 0-11-4 per cent. The lowest point, namely, Rs. 0-6-11 touched in August 1936 was a record. The highest rate was Rs. 1-2-6 as against Rs. 2-0-2 per cent. in 1935. The total volume of Treasury Bills too underwent wide fluctuations from Rs. 24 crores at the beginning of the year to Rs. 28 crores at the end of it. From July onwards, the floating debt showed a weekly fall until by the middle of April it had come down to Rs. 9 crores. The expansion in the volume of Bills there-after was checked by the suspension of sales of Treasuries rendered necessary by the issue of the New Loan for the year 1936. So that the floating debt rose to Rs. 18 crores only by July. From August it began increasing by Rs. 2 crores every week, until it went up to Rs. 28 crores at the beginning of October. Thereafter, weekly sales just balanced against maturities, so that the level was kept constant for the rest of the year. From the foregoing, it will be clear that the volume of Treasury Bills was never sufficiently large to afford any considerable avenue of short term investment for the huge masses of floating funds in the market which last all its interest in the Treasury Bills issue. As regards loan operations of the Government of India, in May a $2\frac{1}{2}$ per cent. cash loan 1948-52 for Rs. 12 crores was floated, total subscriptions for which came to Rs. 80 crores. The $5\frac{1}{2}$ per cent. sterling loan 1936-38 was

redeemed without any recourse to fresh borrowing. The gilt-edge market was throughout one of exceptional firmness, unlike in 1935. Prices were on the up-grade and $8\frac{1}{2}$ per cent. paper touched par on July 15, 1936, the highest level being Rs. 100-15. At the close of 1936, the attention of the market was somewhat cursory owing to the seasonal tightness of money.

Addressing the shareholders of the Imperial Bank of India in August last, Sir Nowroji Saklatwala gave expression to some pregnant views concerning the Treasury Bill rate. Between July 1936 and July 1937, the floating debt averaged Rs. 21 crores, which meant an increase of Rs. $2\frac{1}{4}$ crores on the average for the previous months. The outstandings of Treasury Bills were largest in the latter half of 1936. The average rate for the twelve months July 1936 to June 1937 was only Re. 0-12-10 per cent. against an average of Re. 0-14-8 per cent. the year before and Rs. 1-8-8 per cent. in 1934-35. It is greatly regrettable that there has been this large decline, in spite of an appreciable rise in the advances and internal bills of Scheduled banks. At the end of August 1936, the total of advances and bills was Rs. 88 crores. A partial recovery brought it up to Rs. 105 crores at the end of 1936 and to Rs. 132 crores in the middle of July 1937. The closing total of Rs. 128 crores at the end of June 1937 was Rs. 21 crores higher than in June 1936. Sir Nowroji after admitting that the past year was one of satisfactory progress discussed the possibilities of its continuance. On the positive side he quoted the "wholesale rise in price levels throughout the world; the closer price relationship between primary products and manufactured goods; the resumption of adequate gold supplies and the effects of devaluation in most countries' as making for progress. On the other hand, he quoted a number of adverse factors:—exchange restrictions, the chaotic political outlook, the expenditure on rearmament which may dislocate the true course of industrial development, and finally the uncertainty about the price of gold caused by fears of deflation. However, it is a gratifying feature that conditions are still sufficiently propitious

for trade conditions to improve and a set-back need not just yet be feared.

The Rupee has been throughout 1936 and afterwards at a premium over sterling and Government's requirements were easily satisfied. The favourable balance of trade position gave added strength to the rupee exchange. The Reserve Bank of India has been getting its sterling at 1s. 6- $1\frac{1}{2}$ d., the total sterling purchases for 1936 amounting to £42.699 million against £86.915 million in 1935. The firmness of the rupee rate doubtless enabled the Government to repay the $5\frac{1}{2}$ per cent. 1936-38 bonds amounting to £16,858,000 on the 15th July 1936 without going in for a new sterling loan. It is noteworthy that in spite of the large liquidation of its sterling resources caused by this repayment, the Reserve Bank was able to increase its external assets in the year by £3 $\frac{1}{2}$ million.

1937 so far has been a year of exceptional

ease in money and gilt-edge has been steadier than ever, despite war scares in the Mediterranean and the outbreak of Sino-Japanese hostilities. The Governments of India had no loans to issue, but public bodies and the new autonomous Provincial Government entered the market with their loan requirements. The following are the particulars with regard to each new issue:—

Provincial Loans

	Rs	
Madras ...	150 lakhs	8 per cent loans issued at Rs. 99
Central Proviuces ...	50 "	per cent.
N. W. F. ...	60 "	
Punjab ...	100 "	
United Provinces ...	100 "	
Total ...	460 lakhs	

Public Bodies

	Rs.	
Calcutta Impovement	50 lakhs	8% 98-15-5
New Howrah Bridge (1)	150. "	(1956-66)
		$8\frac{1}{2}$ % 98 $\frac{1}{2}$
" (2)	125 "	(1951) 8% 98 $\frac{1}{2}$

The loans, almost all of them, have been a success in every way and this must serve as an index of cheap money conditions as well as of the strength of giltedge.

Balance of Trade in India from 1926-27 to 1936-37.
(In Lakhs of Rupees)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Exports of Indian Merchandise (private) ...	++ 8,01,44	+ 8,19,15	+ 8,30,18	+ 8,10,80	+ 2,20,49	+ 1,55,89	+ 1,32,43	+ 1,47,25	+ 1,51,67	+ 1,60,52	+ 196,13
Re-exports of foreign ...	++ 8,01	+ 9,54	+ 7,88	+ 7,18	+ 5,15	+ 4,66	+ 3,22	+ 3,42	+ 3,55	+ 3,77	+ 6,20
Imports of foreign ...	-- 2,29,98	- 2,46,71	- 2,51,49	+ 2,38,95	- 1,63,61	- 1,23,69	- 1,32,27	- 1,15,00	- 1,31,80	- 1,33,69	- 1,24,58
Balance of trade in Merchandise ...	++ 79,47	+ 31,98	+ 36,47	+ 78,98	+ 62,03	+ 34,86	+ 3,88	+ 35,67	+ 23,42	+ 30,60	+ 77,75
Gold (private) ...	-- 19,40	- 18,10	- 21,20	- 14,22	- 12,75	+ 57,97	+ 65,52	+ 57,05	+ 52,58	+ 37,35	+ 27,85
Silver (,,) ...	-- 19,79	- 18,85	- 18,04	- 11,89	- 11,65	- 2,59	- 78	- 1	- 37	- 1,27	- 13,59
Currency Notes (private) ...	+ - 14	- 24	- 12	- 9	- 3	+ 26	+ 13	+ 19	+ 37	+ 29	+ 24
Balance of transaction in Treasure (private) ...	-- 39,33	- 32,19	- 34,36	- 26,20	- 24,43	+ 53,64	+ 64,92	+ 57,23	+ 52,53	+ 36,37	+ 14,50
Total Visible Balance of Trade ...	++ 40,14	+ 49,79	+ 52,11	+ 52,78	+ 37,60	+ 90,50	+ 68,30	+ 92,90	+ 75,95	+ 66,97	+ 92,25
Council Bills, purchases of Sterling and other Government remittances to the United Kingdom ...	-- 2,32	- 37,77	- 41,02	- 20,39	- 7,26	- 53,04	- 43,18	- 59,97	- 49,32	- 45,53	- 70,37
Sterling transfers on London sold in India ...	+ 1,93	...	...	...	+ 7,75	+ 13,93	+ 13,93	...	...	...	...
Transfers of Government Securities ...	- + 3	+ 23	- 1	- 29	- 3	+ 6	- 13	- 11	+ 32	- 56	- 13
Interest drafts on India in respect of Government of India Securities ...	-- 34	- 35	- 36	- 33	- 33	- 32	- 32	- 36	- 23	- 31	- 29
Balance of remittance of funds ...	-- 1,20	- 37,34	- 41,39	- 21,01	+ 3	- 34,32	- 43,63	- 60,44	- 49,78	- 46,45	- 71,34
Total Visible Balance of Accounts ...	++ 33,94	+ 11,95	+ 10,72	+ 31,77	+ 37,63	+ 56,18	+ 19,67	+ 31,50	+ 26,17	+ 20,42	+ 20,91

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 1930-31 to 1936-37

(In Thousands of Rupees)

	1930-31		1931-32		1932-33		1933-34		1934-35		1935-36		1936-37	
	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	1,63,40	29	16,45	...	11,50	4,23,78	6,18	4,55,59	6,58	5,84,61	4,18	1,04,28	7,17	2,79,89
May	1,76,78	..	19,06	...	7,18	8,30,42	10,24	5,21,92	6,21	5,29,67	17,60	1,94,68	28,92	3,28,07
June	2,52,16	1	16,04	64,03	8,63	4,87,02	13,84	5,62,50	7,73	5,05,82	8,58	1,10,61	9,07	2,79,58
July	98,25	...	20,67	42,67	10,69	6,17,04	8,46	2,59,75	5,65	5,82,84	11,17	6,04,26	11,92	4,04,83
August	8,68,82	3	21,57	23,95	12,95	4,51,58	8,99	4,46,30	6,30	99,74	5,57	6,76,96	17,26	2,25,74
September	97,74	...	31,00	29,29	9,36	6,56,50	8,28	5,70,11	5,42	72,28	14,65	3,17,91	6,65	2,21,31
October	26,43	...	49,27	9,05,44	10,98	5,67,39	8,64	3,43,55	5,59	3,89,44	6,94	3,04,68	9,02	3,19,08
November	36,24	...	27,02	8,57,45	14,27	6,71,75	7,13	2,53,23	4,76	5,51,58	8,79	3,96,16	7,43	2,53,29
December	23,22	4,54	27,94	17,76,53	16,09	10,18,26	10,56	2,42,07	5,93	6,24,69	8,62	2,77,62	8,44	1,55,71
January	24,53	32,87	20,11	9,27,88	12,74	4,71,22	7,13	5,92,68	5,68	4,41,60	5,77	3,71,17	12,37	2,38,62
February	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	30,21	1,15,10
March	87,93	12,10	14,90	6,83,37	10,22	4,03,29	9,33	5,45,93	3,29	5,15,39	504	2,03,42	12,42	1,19,26
TOTAL	18,24,66	49,34	79,95	60,77,23	1,31,31	66,84,09	1,09,94	53,15,30	71,93	53,25,63	94,95	33,80,55	160,83	29,45,49

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 1930-31 to 1936-37
(In Thousands of Rupees)

	1930-31		1931-32		1932-33		1933-34		1934-35		1935-36		1936-37	
	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	1,44,67	21,77	46,20	28	9,68	5,46	7,47	851	1,61,61	21,00	1,875	88,91	87,08	2,19
May	1,54,84	7,40	50,30	27	19,05	8,26	11,00	48,51	16,28	85,88	5,94	46,82	200,70	2,06
June	1,28,18	1,02	54,06	28,40	26,58	25,99	77	1,90,58	1,00,20	50,15	20,09	7,17	185,08	2,24
July	94,44	1,12	86,85	78,68	42,26	9,14	80	1,99,82	99	68,85	16,86	6,69	94,88	8,50
August	1,44,78	80,84	28,68	84,47	14,85	71,96	2,59	22,55	5,25	1,02,47	6,76	1,02,68	80,85	1,97
September	65,28	49,08	54,00	84,41	10,06	28,75	5,99	29,85	8,99	86,14	8,14	9,58	92,29	2,01
October	11,75	55,90	47,05	12,95	8,07	80,79	18,58	72,42	1,42	1,10,02	2,36	11,92	86,79	8,89
November	48,81	19,01	80,49	9,04	8,54	68,40	11,98	5,51	26,89	78,84	8,16	9,81	150,58	2,09
December	85,57	51,42	67,96	48,47	4,77	19,02	10,96	27,20	48,81	55,81	6,27	4,62,29	60,97	2,06
January	1,08,58	19,78	16,50	77,89	9,59	67,87	4,92	41,65	9,95	89,19	87,27	9,29	1,70,54	2,00
February	8,51,81	16,24	6,41	64,77	7,08	26,84	8,40	16,04	2,92	1,52,24	8,76,98	2,04	2,19,29	1,00
March	74,00	15,57	4,19	10,68	8,02	6,78	8,87	60,86	62,80	1,87,16	98,61	145	810	8,96
TOTAL	18,46,61	8,88,69	4,42,64	4,84,81	1,62,95	8,64,26	81,78	7,17,45	4,45,11	9,86,75	6,45,69	7,08,10	18,87,64	28,47

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 1936-37.**

(Value in Thousands of Rupees)

	GOLD		SILVER	
	Imports Rs.	Exports Rs.	Imports Rs.	Exports Rs.
1900-01	11,89,80	11,05,59	12,67,87	8,17,15
1901-02	8,30,75	6,86,99	12,29,88	5,10,10
1902-03	18,19,24	4,48,78	12,18,65	5,22,88
1903-04				
1904-05	20,14,79	10,21,62	18,87,82	4,82,77
1905-06	21,81,20	12,10,61	17,69,62	4,82,27
1906-07	14,75,90	14,29,10	16,90,20	1,17,90
1907-08				
1908-09	18,58,84	8,67,78	26,04,64	2,04,09
1909-10	20,75,26	8,88,49	21,58,19	2,06,86
1910-11	8,40,42	4,04,88	14,84,00	2,27,15
1911-12	25,08,10	8,85,17	12,49,25	8,04,75
1912-13				
1913-14	27,89,25	8,91,89	11,84,84	8,21,81
1914-15	41,49,86	8,78,88	11,97,72	6,64,01
1915-16				
1916-17	41,29,08	7,28,96	20,54,10	8,84,22
1917-18	28,22,64	4,90,26	18,21,82	2,18,08
1918-19				
1919-20	10,70,88	8,05,64	11,10,45	2,28,30
1920-21	5,28,17	5,89,08	6,66,46	1,88,50
1921-22				
1922-23	18,88,79	10,25	25,11,48	6,81,47
1923-24	29,09,49	8,91,68	22,66,94	8,62,76
1924-25				
1925-26	2,27,68	7,84,00	69,08,92	1,17,02
1926-27	48,25,16	12,92,18	29,98,78	75,84
1927-28				
1928-29	28,57,88	21,46,56	11,11,82	4,70,57
1929-30	18,82,04	16,48,49	17,47,86	2,88,24
1930-31	41,82,89	18,81	20,94,88	2,58,86
1931-32				
1932-33	20,25,81	6,68	22,10,27	8,40,47
1933-34	74,28,98	86,82	24,28,07	4,20,67
1934-35	85,22,90	87,54	19,89,70	2,77,29
1935-36				
1936-37	19,50,12	10,07	21,76,84	1,89,54
	18,18,84	8,44	16,47,87	2,68,69
	21,21,90	2,08	15,92,18	6,15,11
	14,28,11	1,08	18,41,91	4,79,79
	18,24,66	49,84	18,46,68	8,88,70
	2,79,95	60,77,28	4,42,64	4,84,81
	1,81,81	66,84,09	1,62,95	8,64,26
	1,09,94	58,15,80	81,78	7,17,45
	71,98	58,25,68	4,45,10	9,85,75
	94,95	88,80,55	6,45,75	7,08,09
	1,60,88	29,45,49	18,87,64	28,47

**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 ...	480 $\frac{3}{8}$	476 $\frac{1}{4}$	75 $\frac{15}{16}$	72 $\frac{5}{16}$	6 5 5 $\frac{1}{2}$	5 8 8	86 12 0	85 10 0
May ,, ...	496 $\frac{1}{2}$	481 $\frac{1}{4}$	75 $\frac{1}{2}$	72 $\frac{3}{4}$	7 5 0	7 0 0	85 0 6	84 18 0
June ,, ...	496 $\frac{1}{2}$	491	75 $\frac{3}{8}$	74 $\frac{1}{2}$	7 2 0	7 0 7	86 6 6	84 14 0
July ,, ...	497	498 $\frac{5}{8}$	75 $\frac{3}{16}$	64 $\frac{3}{4}$	7 1 7	7 0 5	85 0 0	84 10 0
August ,, ...	498 $\frac{3}{8}$	495 $\frac{3}{8}$	75 $\frac{7}{32}$	74 $\frac{1}{16}$	7 0 11	6 49 9 $\frac{1}{2}$	84 12 0	84 7 0
September ,, ...	496 $\frac{1}{4}$	490 $\frac{7}{8}$	75 $\frac{7}{32}$	74 $\frac{15}{32}$	7 1 6 $\frac{1}{2}$	7 0 8	85 1 8	84 11 8
October ,, ...	492 $\frac{3}{8}$	488 $\frac{5}{8}$	74 $\frac{3}{4}$	74 $\frac{1}{4}$	7 4 2	7 1 8 $\frac{1}{2}$	85 7 0	82 8 6
November ,, ...	494 $\frac{1}{4}$	491 $\frac{1}{4}$	75 $\frac{3}{32}$	74 $\frac{9}{16}$	7 1 7	7 0 11	85 0 6	84 18 0
December ,, ...	498 $\frac{5}{8}$	492 $\frac{1}{4}$	75	74 $\frac{7}{16}$	7 1 8	7 0 11	84 15 8	84 18 0
January 1986 ...	498 $\frac{5}{8}$	471 $\frac{1}{2}$	75 $\frac{1}{2}$	70 $\frac{9}{16}$	7 1 4	7 0 7 $\frac{1}{2}$	84 14 6	84 9 0
February ,, ...	502 $\frac{3}{4}$	498 $\frac{5}{16}$	75 $\frac{1}{100}$	74 $\frac{23}{60}$	7 1 2	7 0 6	84 18 8	84 8 9
March ,, ...	499 $\frac{7}{8}$	494 $\frac{3}{8}$	75 $\frac{13}{100}$	74 $\frac{69}{100}$	7 1 1 $\frac{1}{2}$	7 0 8	84 18 8	84 10 9
April ,, ...	496 $\frac{1}{4}$	498 $\frac{1}{8}$	75 $\frac{9}{32}$	74 $\frac{7}{8}$	7 1 0 $\frac{1}{2}$	7 0 7	84 14 8	84 10 6
May ,, ...	500 $\frac{1}{8}$	498 $\frac{3}{4}$	76	79 $\frac{21}{32}$	7 0 10	6 19 8	84 14 9	84 10 9
June ,, ...	504 $\frac{1}{2}$	498 $\frac{3}{4}$	76 $\frac{5}{8}$	75 $\frac{1}{2}$	6 19 4	6 18 8	84 7 9	84 5 8
July ,, ...	508 $\frac{3}{8}$	501 $\frac{1}{4}$	76 $\frac{5}{32}$	75 $\frac{5}{8}$	6 19 1 $\frac{1}{2}$	6 18 6	84 5 6	8 8 6
August ,, ...	508 $\frac{5}{8}$	501 $\frac{3}{8}$	72 $\frac{1}{2}$	76 $\frac{1}{16}$	6 18 8	6 18 2	84 5 8	84 8 8
September ,, ...	507 $\frac{1}{4}$	498	77 $\frac{1}{16}$	76 $\frac{1}{4}$	7 0 7	6 17 2 $\frac{1}{2}$	85 1 6	83 15 6
October ,, ...	495 $\frac{1}{4}$	488 $\frac{1}{4}$	106 $\frac{1}{2}$	108	7 2 8 $\frac{1}{2}$	7 0 5 $\frac{1}{2}$	85 4 8	84 12 6
November ,, ...	490 $\frac{5}{8}$	487 $\frac{7}{8}$	105 $\frac{5}{8}$	105 $\frac{1}{16}$	7 2 8 $\frac{1}{2}$	7 1 10 $\frac{1}{2}$	85 6 8	85 1 6
December ,, ...	492	489 $\frac{3}{8}$	105 $\frac{7}{32}$	105 $\frac{3}{32}$	7 2 1	7 0 5 $\frac{1}{2}$	85 8 0	85 0 8
January 1987 ...	491 $\frac{15}{16}$	489 $\frac{3}{16}$	105 $\frac{19}{100}$	105 $\frac{9}{100}$	7 2 0	7 1 5 $\frac{1}{2}$	85 15 9	85 0 0
February ,, ...	490 $\frac{1}{16}$	488 $\frac{7}{100}$	105 $\frac{3}{20}$	105 $\frac{3}{60}$	7 2 4	7 1 0 $\frac{1}{2}$	85 8 9	85 2 8
March ,, ...	489 $\frac{7}{10}$	487 $\frac{7}{100}$	107 $\frac{3}{100}$	107 $\frac{23}{100}$	7 2 7 $\frac{1}{2}$	7 2 1	85 5 0	85 1 0

Price of Silver—Bombay (per 100 tolas country bar), London (per Standard ounce) and New York (per fine ounce) for 1931-32 to 1936-37

Month	1931-32						1932-33						1933-34										
	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 ...	48 14	41 11	18½	12½	29¼	27¼		55 12	52 8	17½	15½	29¾	27½	59 0	54 14	20½	17¼	87¼					27
May ...	48 10	41 15	18¼	12½	28¾	26		56 6	54 6	17¾	16½	28½	27	59 0	55 15	20½	18¼	86¼					32½
June ...	44 12	41 6	18½	12¼	29½	26¼		56 11	54 8	17	16½	21½	26¾	58 2	56 11	19½	18¾	86¼					84¾
July ...	44 10	42 14	18¾	12½	29¼	27¾		55 2	54 8	17¼	16½	27	26½	57 7	55 18	18¾	17¾	40¾					85½
August ...	44 9	42 11	18½	12½	28¼	27½		57 7	54 18	18½	17½	30	26¾	56 5	54 10	18½	17¼	87					85
September	57 8	42 18	16¾	12¼	31	27½		57 4	55 1	18½	17½	28¾	27¾	56 12	55 7	18½	18½	40½					86¾
October...	57 8	52 12	18½	15½	35¾	27½		56 10	55 12	18½	17½	27½	26¾	56 9	56 0	18½	18	40					86½
November	65 14	57 8	21½	18	37¼	29¾		56 10	58 15	18¾	17½	27¾	25¾	57 0	56 4	18¾	18½	45					89¾
December	68 8	60 6	20½	19½	31½	28¾		52 9	49 5	17¼	16¾	25½	24¼	56 7	58 6	19½	18½	44¾					42½
January...	62 4	60 4	20½	18½	30¾	29¼		51 6	49 4	17¾	15½	26¼	24¾	55 9	58 15	19½	19½	45					48¼
February	60 4	60 4	20	14¼	31	29½		58 49	7 4	17½	16½	27¼	25½	56 14	54 7	20¾	19¼	46¼					48¾
March ..	56 4	54 4	19¼	17½	31	29		58 4	58 7	18½	17	30	29	57 8	54	15	20¼	19¾	46¾				45½

Price of Silver—Bombay (per 100 tolas country bar), London (per Standard ounce) and New York (per fine ounce) for 1931-32 to 1935-36—Contd.

Month	1934-35						1935-36						1936-37					
	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	55 8	51 14	20¼	18¾	46½	41¾	87 0	67 10	86¼	28¼	81	61½	52 7	40 7	20⅞	19⅞	45¼	45¾
May ...	54 7	50 12	19¼	18¼	45½	41¾	88 12	76 18	85¾	32¾	77	71¼	52 8	40 9	20⅞	19¾	44¾	44¾
June ...	58 9	54 6	21½	19¼	46¼	44½	80 2	71 14	88½	31	78¾	69½	50 0	48 8	20¼	19¼	44¾	44¾
July ...	58 4	56 11	21	20¼	46¾	45¾	74 9	69 8	81¼	30¾	60½	67¾	49 2	48 6	19¾	19¾	44¾	44¾
August ...	60 11	57 8	21⅞	20¼	49¾	46¾	71 4	64 5	80¼	29	67½	65½	49 0	48 0	19¼	19¼	44¾	44¾
September	61 10	60 2	22¼	21½	50	49¼	67 11	65 10	29¼	29	65½	65¾	50 0	48 4	20¼	19¼	44¾	44¾
October ...	67 11	61 7	24¼	20¼	58½	49¾	69 8	66 0	29¾	29¼	65½	65½	50 1	49 4	20¼	19¼	44¾	44¾
November	67 12	64 4	25¼	28¼	55¾	52¾	67 8	64 8	29½	29¼	65¾	65¾	55 10	49 8	22¼	20	47½	44¾
December	67 8	66 7	24⅞	28¼	55¼	58½	65 8	48 0	29¼	20¾	65½	49½	58 0	52 1	21¾	20¼	46½	45
January ...	65 18	61 10	24¾	24¼	55	54½	55 6	46 12	22¾	19	49½	44½	52 10	49 5	21¼	20¼	45¾	44¾
February	68 6	61 0	25¼	24¼	55¼	58½	58 8	49 8	20¼	19¼	44¾	44¾	50 18	49 5	20¼	20	44¾	44¾
March ...	65 9	64 7	28⅞	26¼	61¼	56½	52 7	49 7	20¾	19¾	45¾	44¾	58 11	48 15	21¾	20¼	45¾	44¾

Monthly rates for Telegraphic Transfers (Calcutta—London) from 1931-32 to 1936-37.
(Pence per Rupee)

	1931-32		1932-33		1933-34		1934-35		1935-36		1936-37	
	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
April ...	17 ¹³ / ₁₆	17 ²⁵ / ₃₂	18 ¹ / ₃₂	17 ²⁴ / ₃₂	18 ¹ / ₃₂	17 ³¹ / ₃₂	18 ¹ / ₁₆	18 ¹ / ₁₆	18 ³ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂
May ...	17 ²¹ / ₃₂	17 ²⁵ / ₃₂	17 ¹⁵ / ₁₆	17 ⁷ / ₈	18 ¹ / ₁₆	18 ¹ / ₃₂	18 ¹ / ₁₆	17 ³¹ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂
June ...	17 ²⁵ / ₃₂	17 ³ / ₄	17 ¹⁵ / ₁₆	17 ⁷ / ₈	18 ¹ / ₃₂	18 ¹ / ₃₂	18 ¹ / ₃₂	18	18 ³ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂
July ...	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	18 ³ / ₃₂	18 ³ / ₃₂
August ...	17 ³ / ₄	17 ³ / ₄	18 ³ / ₃₂	18 ¹ / ₁₆	18 ¹ / ₃₂	18 ¹ / ₃₂	18 ¹ / ₃₂	18 ¹ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂
September ...	17 ³ / ₄	17 ³ / ₄	18 ⁵ / ₃₂	18 ³ / ₃₂	18 ¹ / ₃₂	17 ¹⁵ / ₁₆	18 ¹ / ₁₆	18 ¹ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂
October ...	18 ¹ / ₃₂	17 ³ / ₄	18 ³ / ₃₂	18 ¹ / ₈	18 ¹ / ₃₂	17 ³¹ / ₃₂	18 ¹ / ₃₂	18 ¹ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂
November ...	18 ⁵ / ₃₂	18 ¹ / ₃₂	18 ⁵ / ₃₂	18 ¹ / ₈	18	17 ¹³ / ₁₆	18 ¹ / ₃₂	18 ¹ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂
December ...	18 ¹ / ₈	18 ¹ / ₃₂	18 ³ / ₃₂	18 ⁵ / ₃₂	18 ¹ / ₃₂	17 ¹⁵ / ₁₆	18 ¹ / ₁₆	18 ¹ / ₃₂	18 ³ / ₃₂	18 ³ / ₃₂	18 ¹ / ₈	18 ³ / ₃₂
January ...	18 ¹ / ₈	18 ¹ / ₁₆	18 ³ / ₃₂	18 ¹ / ₈	18 ¹ / ₁₆	18 ¹ / ₃₂	18 ¹ / ₈	18 ¹ / ₁₆	18 ³ / ₃₂	18 ¹ / ₈	18 ¹ / ₈	18 ¹ / ₈
February ...	18 ¹ / ₈	18 ³ / ₃₂	18 ¹ / ₈	18 ³ / ₃₂	18 ¹ / ₁₆	18 ¹ / ₃₂	18 ¹ / ₈	18 ¹ / ₁₆	18 ³ / ₃₂	18 ³ / ₃₂	18 ¹ / ₈	18 ¹ / ₈
March ...	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	18 ³ / ₃₂	18 ³ / ₃₂

Monthly Purchase of Sterling from 1931-32 to 1936-37.

	1931-32		1932-33		1933-34		1934-35		1935-36		1936-37	
	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 ...	...	...	228	18.12	2,668	18.06	5,032	18.07	3,63	18.18	5,370	18.18
May ...	...	...	...	...	5,075	18.07	2,350	18.06	5,365	..	1,000	..
June ...	...	...	...	...	8,685	18.06	480	18.06	2,768	..	2,225	..
July ...	...	...	...	...	8,250	18.06	1,050	18.06	1,100	..	2,555	..
August ...	...	...	8,165	18.10	8,118	18.06	3,880	18.06	2,645	..	1,430	..
September ...	...	...	5,879	18.15	770	18.06	3,826	18.06	3,590	..	3,565	..
October ...	219	18.10	4,346	18.16	1,800	18.06	3,129	18.06	1,700	..	5,000	..
November ...	5,508	18.18	3,275	18.17	...	...	1,225	18.06	3,180	..	4,000	..
December ...	18,854	18.12	7,686	18.17	1,880	18.06	3,640	18.07	3,025	..	3,980	..
January ...	7,188	18.11	3,754	18.16	7,688	18.08	7,650	18.11	5,400	..	11,922	..
February ...	7,126	18.18	1,855	18.16	8,695	18.08	3,105	18.12	2,595	..	3,180	..
March ...	6,209	18.18	1,050	18.10	7,089	18.07	2,775	18.18	3,145	..	4,125	..
TOTAL ...	40,049	...	85,788	...	45,158	...	87,542	...	84,826	...	...	...

Monthly Sales and Discharges of Treasury Bills, 1932-33 to 1936-37
(In Lakhs of Rs.)

Month	1932-33		1933-34		1934-35		1935-36		1936-37	
	Sales	Discharges	Sales	Discharges	Sales	Discharges	Sales	Discharges	Sales	Discharges
April ...	21,78	15,95	8,48	10,04	9,55	7,56	2,00	8,29	5,00	8,00
May ...	18,97	15,84	8,79	8,56	5,00	7,02	4,98	7,48	8,00	1,00
June ...	6,00	12,74	9,46	7,45	1,00	18,57	4,00	2,50	...	8,00
July ...	16,71	22,19	9,88	8,48	8,87	9,61	2,00	2,00	10,00	5 00
August ...	5,77	15,97	9,51	8,77	17,24	5,86	..	4,98	8,00	8,00
September	10,82	6,86	18,85	10,46	8,96	20	8,00	4,00	8,00	...
October ...	8,82	8,82	6,57	8,88	7,71	8,86	7,79	8,00	10,00	10,00
November	2,27	1	10,55	9,50	12,28	17,22	10,00	...	8,00	8,00
December	4,60	1	12,89	18,85	5,51	8,99	6,09	16,65	8,00	8,00
January ...	10,12	29,54	7,50	6,49	8,51	7,61	8, 00	11,87	8,00	10,00
February	8,42	10,21	7,06	12,91	7,25	12,80	1,00	10,00	4,00	8,00
March ...	7,45	10,87	18,68	10,07	2,50	5,55	8,00	6,00	4,00	8,00

Cash Balances of the Government of India 1935-36.

	End of	At the Reserve Bank of India	At Treasuries	In England	Total
April	1936 ...	6,84,88	1,65,08	75,86	8,76,82
May	„ ...	18,38,49	1,50,52	71,87	20,60,88
June	„ ...	16,24,59	1,61,61	76,04	18,62,24
July	„ ...	6,69,18	1,49,98	75,62	8,94,78
August	„ ...	6,58,66	1,47,88	74,62	8,80,66
September	„ ...	14,87,39	1,54,24	70,82	16,62,15
October	„ ...	8,16,88	1,40,90	72,10	10,29,88
November	„ ...	1,50,85	6,69,58	76,26	8,96,19
December	„ ...	7,44,88	1,44,88	98,91	9,88,12
January	1937 ...	18,27,12	1,47,48	78,62	15,48,22
February	„ ...	15,58,76	1,80,88	78,62	18,18,72
March	„ ...	17,89,72	2,64,66	79,18	21,81,85

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	...	20,58	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	...	88.6	
July ...	75,45	18,86	9,15	27,51	88,94	...	88,94	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 ...	60,88	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	1,53	19,21	10,00	18,06	...	86'8
June	71,89	12,51	11,92	24,43	22,48	1,47	23,95	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	23,58	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	23,84	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	83,88	...	27'8
February	86,76	12,17	8,92	21,09	15,82	2,52	18,34	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	17,88	28,88	69	29,57	10,00	51,48	...	16'0
October	1,14,77	21,91	1,92	23,83	28,88	58	29,46	10,00	51,48	...	20'8
November	1,12,83	24,65	2,80	26,95	24,01	49	24,50	10,00	51,48	...	23'9
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.)

II

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	28,28	14,92	19	15,11	10,00	51,48	...	26.9
February	...	1,03,46	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	...	1,11,53	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	5,66	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	...	1,31,41	20,88	12	20,45	11,18	18,78	24,96	10,00	76,00	...	15.5
September	...	1,34,88	20,88	12	20,50	12,38	15,50	27,88	10,00	76,00	...	15.8
October	...	1,86,43	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	34,19	10,00	76,00	...	14.6
December	...	1,47,09	19,68	12	19,80	10,56	21,57	32,18	12,66	82,50	...	18.5
1919												
January	...	1,49,74	18,91	12	19,08	11,58	20,54	32,12	16,08	82,50	...	18.4
February	...	1,51,48	18,14	12	18,26	13,50	21,15	34,65	16,08	82,50	...	12.1
March	...	1,53,46	17,87	12	17,49	16,66	20,78	37,39	16,08	82,50	...	11.4
April	...	1,53,72	14,55	8,00	17,55	18,01	19,58	37,59	16,08	82,50	...	11.4
May	...	1,55,18	16,11	1,50	17,61	19,61	19,88	38,99	16,08	82,50	...	11.4
June	...	1,62,76	17,69	...	17,69	23,55	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	31,48	19,51	50,99	16,08	82,05	...	11.4
September	...	1,71,86	18,45	2,92	21,87	34,85	16,62	50,07	17,03	82,50	...	12.4
October	...	1,75,29	19,25	5,59	24,84	35,59	15,33	50,92	17,03	82,50	...	14.2
November	...	1,79,67	23,54	9,16	32,70	32,34	14,60	37,44	17,03	82,50	...	18.2
December	...	1,82,91	29,61	10,10	39,71	29,64	14,03	44,67	17,03	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	1,88,08	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	46,83	38,81	5,56	39,87	28,77	61,27	...	27.1
May	1,66,92	42,86	74	48,60	37,10	4,27	41,87	81,18	50,77	...	26.1
June	1,64,84	48,48	2,49	45,97	41,94	3,61	45,55	85,55	37,27	...	28.0
July	1,68,87	44,62	...	44,62	46,75	3,61	50,86	40,62	28,27	...	27.2
August	1,68,27	39,12	...	39,12	51,62	3,67	55,29	47,88	21,58	...	24.0
September	1,57,68	36,15	...	36,15	54,84	3,72	58,06	47,14	16,28	...	22.9
October	1,59,58	28,75	...	28,75	55,60	3,81	59,41	68,07	8,85	...	14.9
November	1,60,21	28,86	...	28,86	56,05	3,88	59,93	68,07	8,85	...	14.9
December	1,61,40	28,89	...	28,89	57,18	3,96	61,09	68,07	8,85	...	14.8
1921											
January	1,63,41	24,00	...	24,00	53,95	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	66,37	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	79,97	67,06	8,85	...	18.5
November	1,78,48	24,33	...	24,33	74,20	4,21	78,41	64,40	6,84	...	14.0
December	1,72,58	24,32	...	24,32	69,76	4,21	73,97	68,40	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	...	14'2
May ...	1,72,89	24,82	...	24,82	72,50	4,56	77,06	65,17	5,85	...	14'1
June ...	1,76,01	24,82	...	24,82	76,17	4,56	80,78	65,12	5,85	...	18'8
July ...	1,80,41	24,82	...	24,82	80,58	4,53	85,09	65,13	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	83,65	57,55	5,85	2,00	14'0
May ...	1,71,28	24,82	...	24,82	79,01	4,56	83,57	57,50	5,85	...	14'2
June ...	1,78,61	24,82	...	24,82	81,89	4,56	86,45	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	104,02	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		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			
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	...	1,83,72	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	83,04	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	83,88	57,11	29,00	...	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	1,91,44	22,82	...	22,82	83,05	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	1,98,79	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	...	12'80
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	1,08,08	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	1,15,580	86,75	1,29	...	16'25
November	1,81,55	29,76	...	29,76	1,06,88	7,17	1,18,58	86,89	1,40	...	16'40
December	1,82,64	29,76	...	29,76	1,01,11	7,42	1,08,5,	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	1,05,98	87,89	4,44	8,00	16'70
February ...	1,85,78	29,76	.....	29,76	98,79	7,57	1,06,86	87,89	8,77	8,00	16'72
March ...	1,84,87	29,76	.....	29,76	98,72	7,66	1,06,88	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	1,00,88	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	1,08,81	8,02	1,06,88	42,88	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	48,27	6,85	7,00	17'09
1929											
January ...	1,89,74	82,21	.....	82,21	94,67	4,88	99,55	48,27	7,71	7,00	17'62
February ...	1,92,47	82,21	.....	82,21	94,85	5,11	99,96	48,27	10,58	6,50	17'82
March ...	1,88,08	82,22	.....	82,22	94,04	4,95	99,89	48,28	10,69	2,00	17'82
April ...	1,83,66	82,22	.....	82,22	94,90	4,48	99,88	48,28	8,88	.....	17'82
May ...	1,84,16	82,22	.....	82,22	95,40	4,17	99,57	48,28	9,14	.....	17'50
June ...	1,87,71	82,22	.....	82,22	97,77	4,88	1,02,65	48,22	9,62	.....	17'11
July ...	1,85,72	82,22	.....	82,22	1,08,82	4,62	1,08,44	48,19	1,87	.....	17'85
August ...	1,85,20	82,22	.....	82,22	1,07,28	4,58	1,11,81	89,18	2,04	.....	17'40
September ...	1,86,80	82,22	.....	82,22	1,08,05	4,95	1,18,00	89,17	2,41	.....	17'25
October ...	1,84,88	82,22	.....	82,22	1,08,98	4,65	1,18,58	86,82	2,71	.....	16'99
November ...	1,80,77	82,22	.....	82,22	1,07,19	8,97	1,11,16	86,82	1,07	.....	17'82
December ...	1,79,41	82,22	.....	82,22	1,08,77	4,28	1,08,05	87,88	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	2,38	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	8,25	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 ...	1,58,58	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	1,70,16	4,88	...	4,88	1,08,88	6,95	1,15,88	55,00	...	8,50	2'74
February	1,70,54	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	8'01
April	1,68,81	5,58	...	5,58	1,00,81	9,69	1,10,50	52,28	...	...	8'27
May	1,68,47	10,71	...	10,71	99,88	10,67	1,10,50	47,26	...	...	6'85
June	1,70,85	10,78	...	10,78	1,01,80	10,58	1,11,88	48,19	...	...	6'82
July	1,74,28	10,86	...	10,86	1,08,64	10,75	1,14,89	48,98	...	...	6'26
August	1,75,58	11,11	...	11,11	1,04,04	10,98	1,15,02	49,45	...	...	6'82
September	1,75,77	11,84	...	11,84	1,08,01	12,28	1,15,29	49,14	...	...	6'48
October	1,75,85	11,58	...	11,58	1,02,06	12,86	1,14,92	49,40	...	...	6'54
November	1,75,68	11,75	...	11,75	1,00,49	12,48	1,12,97	50,91	...	...	6'72
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	95,08	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	1,11,59	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	...	...	16'50
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)

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		
1934												
January	...	1,77,99	87,82	...	87,82	89,61	10,70	1,00,81	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	41,58	...	41,58	86,49	11,50	97,99	29,45	8,25	...	23'40
April	...	1,76,86	41,55	...	41,55	85,51	11,88	97,84	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	80,18	11,97	...	23'00
July	...	1,83,80	41,55	...	41,55	85,69	18,70	99,89	80,65	12,21	...	22'60
August	...	1,84,89	41,55	...	41,55	85,91	18,24	99,15	81,51	12,68	...	22'47
September	...	1,85,06	41,55	...	41,55	85,26	18,29	98,15	81,96	18,00	...	22'46
October	...	1,85,64	41,55	...	41,55	84,40	18,41	97,81	82,84	18,44	...	22'38
November	...	1,85,56	41,55	...	41,55	88,19	18,54	96,78	88,21	14,07	..	22'40
December	...	1,88,91	41,55	...	41,55	80,85	14,28	95,08	88,04	14,24	..	22'59
1935												
January	...	1,88,58	41,55	...	41,55	80,04	18,82	98,86	88,82	14,85	...	22'68
February	...	1,88,21	41,55	...	41,55	78,55	12,98	91,48	85,61	14,57	...	22'68
March	...	1,86,10	41,55	...	41,55	77,25	13,18	90,88	85,90	18,27	...	22'32

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

	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	48,68	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	25,58	66,19	56'74	
December	1,98,27	44,42	57,11	25,55	66,19	57'28	
					Months average							
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	24,48	67,82	57'18	
April	1,95,86	44,42	59,19	28,98	67,82	57'45	
May	1,95,86	44,42	59,49	28,44	68,82	57'61	
June	1,97,98	44,42	61,78	28,46	68,82	56'95	
July	2,00,68	44,42	65,09	28,40	67,72	55'89	
August	2,01,88	44,42	66,74	28,40	67,82	55'85	
September	2,02,78	44,42	67,59	28,40	67,82	55'11	
October	2,02,95	44,42	67,79	28,42	67,82	55'06	
November	2,02,86	44,42	67,21	28,41	67,82	55'22	
December	2,00,62	44,42	65,47	28,41	67,82	55'69	
1937												
January	2,04,21	44,42	68,70	24,18	71,91	56'96	
February	2,07,76	44,42	62,16	24,87	76,81	58'85	
March	6,08,80	44,42	61,90	28,62	78,06	58'88	

Statistics of the Reserve Bank of India in the last week of each of the months of 1935-37.

(In Lakhs of Rupees)

Month	Capital and Reserve	DEPOSITS			Other Accounts	Total	Notes and Coin	Balances held abroad	Loans and Advances to Government	Investments	Other Accounts	Scheduled Bank's Cash
		Government	Banks									
April 1935	10,00	18,44	8,65	20	87,29	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	88	...	
July	10,00	11,75	29,59	59	51,98	85,01	10,88	...	5,91	68	84,28	
August	10,00	12,88	85,75	77	59,85	88,72	18,88	...	6,29	51	41,57	
September	10,00	18,45	85,79	1,08	60,27	87,93	15,84	...	5,48	1,07	41,09	
October	10,00	10,17	29,48	1,25	50,90	84,68	10,82	...	5,48	47	84,19	
November	10,00	11,88	28,17	1,78	51,78	84,74	11,26	...	5,20	58	88,62	
December	10,00	7,08	28,17	1,97	47,22	21,80	18,08	2,00	5,22	67	85,88	
January 1936	10,00	5,90	84,79	1,44	52,18	27,22	19,88	...	5,27	26	40,02	
February	10,00	7,49	85,88	82	58,64	27,89	20,28	...	5,11	41	80,88	
March	10,00	8,56	86,08	96	55,55	26,85	28,08	..	5,06	56	41,71	
April	10,00	6,98	85,78	28	42,99	28,78	20,98	8,50	5,02	55	85,86	
May	10,00	9,21	81,54	89	41,14	26,50	15,95	8,80	5,15	55	80,98	
June	10,00	15,45	27,44	48	48,82	81,88	15,89	...	6,05	80	27,10	
July	10,00	9,18	82,49	46	42,08	87,40	7,17	1,80	5,90	78	82,86	
August	10,00	6,62	88,25	48	40,80	88,67	8,80	8,00	5,78	69	82,90	
September	10,00	9,28	29,12	40	88,75	87,50	5,21	1,00	5,57	76	28,81	
October	10,00	9,57	25,92	88	85,82	88,44	6,90	40	5,56	1,08	25,62	
November	10,03	8,11	25,08	48	88,57	27,09	10,84	1,25	5,58	1,05	24,65	
December	10,00	7,26	21,81	42	28,99	16,99	18,59	8,00	6,28	1,18	20,75	
January 1937	10,00	9,45	16,18	81	25,94	11,88	17,48	60	6,78	1,28	16,89	
February	10,00	18,15	17,17	48	81,29	11,69	22,81	...	7,58	48	17,21	
March	10,00	14,88	22,97	58	87,88	18,52	26,65	...	7,60	71	22,52	

Statistics of Scheduled Banks for 1935-37

(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	8,29
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	84,68	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
April	...	120,98	101,00	5,65	85,86	95,05	6,02
May	...	122,58	101,66	5,82	80,98	98,80	5,74
June	...	122,91	101,19	6,07	27,10	91,92	4,76
July	...	126,62	100,11	5,92	82,86	89,09	8,45
August	...	128,88	100,79	5,79	82,90	87,85	2,61
September	...	129,04	101,22	5,69	28,81	86,47	2,51
October	...	181,89	99,47	5,91	25,62	86,72	2,65
November	...	182,80	99,88	6,04	24,65	89,22	8,57
December	...	181,60	101,18	6,71	20,75	98,46	4,88
January	1937	182,80	102,68	6,12	16,88	104,10	5,69
February	...	181,80	108,41	6,24	17,21	110,59	7,10
March	...	188,16	104,67	6,28	22,52	115,92	7,79

Rates of Discount of Central Banks of certain countries 1934-35 to 1936-37.

(Rates Per cent)

End of	1934-35										1935-36					1936-37											
	UNITED STATES										UNITED STATES								UNITED STATES								
	United Kingdom	F. R. B. rate for 60—90 days Paper	F. R. B. average rate	Germany	France	British India	Japan	Switzerland	Italy	United Kingdom	F. R. B. rate for 60—90 days Paper	F. R. B. average rate	Germany	France	British India	Japan	Switzerland	Italy	United Kingdom	F. R. B. rate for 60—90 days Paper	F. R. B. average rate	Germany	France	British India	Japan	Switzerland	Italy
April	2	1.5	2.5	4	3	3.5	3.65	2	3	2	1.5	2.18	4	2.5	3.5	3.65	2	3.5	2	1.5	1.91	4	5	3	3.65	2.5	5
May	2	1.5	2.5	4	2.5	3.5	3.65	2	3	2	1.5	1.98	4	6	3.5	3.65	2.5	3.5	2	1.5	1.91	4	6	3	3.65	2.5	4.5
June	2	1.5	2.5	4	2.5	3.5	3.65	2	3	2	1.5	1.91	4	5	3.5	3.65	2.5	3.5	2	1.	1.91	4	4	3	3.65	2.5	4.5
July	2	1.5	2.5	4	2.5	3.5	3.65	2	3	2	1.5	1.91	4	3.5	3.5	3.65	2.5	3.5	2	1.5	1.91	4	3	3	3.65	2.5	4.5
August	2	1.5	2.5	4	2.5	3.5	3.65	2	3	2	1.5	1.91	4	3	3.5	3.65	2.5	4.5	2	1.5	1.91	4	3	3	3.65	2.5	4.5
September	2	1.5	2.5	4	2.5	3.5	3.65	2	3	2	1.5	1.91	4	3	3.5	3.65	2.5	5	2	1.5	1.91	4	5	3	3.65	2	4.5
October	2	1.5	2.5	4	2.5	3.5	3.65	2	3	2	1.5	1.91	4	3	3.5	3.65	2.5	5	2	1.5	1.91	4	2	3	3.65	2	4.5
November	2	1.5	2.5	4	2.5	3.5	3.65	2	4	2	1.5	1.91	4	6	3	3.65	2.5	5	2	1.5	1.91	4	2	3	3.65	1.5	4.5
December	2	1.5	2.46	4	2.5	3.5	3.65	2	4	2	1.5	1.91	4	5	3	3.65	2.5	5	2	1.5	1.91	4	2	3	3.65	1.5	4.5
January	2	1.5	2.22	4	2.5	3.5	3.65	2	4	2	1.5	1.91	4	4	3	3.65	2.5	5	2	1.5	1.91	4	4	3	3.65	1.5	4.5
February	2	1.5	2.18	4	2.5	3.5	3.65	2	4	2	1.5	1.91	4	5	3	3.65	2.5	5	2	1.5	1.91	4	4	3	3.65	1.5	4.5
March	2	1.5	2.18	4	2.5	3.5	3.65	2	4	2	1.5	1.91	4	5	3	3.65	2.5	5	2	1.5	1.91	4	4	3	3.65	1.5	4.5

Gold and Foreign Assets Reserves of Certain Countries 1936-37.
In millions of units

END OF		UNITED STATES			UNITED KINGDOM		GERMANY		FRANCE			CANADA		SWITZERLAND		BRITISH INDIA		
		F. R. Banks and Government			Bank of England		Reichs Bank		Bank of France			Govt. Gold		Chartered Banks		Gold		
		Gold against certificates	Other Gold Reserves	Total Gold Stock	Gold	Gold	Foreign Assets	Gold	Sight bills	Short term	Foreign Assets	Gold	Foreign Assets	Gold	Foreign Assets	At Home	Abroad	Foreign Assets
		Dollars			(£)	Reichs mark	Francs			Dollars		Francs		Rupees				
April	1936	103	10,123	10,225	204	70	5	61,987	5	1,800	4	8	-88	1,516	2	415	29	877
May	"	102	10,300	10,401	207	70	5	57,022	189	1,287	4	5	-92	1,484	8	415	29	836
June	"	101	10,507	10,608	217	72	5	58,999	20	1,277	4	5	-101	1,407	8	415	29	841
July	"	100	10,548	10,648	241	72	5	54,942	16	1,251	4	5	-94	1,441	4	415	29	705
August	"	99	10,617	10,716	256	69	6	54,511	8	1,242	5	5	-89	1,467	2	415	20	706
September	"	98	10,747	10,845	250	68	6	50,111	11	1,234	6	5	-80	1,554	28	415	29	748
October	"	97	10,943	11,045	250	65	5	64,359	5	1,466	8	1	-79	2,408	47	415	29	760
November	"	96	11,088	11,184	249	66	5	64,359	5	1,461	5	1	-56	2,581	54	415	29	784
December	"	95	11,168	11,258	314	66	6	60,359	16	1,445	5	1	-72	2,709	58	415	29	889
January	1937	94	11,264	11,358	314	67	6	57,859	12	1,424	6	...	-47	2,717	87	415	29	986
February	"	92	11,844	11,436	314	67	6	57,859	15	1,308	...	...	...	2,718	28	415	29	1,024
March	"	...	...	...	...	...	...	...	...	...	...	...	...	...	...	415	29	...

Imperial Bank of India Official rates of interest.

1928	per cent.	Average for whole year.	1928	per cent.	Average for whole year
11th January	...	5.947	21st June	...	6.196
25th May	...		19th July	...	
31st May	...		15th November	...	
7th June	...		18th December	...	
28th June	...		1929		6.828
15th November	...		14th February	...	
29th November	...		11th April	...	
20th December	...		9th May	...	
1924		6.682	1930		5.887
3rd January	...		3rd April	...	
14th February	...		10th July	...	
10th April	...		20th November	...	
29th May	...		1931		7.046
19th June	...		22nd January	...	
3rd July	...		28th May	...	
31st July	...		6th August	...	
21st August	...	5.642	24th September	...	
16th October	...		1932		5.021
1925			14th January	...	
22nd January	...		25th February	...	
21st May	...	28th April	...		
18th June	...	4.825	7th July	...	
2nd July	...		1933		8.5
24th September	...		From 16th February	...	
8rd December	...		31st December	...	
1926		1934			
20th May	...	5.720	1935		
10th June	...		Reserve Bank of India		
1927			5th April	...	
1st January	...		28th November	...	
18th January	...		1938		
10th February	...		From 16th February		
2nd June	...		31st December		
23rd June	...		1934		
8th July	...	1935			
8th September	...	Reserve Bank of India			
8th December	...	5th April	...		
nd December	...	28th November	...		

Average Daily Price of Government Securities and the Yield thereon*

MONTH	8 per cent. Bonds—1941			4 per cent. Loan—1960—70			8½ per cent. Paper		
	Price		Yield	Price		Yield	Price		Yield
	Rs.	A.	%	Rs.	A.	%	Rs.	A.	%
1935									
July ...	101	4	2'76	106	15	8'57	95	2	8'68
August ...	101	4	2'76	106	8	8'62	92	8	8'80
September ...	101	12	2'66	105	5	8'67	89	9	8'91
October ...	102	8	2'58	106	1	8'68	90	2	8'89
November ...	108	1	2'41	109	11	8'49	95	8	8'68
December ...	108	9	2'82	110	9	8'87	96	4	8'64
1936									
January ...	108	9	2'82	110	9	8'87	96	5	8'68
February ...	104	8	2'15	112	1	8'29	97	7	8'59
March ...	104	2	2'16	112	8	8'26	97	7	8'59
April ...	104	2	2'16	118	7	8'20	98	2	8'67
May ...	104	12	2'08	114	9	8'15	98	12	8'54
June ...	104	7	2'09	114	15	8'12	98	11	8'55
July ...	104	7	2'09	115	5	8'10	99	11	8'51
August ...	104	5	2'12	114	15	8'12	99	9	8'52
September ...	104	8	2'01	115	8	8'08	99	10	8'51
October ...	104	12	1'95	115	10	8'07	100	0	8'50
November ...	105	2	1'87	115	14	8'06	100	9	8'48
December ...	104	15	1'91	115	1	8'10	99	13	8'50
1937									
January ...	104	8	2'07	114	4	8'14	98	12	8'54
February ...	108	8	2'22	112	9	8'24	96	2	8'64
March ...	108	1	2'26	111	8	8'88	98	1	8'76
April ...	102	11	2'92	110	11	8'61	93	6	8'75
May ...	102	18	2'92	110	9	8'62	94	14	8'69

*Yield to redemption—and in the case of 4 per cent. 1960—70 Loan the earlier date, i. e., 1960 is taken.

TRADE SECTION:

FOREIGN TRADE

With a hundred and fifty per cent. increase in the balance of trade in merchandise and nearly fifty per cent. increase in the total visible balance 1936-37 may well be said to have fulfilled in large measure the long deferred hopes of recovery in India's foreign trade. The favourable trends which were in evidence in earlier years gathered considerable strength during the course of the year under review, and the most significant feature of the course of India's foreign trade during 1936-37 is that its recovery did not militate in any manner against the development of the national economy or the expansion of indigenous industry. At the end of the depression, India had reached a position in which it was extremely doubtful whether the increase of foreign trade would not involve some adverse consequences to the national economy considered from the long view. The policy of discriminating protection had been extended to the sugar industry with a liberality which was conspicuously lacking in the case of other industries and the development of the sugar industry, to mention only the most obvious instance, had meant a serious cut in the total value of imports into the country. Thanks to the emergency surcharges on import duties, internal production of many commodities had undergone a significant expansion and even the scope of foreign trade was restricted through artificial factors like the trade agreements with Japan, Great Britain and the Empire coming into play. India's capacity to absorb imports had been seriously affected by the low prices which she obtained for her exports; and even such imports as she continued to make during the years of the depression were made possible only by the export of gold on a large scale. And there was no doubt that the stocks of gold were slowly becoming depleted and that the import trade could not rely for long on such an artificial prop. If it is true that the expansion in the export trade of

any country depends to a large extent on the increase in imports, it is obvious that a country whose capacity to import had been affected by a number of circumstances can have but little hope of seeing an appreciable increase in her exports.

It is to the credit of 1936-37, that despite the unquestionable validity of this *a priori* reasoning it showed a genuine and, according to present standards, satisfactory improvement in India's foreign trade and that such expansion as has been mentioned already has been not inconsistent with the higher interest of the national economy. The movement of exports and imports has, in the first place, been such as to leave a considerably larger balance of trade in merchandise. Though the advantage to the mercantile community of an equivalent increase in imports and exports can hardly be denied yet it will be obvious that, for a country placed as India is, the movement of foreign trade cannot be considered satisfactory unless the balance of trade in merchandise tends to show adequate improvement. If it is remembered that during all these years India's external obligations have been met in large part by the export of gold, that there is no inexhaustible supply of the metal, it will be easily appreciated that the acid test of satisfactory state of foreign trade is the size of the export surplus. It is a matter for gratification therefore that while our total exports increased from Rs. 164.29 crores in 1935-36 to Rs. 202.33 crores in 1936-37 imports actually fell from Rs. 134.37 crores to Rs. 125.22 crores. It might seem unscientific, to say the least of it, to regard a decrease in imports with such unconcealed satisfaction. But enough has been said to show that the stability of India's national economy and finance depends to not a little extent on her being able to realise an export surplus which will be sufficient at least to meet her annual foreign obligations. Formerly, in the years

before the depression, India's balance of trade in merchandise sufficed not only for meeting such obligations, but also for the import of precious metals to the extent of about Rs. 40 crores. During the years of the depression she moved violently to the other extreme of having to export over Rs. 80 crores of gold to keep the position going. Many changes, most of them of a highly radical kind, have occurred since the depression first set in at the beginning of this decade. World trade has suffered a serious shrinkage. All countries of the world have followed for at least five years a policy of economic nationalism which has succeeded in replacing foreign imports with indigenous production in many a line. The more powerful countries have safeguarded their export markets by bringing about special trade agreements. Even the shrunken volume of internal trade to-day has been, so to say, partitioned and labelled in favour of particular countries. It would perhaps be idle to expect that, in the conditions which obtain to-day in the world, India's exports will rise to the point at which they would leave a balance as much as in the pre-depression years. But what one can expect in view of the changed situation, is not that India would continue to import more than she can pay for, but that she would be able to overcome her age-long fondness for gold. In other words, while India may not legitimately hope to resume her import of precious metals, she should certainly see that her foreign trade is such as to enable her to meet her foreign obligations with her export surplus. It is to such an eventuality that, judging by present signs India seems to be tending. Thanks to the fact that this review is being written towards the beginning of the last quarter of 1937, it is possible to verify the statement with the figures of our foreign trade for the first few months of 1937-38. In any attempt at such verification, it is necessary to remember that the figures for the year under review and the subsequent year are not on a comparable basis. The separation of Burma as from April 1, 1937 has led to Burma being treated as a foreign country. With the trade between India and Burma figuring for the first time in our foreign trade returns and with Burma's exports and the rest of the world excluded from India's exports, the whole picture of our foreign trade for 1937-38 tends to get distorted. Though, according to the blue books, India's balance of trade in mer-

chandise during the first five months of 1937-38 came down to 13.42 crores from 23.06 crores, in the corresponding period of the previous year, it seems valid to suggest that the change is more or less purely of the accounting kind and that there has been no real increase in our imports, not, at any rate, any increase which is commensurate with the increase in our exports. The chapter reviewing India's foreign trade in 1937-38 would be incomparably more difficult unless, of course, before the end of the year, the Department of Commercial Intelligence and Statistics succeeds in reducing the total figures to some semblance of comparability. For the present, however, there is no reason to apprehend any serious disequilibrium in our foreign trade.

For, while India's exports are in a position to take advantage of every improvement in world trade and world demand, the import trade is subject to numerous checks which are not liable to any appreciable change within short periods. There is, in the first place, the fact that India's purchasing power, that is, the power to import, is still seriously restricted. As mentioned already, this purchasing power can be said to have increased only when the balance of trade in merchandise is sufficient to leave a net balance of payments in India's favour. As it is, though the volume of exports has increased, the prices obtained for the staples of our export trade have not increased to the same level. And it is idle to expect, so long as export of gold continues, that imports will show any large expansion. For inevitably, foreign trade must move along lines which tend to the elimination of abnormal factors and the restoration of a stable equilibrium. Secondly, in considering the future of our import trade in India, one must give due importance to the natural expansion of indigenous industry. All the big industries in India are such as to compete directly with the corresponding imported goods. The expansion of such industries—and they have almost in all cases been protected ones—would mean a further slump in the import trade unless the consumption within the country shows a large increase and this, it must be emphasised here again, is highly unlikely so long as purchasing power remains of poor dimensions. Thirdly, India has witnessed during the last few years, a tendency on the part of foreign manufacturers to establish factories within India and to cater

to the Indian market with goods "made in India". The reason behind such a movement are not difficult to guess. There is no liability to pay the import duties which were increased to a high level since the emergency budget of 1931. The prejudice against foreign goods is overcome to a considerable extent and the manufacturer often finds it possible to press his goods on pleas of support for Indian labour. Considering that the Indian market has rich potentialities of expansion, by the side of which the usual demand for imported goods pales into insignificance, it is not surprising that foreign capitalists are entertaining the idea of exploiting the Indian market by factories established within the country. Thus, the low purchasing power of the country, the expansion of indigenous industry and the tendency of foreign manufacturers to establish factories in India, all these have, in recent years, acted as a serious handicap on the expansion of India's import trade.

The lag in the revival of the import trade has helped not a little in sustaining the total visible balance of trade. In 1936-37, there would seem a marked accentuation of the tendency of gold exports to fall off. Exports of Indian merchandise amounted during 1936-37 to Rs. 196.13 crores as compared with Rs. 160.52 crores in 1935-36 and Rs. 151.67 crores in 1934-35. Re-exports showed a similar tendency, and increased from Rs. 2.77 crores to Rs. 6.20 crores. At the same time, imports fell from Rs. 133.69 crores to Rs. 124.58 crores (from the figures of imports, the value of railway material not paid for in the ordinary way have been excluded). The balance of trade in merchandise thus comes to Rs. 77.75 crores which compares very favourably with Rs. 30.60 crores in 1935-36 and Rs. 23.42 crores in 1934-35. As in the previous year, the full benefit of the increase in the balance of trade in merchandise is not felt in the total visible balance of trade. For transactions in treasure have been, from the point of view of balance of payments, subject to two adverse influences. Not only has the export of gold fallen from Rs. 37.35 crores to Rs. 27.85 crores but the import of silver too has gone up from Rs. 1.27 crores to Rs. 13.59 crores. Taking the small item of export of currency notes amounting to Rs. 24 lakhs, the balance of transactions in treasure is Rs. 14.50 crores

in favour of India and this, together with Rs. 77.75 crores of the balance of trade in merchandise, makes a total visible balance of trade of Rs. 92.25 crores which compares with Rs. 66.97 crores in 1935-36 and Rs. 75.96 crores in 1934-35. To complete the story of India's balance of payments, the total purchase of sterling by the Reserve Bank of India during 1936-37 amounted to Rs. 70.87 against Rs. 45.58 crores in 1935-36 and Rs. 49.82 crores in 1934-35. It is well known that there is little or no statistics available in regard to the invisible trade between India and foreign countries. India's foreign obligations both on account of any homecharges of the Government and on account of insurance, profits on foreign capital, tourist expenses and there accounts have been traditionally at Rs. 80 to 100 crores a year. With a total visible balance of trade of Rs. 92.25 crores, India has realised during 1936-37, a balance more or less sufficient to meet these charges. In any case, it is highly unlikely that there was any net inflow of wealth into the country either by way of import of specie or purchase of foreign securities or by any other means. Real prosperity in the sense of a net import of wealth from abroad is, therefore, yet to come.

Though, from the standpoint of the national finance, the balance of trade and the balance of payments may be deemed to be the more important, from the standpoint of national economy, the progress of the export trade and the nature of the import trade are clearly the more important. If Indian exports are losing ground in foreign markets and if the imported commodities are of such a nature as to harm indigenous industry and disturb the equilibrium of our foreign trade, there would be room for anxiety from every standpoint. It is, therefore, gratifying to find that the experiences of 1936-37 are calculated to infuse confidence to the stability of our exports and in the ability, ultimately, of our industries to produce the commodities for the production of which nature has endowed this country liberally.

Taking the import trade first, the first point to note is the fall in total imports from Rs. 134.37 crores to Rs. 125.22 crores. At this level, it is only not much above the lowest during the period of the depression, as imports for 1933-34 amounted to Rs. 115.38 crores. There is no doubt that following on the depres-

sion and as a result of the changes that are coming over Indian industry, the Indian import trade is subjected to a whole series of far-reaching changes. The nature of these changes may be best realised from the fact that the largest fall among the three classes into which exports and imports are generally divided, occurs under articles wholly or mainly manufactured which have declined in value from Rs. 99.36 crores to Rs. 92.38 crores. At the same time, raw materials and articles mainly unmanufactured have actually increased during this period, by Rs. 25 lakhs from Rs. 19.16 crores to Rs. 19.42 crores. The increase will be seen to be even greater at Rs. 2.3 crores if the figure for 1936-37 is compared with that of 1934-35. "Food, drink and tobacco" also contributes to the total decline of Rs. 9.14 crores. In previous years, the fall in food, drink and tobacco was due mainly to the practical cessation of imports of wheat from foreign countries and as such reflected only a transitory phenomenon. On this occasion, however, by far the greater part of the decline is due to the fall of Rs. 1.67 crores under sugar. There are decreases also under grain, pulse and flour, amounting in the aggregate to Rs. 90.48 lakhs. Most of the other items actually show an increase as compared with 1935-36 so that it may be said that at least so far as food, drink and tobacco are concerned, the import trade is becoming more and more in strict accordance with the natural requirements of the country. As for raw materials, while usually the increase is due to larger imports of raw cotton, during the year under review imports of raw cotton actually fell from Rs. 6.74 crores to Rs. 5.89 crores. If this fall of about Rs. 89 lakhs is kept in mind, it will be realised that the increase of import under other items, is much larger than the total increase of Rs. 25 lakhs under this division. It is characteristic of the times that the increase in raw materials is spread over a wide range of varieties, testifying to a slow but steady increase in the activity of a number of different indigenous industries. The same may be said of the fall in manufactured articles. Out of the total decline of Rs. 6.98 crores, Rs. 3.67 crores is accounted for by cotton, iron and steel manufactures, 1.28 crores by metals, iron and steel and manufactures thereof, and Rs. 1.07 crores by metals other than Iron and Steel. It is only to be expected that the fall in the imports of

manufactures should be due in so large a measure to the expansion of the two foremost protected industries. But, excepting for an increase of Rs. 98 lakhs under other irons and textile fabrics and Rs. 40 lakhs under machinery of all kinds and Rs. 17 lakhs under arms, ammunition and military stores, all other items show an appreciable fall. A feature of the import trade under this division is the maintenance of electrical goods and apparatus at about the level of Rs. 3 crores, an increase under imports of machinery of Rs. 40 lakhs as compared with the previous year. Though these imports suggest an increasing industrialisation of the country, it should not be overlooked that other articles too which are not articles of personal consumption have gone down. Imports of chemicals amounted to Rs. 5.17 crores as against Rs. 5.67 crores in the previous year. Dyes and colours at Rs. 4.01 crores show a fall of Rs. 38 lakhs. But, generally speaking, consumption articles have gone down, silk manufactures declining from Rs. 2.2 crores to Rs. 1.77 crores and woolen articles from Rs. 2.34 crores to Rs. 2.78 crores. The changes in the piecegoods trade may now be examined in detail. And here it is noteworthy that all kinds of piecegoods have suffered a more or less equal decline. Imports of plain grey fell from Rs. 2.65 crores to Rs. 2.02 crores, Japan bearing the brunt of the loss, having exported only Rs. 1.84 crores in 1936-37 as against Rs. 2.86 crores in the previous year. Bordered grey at Rs. 1.35 crores show a fall of over Rs. 23 lakhs, the United Kingdom having exported only Rs. 73.09 lakhs against Rs. 1.04 crores in the previous year. Imports of White amounted to Rs. 4.49 crores against Rs. 4.98 crores in 1935-36. Imports from the United Kingdom amounted to Rs. 3.45 crores against Rs. 3.9 crores in the previous year. Japanese Whites fell from Rs. 83.91 crores to 74.57 crores. Printed goods at Rs. 3.01 crores showed a fall of Rs. 31½ lakhs. While Japan increased her imports from Rs. 1.81 crores to Rs. 1.92 crores, British goods fell from Rs. 1.51 crores to Rs. 1.09 crores. The fall of Rs. 31 lakhs under dyed goods is borne mostly by the United Kingdom whose exports declined from Rs. 1.98 crores to Rs. 1.71 crores. Switzerland increased her exports from Rs. 8.11 lakhs to Rs. 9.07 lakhs. Japanese imports at Rs. 23.21 lakhs shows a fall of over Rs. 5 lakhs.

As indicated earlier, the keynote of import trade in 1936-37 is furnished by the

fact that while capital goods have either been maintained or show an increase, articles of personal consumption almost invariably show a large decrease and protected industries amongst themselves account for a decline in imports as compared with 1935-36 of nearly Rs. 7 crores.

The export trade of India has shown during 1936-37 the largest increase in the post-Depression period. Total exports have gone up from Rs. 164.29 crores to Rs. 203.33 crores. To this increase, re-exports have made a considerable contribution, having gone up from Rs. 3.77 crores to Rs. 6.20 crores. Even taking the exports of Indian merchandise, the increase from 160.52 crores to 196.13 crores improves our balance of trade position to an extent which few were sanguine enough to hope for two, three years ago. Generally speaking, the improvement in exports is well distributed over all the principal staples. The position will be understood if it is pointed out that the foodgrains have increased by nearly three crores of rupees, seeds by over Rs. 8 crores, raw cotton by Rs. 10.70 crores, jute by Rs. 1.06 crores, wheat by Rs. 76 lakhs, tanned hides and skins by Rs. 1.73 crores, cotton manufactures by Rs. 86 lakhs and jute manufactures by Rs. 4.45 crores. Indeed, in the of the Sea-borne Trade for March, 1937, the items in the export trade which show a decrease over the previous year are notably few, these exception being fish, liquors, metallic ores, silk, dyes and colours, machinery and "miscellaneous articles."

Of the grains, wheat shows the largest increase from Rs. 9.48 lakhs to Rs. 2.09 crores. The United Kingdom registers the largest increase from Rs. 5.89 lakhs to Rs. 1.45 crores. Other provinces, Sind is naturally far and above the largest exporter, export from Karachi amounting to Rs. 2.06 crores against Rs. 6.71 lakhs in the previous year. Rice shows a comparatively small increase from Rs. 11.03 crores to 11.63 crores. Burma's exports increase from Rs. 8.83 crores, to Rs. 8.92 crores. Considering that Burma has been separated from the mainland of India, it is only the rest of the trade that is hereafter of importance to this country. In this view, it is interesting to note that exports of rice from Bengal increased from Rs. 87.72 lakhs to Rs. 1.26 crores. Exports from Bombay amounted to Rs. 19.70 lakhs and exports of Madras rice increased from 86.46 lakhs to Rs. 96.17 lakhs. Viewing the

position of India's exports of rice as in the year under review, the only points of importance to note are that Ceylon has steadily increased her offtake from Rs. 2.78 crores in 1934 to Rs. 3.51 crores in 1936-37, that exports to Germany have steadily declined from Rs. 88 lakhs two years ago to Rs. 39 lakhs in the year under review and that China has taken during 1936-37 only Rs. 11.56 lakhs of Burmese rice against Rs. 97.46 lakhs for 1934-35. Generally speaking, the countries on the European Continent have been taking steadily dwindling quantities of Indian rice. In fact, but for the figures given under "For Orders Cargoes," exports of rice from India in 1936-37 should have shown a decline as compared with the previous year.

Exports of tea from India increased in value from Rs. 19.82 crores to Rs. 20.04 crores though the volume declined from 312.7 million lbs. to 309.9 million lbs. Exports into the United Kingdom fell from 275.6 million lbs. to 254 million lbs. in volume and from Rs. 17.75 crores to Rs. 17.01 crores in value. A noteworthy feature of the trade in tea in 1936-37 is the rise of Persia to the second rank, displacing Canada as the second largest buyer of Indian tea. Exports to Iran increased from about Rs. 2 lakhs in 1934-35 to Rs. 92.4 lakhs in the year under review. Exports to Soviet Russia amounted to Rs. 1.6 million lbs. in volume and Rs. 13 lakhs in value. Canada took 14.9 million lbs. valued at Rs. 75 lakhs, exports to the United States show a welcome rise from 6.9 million lbs. to 7.9 million lbs. in volume and from Rs. 37 lakhs to Rs. 43 lakhs in value.

Among raw materials, exports of coal of Rs. 20 lakhs show a rise of 3.13 lakhs over the previous year though they are still Rs. 8.61 lakhs below the level of 1934-35. Exports of non-metallic mining and quarry production amounted to Rs. 1.02 crores as against Rs. 90.74 lakhs in the previous year. Exports of lac have made up to some extent the decline of 1935-36 as compared with the previous year. The value has gone up from Rs. 1.58 crores to Rs. 2.34 crores in 1936-37 which, however, is so far below the level of Rs. 3.33 crores in 1934-35. The trouble would seem to be, however, not so much in the demand from abroad as in the level of prices. For the volume of exports has gone up from 487,581 cwts. in 1935-36 to 853,964 cwts. in the year

under review. Exports for 1934-35 only total 586,000 cwts. in volume.

As indicated already exports of all kinds of raw materials excepting metallic ores and silk have gone up considerable in value, the most notable increase being in the case of oilseeds, raw cotton and jute. Exports of coal and coke increased from 199,829 tons in volume and from Rs. 17 lakhs to Rs. 20 lakhs in value, Ceylon showing the largest increase from 1.3 lakh tons to 2 lakh tons. Exports of chemicals and chemical preparations have been maintained at over Rs. 16 lakhs in value. Exports of lac increased from 487,581 cwts to 833,964 cwts in volume and from Rs. 1.58 crores to Rs. 2.34 crores in value. In the shellac trade it is important to note that though the volume of exports has nearly doubled in most kinds, prices have fallen so low that the value has shown by far a proportionate increase. In the case of button lac particularly, though the volume increased from 157,000 cwts to 332,000 cwts, the value of exports actually fell from Rs. 11.5 lakhs to Rs. 10.8 lakhs. Likewise, the increase in the volume of seedlac from 88,000 cwts to 2.62 cwts, the value increased only from Rs. 38 lakhs to Rs. 67 lakhs. In the case of shellac, exports of shellac increased in volume from 4.32 cwts to 4.97 cwts and from Rs. 1.03 crores to Rs. 1.53 crores in value. The United States has the largest offtake of both seedlac and shellac while the United Kingdom comes as a good second. Exports of shellac to Japan have been on the increase. Hides and skins have increased in value from Rs. 4.13 crores to Rs. 4.43 crores though the volume of exports has declined from 33.7 million pieces to 27.2 million pieces. As usual, goatskins account for the largest export and though the volume of exports has declined from 28 million pieces to 25 million pieces, the value is more or less unaltered at Rs. 2.78 crores. In this trade the United States of America is India's best customer accounting as she does for Rs. 1.56 crores worth in 1936-37 as compared with Rs. 1.69 crores in the previous year. Exports of goatskins to the United Kingdom amounted in value to Rs. 38 lakhs as compared with Rs. 71 lakhs in 1935-36 and the next largest item is cow-hides, exports of which increased in volume from 4.5 million pieces to 4.2 million pieces. In this trade Germany is by far the most important customer having taken 78 lakhs worth as compared with 34 lakhs in the previous year. The United

Kingdom comes as a good second with an offtake amounting in value to Rs. 26 lakhs as compared with Rs. 30.7 lakhs in the previous year. Buffalo hides show the largest increase from Rs. 10 lakhs in 1935-36 to Rs. 21 lakhs in 1936-37.

Exports of metallic ores and scraps of steel for re-manufacture show a slight decline of Rs. 44 lakhs to Rs. 3.37 crores. Piglead, however, changed in volume from 1.3 million cwts. to 1.4 million cwts. and from Rs. 4.78 crores to 2.35 crores in value. Exports of manganese ore declined both in volume and value but the decline is however very inconsiderable. On the other hand, the value is fairly well maintained at about Rs. 1.32 crores though the volume declined from 779,000 tons to 677,000 tons. Wolfram ore increased in volume from 7,825 tons to 9,039 tons and declined from Rs. 1.41 crores to Rs. 1.09 crores in value. Taking metals and ores together, the volume increased from 1.56 million tons to 1.6 million tons and from Rs. 7.73 crores to Rs. 8.02 crores in value. Exports of oils increased from Rs. 63.65 lakhs to 69.97 lakhs in value. Oilcakes showed an increase of 45 lakhs to 2.27 crores, the largest increase being in the case of groundnut cakes which increased in volume from 194,000 tons to 238,000 tons and from Rs. 1.16 crores to Rs. 1.64 crores in value. The largest percentage increase is in the case of Germany whose offtake improved in value from Rs. 9.19 lakhs to Rs. 22 lakhs. But Great Britain which is the biggest customer increased her offtake from 86.7 lakhs to 1.03 crores. Exports of paraffin wax declined in value from Rs. 2.28 crores to Rs. 1.96 crores, the largest decrease being in the case of the United Kingdom which took in 1936-37 only 72 lakhs worth against 82 lakhs in the previous year. The value of exports of rubber increased from Rs. 89.7 lakhs to Rs. 1.04 crores though the volume declined from £32.6 million to £28.9 millions while oilseeds as a whole have made a good showing during the year under review. Exports of castor declined from 59,968 tons to 43,089 tons in volume and from Rs. 83 lakhs to Rs. 62.97 lakhs in value. Exports to France were more than half the value having declined from Rs. 20.7 lakhs to Rs. 10.02 lakhs. Exports to Italy were only a fourth of the previous year. Groundnuts have made very good showing during the year, exports having increased from 412,567 tons to 739,483 tons in volume and from Rs. 6.65 crores to Rs. 12.29 crores in value. Egypt has

almost for the first time figured as an exporter of Indian groundnuts, exports to that country having amounted in value to Rs. 1.06 crores. The United Kingdom and all the chief continental nations have increased their offtake very considerably during the year, in most cases the demand having doubled during this period. If we take into account the figures for orders of cargo, France is the biggest customer, her offtake during the year amounting to over Rs. 3 crores. Exports to the United Kingdom amounted to Rs. 1.60 crores in value against Rs. 1 crore in 1935-36 and Rs. 1.70 crores in the previous year. 1936-37 has also proved a good year for linseed as well. Exports increased from 154,743 tons to 296,304 tons in volume and from Rs. 2.21 crores to Rs. 4.36 crores in value. This compares well with Rs. 3 crores in 1934-35. The United Kingdom is the biggest market having imported from India Rs. 2.86 crores during the year under review as compared with Rs. 1.21 crores in the previous year. Exports of linseed at Rs. 53.68 lakhs were more than double those of the previous year.

The cotton trade had the best time in recent years during 1936-37, exports having increased in volume from 3.39 million bales in 1935-36 to 4.27 million bales in 1936-37. The value also showed a welcome improvement from Rs. 33.77 crores to Rs. 44.41 crores. The United Kingdom took 6.31 crores worth during the year as compared with 4.51 crores during the year 1935-36. Germany's imports at 2.2 crores show a fall of about 40 lakhs but Belgium has proved the better customer her imports amounting to 3.30 crores as compared with 2.20 crores in the previous year. Exports to Spain have fallen off naturally owing to the disturbances in that country but Italy has increased from 1.42 crores to 1.70 crores though even at this level it is much below the level of 2.55 crores in 1934-35. Japan has made up for the decrease of 1935-36 by improving her offtake from 17.94 crores to 25.41 crores. It may be said, therefore, that all the principal customers in Indian cotton have either maintained or improved upon their record in the previous year. Exports of cotton bales increased in value from Rs. 70 lakhs to Rs. 76 lakhs. Cotton manufactures have participated in the general improvement the value of the exports having gone up steadily from Rs. 2.65 crores in 1934-35 to Rs. 2.93 crores in 1935-36 and Rs. 3.78 crores during the

year under review. Cotton twist and yarn increased in volume from Rs. 9.6 million to 12 millions and in value from Rs. 46.9 lakhs to Rs. 58.6 lakhs. In this trade the best customer is Syria who imported 18 lakhs worth as compared with 12 lakhs in 1935-36 and 16 lakhs in 1934-35.

The next best customer is "other countries" with an offtake of Rs. 14 lakhs as compared with Rs. 7.9 lakhs in the previous year. Exports of handkerchiefs amounted to Rs. 44.78 lakhs in value as compared with Rs. 29.75 lakhs in the previous year. The piecegoods trade valued at Rs. 40.92 lakhs against Rs. 18 lakhs in the previous year. Exports of coloured, printed or dyed goods amounted to 73.8 million lakhs in volume and Rs. 2.12 crores in value as compared with 61 million lakhs and Rs. 1.82 crores respectively in the previous year. Taking the whole of the piecegoods trade it is interesting to find that Ceylon had improved her offtake of Indian goods very rapidly during the last three years, her imports from this country amounting to Rs. 88.9 lakhs in 1936-37, Rs. 67.89 lakhs in 1935-36 and Rs. 61.77 lakhs in 1934-35. The Straits Settlements with Rs. 43.92 lakhs and Persia with Rs. 18 lakhs and "other countries" with Rs. 37 lakhs continue to be the more important of the market for Indian piecegoods. It will be seen from the past account that raw cotton and cotton manufactures accounted for as much as Rs. 48.96 crores in the export trade of India as compared with Rs. 37.4 crores in 1935-36 and Rs. 38 crores in 1934-35.

Next only to cotton comes the jute trade. Exports of raw jute amounted to Rs. 14.77 crores, and jute manufactures to Rs. 27.94 crores. At Rs. 14.77 crores exports of raw jute show an increase of only Rs. 1 crore over the previous year. If account is taken of the figures "for orders cargo" Germany is the larger importer of Indian jute during 1936-37 the value being Rs. 2.77 crores against Rs. 2.73 crores in the previous year. France has increased her imports from Rs. 1.37 crores to 1.57 crores, Exports to the United States of America also show a commendable improvement from Rs. 76 lakhs in 1934-35 to Rs. 1.36 crores in Rs. 1935-36 and Rs. 1.59 crores in the year under review; but the United Kingdom still remains the largest and the best customer imports from that country showing a steady increase from Rs. 2.35 crores in 1934-35 to Rs. 2.96 crores in 1935-36 and Rs. 3.47 crores in 1936-37. Sacking gunny bags increased

in volume from 371,000 tons to 451,000 tons and from Rs. 8.98 crores to Rs. 9.78 crores in value. Among the principal customers for this commodity Siam shows the largest of all from Rs. 22.67 lakhs to Rs. 47.44 lakhs which it may be added also compared with Rs. 97.85 lakhs in 1934-35. Australia improved her demand by about Rs. 18 lakhs to Rs. 1.79 crores. Exports to the United Kingdom have gone up from Rs. 37.74 lakhs to Rs. 48.16 lakhs. A similar increase is seen in the case of French Indo-China from Rs. 43.74 lakhs to Rs. 53.64 lakhs, Java shows an even larger increase from Rs. 35.58 lakhs to Rs. 66.56 lakhs. The other importers of sacking gunny bags show very little changes on either side. Exports of gunny bags during 1936-37 amounted in value to Rs. 3.31 crores against Rs. 2.03 crores in 1935-36. Great Britain shows the largest increase from Rs. 74.47 lakhs to Rs. 85.97 lakhs. Exports to Hawaii show marked improvement from Rs. 19.75 lakhs to Rs. 24.81 lakhs. Taking total gunny cloth one sees a steady improvement in the value of exports from Rs. 10.25 crores in 1934-35 to Rs. 11.01 crores and Rs. 12.09 crores in the two succeeding years respectively. Australia is by far the biggest customer with nearly Rs. 2 crores as compared with Rs. 1.34 crores in the United Kingdom, Rs. 66.5 lakhs from Java, Rs. 53.64 lakhs from French Indo-China, Rs. 63 lakhs from Japan, Rs. 61 lakhs from Egypt, Rs. 67 lakhs from Union of South Africa and Rs. 52 lakhs from Cuba. The total gunny cloth amounted to Rs. 15.47 crores against Rs. 12.24 crores in 1935-36. The United States of America improved her offtake steadily in the past three years from Rs. 5.93 crores in 1934-35 to Rs. 7.31 crores and Rs. 8.65 crores in the two succeeding years. As is well-known the Argentine comes second with Rs. 2.78 crores in 1936-37 as compared with Rs. 1.82 crores in the previous year and Rs. 2.45 crores in 1934-35. Great Britain increased her imports of gunny cloth from Rs. 89 lakhs in 1935-36 to Rs. 1.34 crores in 1936-37. Exports to Canada increased from Rs. 74 lakhs to Rs. 68 lakhs. Nearly all the principal customers increased their offtake during the year. Exports of raw wool went up during 1936-37 to Rs. 2.86 crores from Rs. 2.1 crore in the previous

year. United Kingdom alone took more than Rs. 2 crore worth as compared with Rs. 1.38 crores in the previous year. Woollen manufactures increased in value from Rs. 82.9 lakhs to Rs. 87.81 lakhs exports of tanned hides and skins increased in value from Rs. 5.63 crores to Rs. 7.36 crores.

There remains the daily changes in the disturbances of India's cotton trade both on the import side and on the export side. As may be expected the United Kingdom and the British Empire and Japan, that is the countries which have the advantage of a special pact with India, have been able to either substantially retain their share of the import trade or affect an appreciable improvement thereon. A drop in the total imports has, however, affected British exports to this country and the share of the United Kingdom has consequently suffered a slight fall from 38.8 per cent to 34.4 per cent. The other parts of the British Empire however have increased their holding on India's import trade from 9.9 per cent. to 10.8 per cent. The percentage for Japan has gone up from 16.3 per cent. to 16.9 per cent. The U.S.A., Germany, Egypt, Belgium and the Netherlands have had small increases though, in the case of the United States it is the very last, the increase being from 16.6 per cent. to 17.2 per cent. Britain's share of the export trade has also suffered a comfortable fall from 31.4 per cent. to 31.1 per cent. Other British Empires have taken only 13.2 per cent. of her total exports against 14.6 per cent. in the previous year. Japan has shown more pronounced reciprocity in as much as it has increased her share of exports from 13.6 per cent. to 15.3 per cent. the same as her share of ore imports has gone up from 16.3 per cent. to 16.9 per cent. While the U.S.A. took a tenth of our exports in 1935-36, her share during the year under review is only 9.4 per cent. The most notable fall is in the case of Germany which has taken only 4.3 per cent against 6 per cent. in the previous year. It is not a little significant that while the non-descript customers of India have suffered a fall in their share of our import trade, have actually their share of India's exports from 10 per cent. to 13.4 per cent.

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	
1926-27 ...	3,07.12	11.18	37	
1927-28 ...	2,39.60	30.55	62	
1928-29 ...	3,96.43	1,27.01	59	
1929-30 ...	3,91.96	98.54	84	
1930-31 ...	3,62.74	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)

	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	12.40
1931-32 ...	3.73	5.53	9.26	13.00
1933-34 ...	4.39	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)
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	52	9,91	+4,48	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	+2,30	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	+ 4,93
January	11,40	26	10,67	+ 99	6,02	12	+ 5,90	+ 6,99
February	12,54	27	8,75	+4,08	10,80	20	+10,10	+14,16
March	14,82	88	10,67	+8,98	5,56	14	+ 5,42	+ 9,40
TOTAL 1933-34 ...	1,46,82	8,42	1,15,88	+84,86	59,19	1,96	+57,28	+91,59
1934-35								
April	12,44	26	10,97	+1,73	5,44	9	+5,85	+7,08
May	16,11	28	10,48	+2,86	5,46	28	+5,28	+8,09
June	12,29	19	9,35	+2,98	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	+1,25	+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	11,98	32	11,40	+90	6,07	81	+5,76	+6,86
December	11,74	49	10,85	+1,88	6,56	54	+6,02	+7,90
January	18,42	23	12,90	+80	4,80	15	+4,65	+5,45
February	12,87	85	10,40	+2,59	5,52	7	+5,45	+8,04
March	15,18	45	12,40	+8,28	5,68	71	+4,97	+8,20
TOTAL 1934-35 ...	151,66	8,55	162,29	+22,92	57,78	2,66	+55,09	+78,01

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)
1935-36									
April	...	10,76	29	11,60	-55	1,41	19	+1,22	+67
May	...	14,95	26	11,82	+3,89	2,26	24	+2,02	+5,41
June	...	12,51	80	9,920	+2,89	1,18	29	+89	+3,78
July	...	11,80	27	10,06	+2,01	6,19	28	+5,91	+7,92
August	..	11,88	28	11,19	+87	7,80	11	+7,19	+8,56
September	...	11,79	28	10,21	+1,81	8,81	18	+8,18	+4,94
October	...	14,22	81	11,88	+2,70	8,21	10	+8,11	+5,81
November	...	14,23	48	12,76	+1,95	4,09	17	+8,92	+5,87
December	...	18,86	86	10,61	+8,11	8,77	10	+8,67	+6,78
January	...	18,96	87	18,06	+1,27	8,88	98	+2,90	+4,17
February	...	15,10	80	10,19	+4,91	2,69	1,88	+88	+5,77
March	...	15,98	86	10,84	+5,50	2,10	1,04	+1,06	+6,56
TOTAL 1935-36	...	1,60,49	8,76	1,84,89	+20,86	41,84	5,46	+86,88	+66,24
1936-37									
April	...	14,99	84	10,11	+5,22	2,85	95	+1,90	+7,12
May	...	14,21	29	10,05	+4,45	8,80	2,80	+1,00	+5,45
June	...	18,28	26	980	+8,69	2,85	1,44	+1,41	+5,10
July	...	14,14	82	10,09	+4,87	4,08	1,07	+3,01	+5,88
August	...	18,91	82	929	+4,94	2,84	98	+1,86	+6,80
September	...	14,64	54	955	+5,68	2,28	99	+1,24	+6,89
October	...	18,12	50	10,68	+5,94	8,26	96	+2,80	+8,24
November	...	16,88	62	10,62	+6,88	2,64	1,50	+1,06	+7,89
December	...	17,84	54	988	+7,90	1,60	70	+90	+8,80
January	...	20,65	142	12,59	+9,48	2,42	1,88	+59	+10,17
February	...	18,54	52	986	+9,70	1,20	2,50	-1,80	+8,40
March	...	21,58	58	18,12	+8,99	1,24	21	+1,08	+10,02
TOTAL 1936-37	...	196,18	625	125,24	+77,14	80,00	15,51	14,49	+91,68

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	1981-82	1982-88	1988-84	1984-85	1985-86	1986-87
Cotton,—Raw (tons)	480	891	5,21	428	865	504	628	607	762
„ Waste (cwts.)	...	...	8,12	246	288	288	852	467	489
„ Piecegoods (millions of yds.)	90	1,55	1,64	105	66	56	58	71	102
„ Twists & Yarn (millions of lbs.)	198	180	82	22	15	16	18	10	12
Jute, Raw (tons)	764	464	5,54	587	568	748	752	771	821
„ Gunny Bags (in millions No.)	889	716	4,04	889	415	402	428	459	567
„ „ Cloth (in millions of yds.)	970	1,177	1,270	1,021	1,012	1,058	1,068	1,218	1,710
Grain, Pulse and Flour (tons)	...	...	...	2,614	2,056	1,870	1,765	1,558	1,878
Rice not in Husk „	2,898	1,685	1,462	2,801	1,828	1,788	1,592	1,894	1,458
Wheat „	1,808	807	287	20	2	2	11	10	231
Other sorts „	715	649	800	298	226	185	162	149	189
Seeds—Essential „	10	8	9	5	6	8	9	9	10
Linseed „	879	270	251	120	72	379	288	165	296
Groundnut „	212	119	195	672	488	547	510	418	789
Other seeds „	852	811	468	191	221	190	127	95	121
Tea (in millions of lbs.)	266	828	821	842	379	818	825	818	802
Leather (tons)	...	22	15	16	15	20	18	20	25
Hides and Skins—Raw „	78	57	58	84	27	42	40	49	51
Metals—Manufactures and Ores—									
Iron and Steel (tons)	42	61	95	458	887	517	477	598	689
Other Metals „	10	11	88	141	158	156	154	171	177
Manganese Ore „	607	474	648	212	198	266	455	729	677
Other Ores „	12	21	87	28	29	89	57	64	71
Lac (cwts.)	484	84	416	464	418	781	586	488	884
Wool—Raw and Manufactures (in millions of lbs.)	56	51	80	46	88	64	44	59	62
Paraffin wax (tons)	12	22	26	52	45	54	46	54	47
Oilcakes „	140	117	185	291	287	287	848	800	886
Spices (cwts.)	852	815	818	821	299	270	286	252	222
Wood and Timber (tons)	50	29	85	22	17	27	45	65	76
Rubber,—raw (millions of lbs.)	1	8	18	15	7	16	24	81	29
Coffee (cwts.)	255	216	226	156	178	186	141	216	211

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	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
Opium (tons)	51	14	9	8	4	2	10	...	...
Manures (cwts.)	117	57	118	58	81	41	51	61	77
Fodder, Bran and Pollards (tons)	228	129	211	282	225	254	281	258	277
Dyeing and tanning substances (cwts.)	1,618	1,261	1,503	1,407	1,205	1,421	1,545	1,674	1,489
Tobacco (millions of lbs.)	22	26	27	26	22	80	27	80	29
Coir (tons)	86	28	82	26	27	81	81	84	28
Mica (cwts.)	49	50	60	58	40	66	104	167	180
Fruits and Vegetables (tons)	11	10	10	10	10	18	15	17	18
Fish (excluding Canned Fish) (cwts.)	249	289	288	251	221	286	51	267	280
Oils (in millions of gallons)	17	82	27	2.1	2.6	2.9	2.2	2.4	2.9
Coal and Coke (tons)	325	526	484	517	454	874	811	200	250
Hemp—Raw (cwts.)	509	561	455	224	231	388	487	648	769
Ghee (cwts.)	47	46	41	27	22	24	26	24	27
Animals—Living (thousand No.)	451	274	288	184	88	183	168	266	217
Silk raw (lbs.)	1,711	1,017	1,825	585	119	449	687	979	677
Fibre for Brushes and Brooms (tons)	...	4	5	6	7	7	7	8	8
Bristles (cwts.)	94	4	8	8	8	4	4	5	5
Cordage and Rope (cwts.)	58	56	55	46	46	42	58	48	56
Candles (lbs.)	6,069	8,014	9,692	1,485	1,682	1,885	1,767	1,879	1,769
Saltpetre (cwts.)	805	440	278	184	159	188	178	174	1,67
Tallow, Stearine and Wax (cwts.)	17	18	29	11	17	8	4	8	8
Horns, Tips, etc. (cwts.)	88	80	70	18	88	42	37	37	69
Sugar (tons)	11	8	18	1	1	1.6	1.5	1.4	24.7

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	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Cotton, Raw	...	88,28	88,68	65,47	28,78	20,70	27,58	84,95	88,77	44,41
„ Manufactures	...	11,40	11,78	17,22	4,82	8,29	2,78	2,65	2,98	8,78
Jute Manufactures	...	20,25	40,20	48,15	21,92	21,71	21,87	21,47	28,49	27,94
„ Raw	...	22,20	12,80	19,58	11,19	9,78	10,98	10,87	18,71	14,77
Tea	...	18,07	17,55	20,92	19,44	17,15	19,84	20,18	19,82	20,08
Grain, Pulse and Flour	...	45,81	37,42	32,88	20,87	16,08	11,75	11,84	12,41	15,89
Seeds	...	24,87	12,17	28,54	14,59	11,81	18,66	10,54	10,88	18,47
Leather	...	4,80	7,19	6,24	5,85	4,76	5,88	5,48	5,68	7,86
Metals and Ores	Manganese Ore	99	89	1,45	57	48	51	80	1,82	1,81
	Other metals and Ores	70	1,88	2,74	4,90	4,19	4,98	5,11	6,41	6,71
Hides and Skins (raw)	...	10,82	9,88	9,45	8,66	2,77	4,25	818	4,18	4,48
Paraffin Wax	...	55	98	1,19	2,82	2,02	2,29	192	2,28	1,96
Oil-Cakes	...	1,06	95	1,61	2,01	1,97	1,65	1,97	1,82	2,27
Wool—Raw and Manufactures	...	2,94	4,11	4,09	8,37	1,78	2,72	2,17	2,98	8,74
Lac	...	2,20	2,57	8,42	1,84	1,24	2,46	8,30	1,58	2,84
Coffee	...	1,88	1,18	1,47	95	1,10	1,02	78	1,02	84
Tobacco	...	87	56	85	85	77	94	82	92	98
Dyeing and Tanning substances	...	1,15	2,41	1,52	87	75	79	72	70	64
Spices	...	86	1,08	1,12	87	72	72	77	55	55

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 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Fodder, Bran and Pollards	90	42	1,20	75	70	47	77	78	96
Fruits and Vegetables	47	57	64	90	70	99	108	165	1,70
Coir	80	54	1,02	76	60	77	80	87	71
Wood and Timber	1,00	71	1,12	78	56	84	110	185	1,77
Oils	92	1,87	3,78	57	54	57	55	64	70
Fish (excluding canned fish)	89	48	57	54	46	45	45	46	45
Coal and Coke	76	48	57	55	44	87	29	17	20
Provisions and Oilman's stores	46	60	66	40	88	28	28	27	28
Mica	86	57	80	89	82	45	69	88	94
Hemp—Raw	78	1,18	90	27	32	86	89	60	69
Drugs and Medicines	19	80	86	28	81	24	26	25	27
Fibre for Brushes, etc.	...	15	21	20	24	22	19	22	20
Bristles	16	14	15	12	14	17	28	28	29
Saltpetre	85	80	46	11	12	15	14	18	11
Opium	9,98	2,17	2,38	87	11	78	7	...	...
Animals—Living	28	22	30	15	10	10	12	9	8
Apparel	15	11	21	10	9	11	11	18	14
Rubber—Raw	89	1,58	1,18	45	9	81	66	89	104
Building and Engineering materials other than Iron, Steel or Wood	...	...	...	7	9	10	10	10	18
Cordage and Rope	8	11	18	9	8	7	7	7	8
Tallow, Stearine and Wax	9	8	12	4	5	8	8	8	4
Candles	17	23	20	4	5	5	5	5	5
Silk—Raw and manufactures	50	45	42	8	8	8	5	6	7
Sugar	16	22	56	2	2	2	2	2	6
Horns, Tips, etc.	21	7	12	1	2	8	2	8	4
All other articles	2,77	2,89	5,61	8,78	8,24	8,84	8,76	4,90	7,26
TOTAL EXPORTS	2,19,50	2,15,97	2,86,83	1,55,89	1,82,27	1,47,25	1,51,67	160,52	196,18

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	1981-82	1982-88	1988-84	1984-85	1985-86	1986-87	Pre-War Average	1981-82	1982-88	1988-84	1984-85	1985-86	1986-87
United Kingdom ...	1,691	1,295	952	865	725	998	982	980	1058	8,975	8,11	2,24	2,56	2,85	296	8,47
Other parts of the Br. Empire	4	8	5	6	8	28	29	25	29	2	2	8	6	8	9	10
United States of America	585	528	488	274	201	290	289	445	494	2,88	91	69	75	76	186	158
France ...	428	198	857	291	886	469	465	420	491	2,25	98	1,16	1,25	1 22	187	88
Italy ..	218	215	180	246	210	864	487	275	423	1,15	86	66	96	1,27	90	1,40
Brazil ..	15	66	79	90	74	107	100	111	119	...	81	26	88	88	88	42
Japan ...	17	80	60	56	81	97	180	128	191	11	17	28	24	82	40	55
Belgium ...	...	1	174	257	102	818	841	294	892	14	76	59	88	86	99	88
Spain ...	122	172	182	199	287	200	241	287	96	65	69	72	51	61	84	158
Germany ...	920	84	586	788	785	926	761	880	848	4,90	2,56	2,29	242	1,51	254	267
Austria ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Hungary ...	250	18	2	...	...	...	...	...	...	...	...	...	...	...	...	...
Other Countries ...	86	44	92	270	804	761	489	525	459	1,68	75	86	95	198	159	184
Total British Empire	1,695	1,808	957	871	788	1,017	961	954	1,082	8,99	8,18	2,27	2,62	2,42	505	857
Total Foreign Countries	2,589	1,296	2,145	2,416	2,420	8,178	8,250	8,865	8,518	18,21	7,99	7,46	8,81	8,45	10,66	11,20
Grand Total	4,281	2,599	8,102	8,287	8,158	4,190	4,214	4,819	4,595	22,20	11,12	9,78	10,98	10,87	18,71	14,77
Percentage of Br. Empire	89.6	50.1	80.9	26.5	28.2	24.2	22.8	22.0	28.6	40.5	28.1	28.8	28.9	22.2	22.8	24.1

Exports of Jute Manufactures.

(Quantity in Lakhs of Yds.)

Gunny Cloth

(Value in Lakhs of Rupees)

Name of Countries to which Exported	Pre-War	War	Post-War	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	Pre-War	1980-81	1981-82	1982-83	1983-84	1985-86	1985-86	1986-87
	Average 1909-10 to 1918-14	Average 1914-15 to 1918-19	Average 1919-20 to 1928-24								Average 1909-10 to 1918-14							
United Kingdom ...	428	1,838	741	402	622	575	516	494	857	1380	56	59	70	68	57	58	89	184
Ceylon ...	...	...	...	80	29	28	26	28	18	21	...	8	4	8	8	8	2	2
Union of South Africa ...	...	...	...	57	44	45	64	69	85	120	2	10	7	7	9	9	11	18
Canada ...	888	584	508	781	688	655	801	685	754	999	40	91	65	65	87	70	75	88
Australia and New Zealand ...	209	258	175	227	228	277	248	284	808	845	...	88	82	40	85	40	48	43
China ...	...	...	...	50	58	42	15	11	6	...	...	8	7	5	2	1	1	...
Philippine Islands and Guam ...	...	...	...	158	162	209	178	187	175	261	...	28	25	88	28	19	28	82
Egypt ...	...	...	...	56	69	66	118	96	99	101	1	5	9	8	18	12	12	10
United States of America ...	6,6898	6,95	8,988	8,588	6,924	5,488	6,747	6,099	77,50	1,04,00	692	1,062	657	510	660	598	781	865
Uruguay ...	...	...	...	141	104	96	102	78	25	92	...	22	11	10	12	8	8	9
Argentine Republic ...	1,727	1,440	1,818	2,086	1,049	2,875	1,696	22,92	16,68	27,87	209	816	119	247	198	245	182	278
Peru ...	...	...	...	15	17	22	80	89	89	86	..	1	2	2	8	4	4	8
Other Countries ...	869	1,016	528	249	272	244	286	228	404	655	76	88	88	80	85	41	48	70
Total British Empire	...	...	...	1,447	1,556	1,580	1,650	15,64	20,22	28,15	...	201	178	178	1,95	1,76	220	280
„ Foreign Countries	...	...	...	11,268	8,655	8,587	8,866	90,72	101,61	142,82	...	1,486	867	846	6-44	9,28	1,004	12,67
GRAND TOTAL ...	9,700	11,561	12,708	12,710	10,211	10,117	10,522	10,685	121,88	170,97	10,76	16,86	10,45	10,24	11,88	10,99	12,24	15,47
Percentage of British Empire ...	...	...	...	11.4	15.2	15.6	15.8	14.6	16.6	16.5	...	...	...	...	...	...	...	...

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	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Pre-War Average 1909-10 to 1918-14	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom	805	2,265	418	475	465	451	480	518	702	79	114	107	98	108	112	184
Germany				17	80	16	9	10	80	15	5	9	4	2	4	5
Netherlands	206	688	299	14	15	10	11	22	25	...	3	8	4	8	5	5
Belgium				67	67	91	89	92	11	...	15	15	20	16	17	21
France				7	7	7	6	7	17	...	2	2	2	2	2	8
Portuguese East Africa [E. Africa incl. Mauritius]	99	90	112	124	119	117	142	156	187	14	38	28	25	31	38	36
Union of South Africa [S. Africa incl. Rhodesia]	119	248	177	182	181	154	240	249	286	89	62	57	46	66	67	68
Straits Settlements (incl. Labuan).				156	148	141	46	50	46	...	47	39	85	12	14	12
Siam				62	118	128	424	311	218	27	19	31	31	98	78	48
Indo-China	398	486	534	47	86	74	118	198	259	...	18	22	17	27	44	54
Hawaii				207	181	171	189	152	208	19	29	24	23	27	20	25
China				234	5	6	12	7	28	...	79	65	1	8	2	5
Japan	85	118	186	46	94	62	182	198	296	...	12	24	14	41	48	68
Java	180	206	205	296	186	128	99	180	267	45	96	41	34	26	86	67
Egypt	119	885	102	148	128	175	190	285	269	48	46	85	52	55	64	61
United States of America.	180	229	298	84	128	89	119	164	164	92	14	25	12	18	22	20
Cuba and West Indies.				267	231	237	310	314	349	44	88	76	66	88	90	89
Chile and Argentine [S. America]	481	532	335	52	78	193	70	96	119	85	15	22	40	89	28	24
Australia and New Zealand	628	787	720	742	1,049	376	668	745	929	...	286	320	242	193	203	230
Other countries	796	747	607	618	636	374	12,10	862	1267	432	166	171	259	175	217	239
TOTAL BRITISH EMPIRE	...	...	...	1,612	1,990	2,047	1,752	18,86	24,16	...	474	543	488	427	449	5,21
TOTAL FOREIGN COUNTRIES	...	...	...	2,273	2,161	2,094	2,477	17,08	32,51	...	620	573	484	598	652	6,88
GRAND TOTAL	8,891	6,676	4,043	3,885	4,151	4,016	4,229	45,89	56,67	939	10,94	11,16	972	10,25	11,01	12,09
Percentage of British Empire in total	...	...	...	41.5	46.8	47.8	88.7	41.1	52.6	...	48.3	48.7	34.9	41.6	40.8	48.1

Exports of Cotton—Raw.

(Quantity in Thousands of Bales of 400 lbs.)

(Value in Lakhs of Rupees)

Country to which Exported	Pre-War Average	War Average	Post-War Average	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	Pre-War Average	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
United Kingdom ...	221	212	152	168	168	849	347	435	600	172	1,54	161	8,87	8,42	4,51	6,81
Other parts of British Empire	80	21	18	8	2	1	8	8	4	41	5	8	2	8	5	5
Japan ...	1,012	1,878	1,540	1,080	1,085	1,106	2,055	17,59	24,25	14,51	11,05	11,12	11,88	21,58	17,94	25,41
Italy ...	283	249	268	184	151	261	278	154	1,65	8,18	1,62	1,44	2,39	2,55	1,42	1,70
France ...	109	69	91	81	128	161	148	165	155	1,51	79	1,17	1,58	1,85	1,62	1,58
China (exclusive of Hongkong, etc.) ...	81	48	289	436	184	845	142	109	72	48	4,52	1,88	8,30	1,29	1,05	72
Belgium ...	277	44	217	121	128	144	158	281	811	8,68	1,18	18,0	1,48	1,49	2,20	8,20
Spain ...	50	41	61	45	50	42	61	68	26	78	42	49	68	55	64	25
Germany ...	851	69	198	166	151	246	158	258	211	4,45	148	1,88	2,10	1,87	2,61	2,20
Other Countries	192	64	98	85	71	178	150	194	299	266	80	55	1,07	1,87	1,74	2,99
Total British Empire ...	152	288	165	171	170	848	850	458	604	218	1,59	1,64	8,89	8,45	4,56	6,86
Total Foreign Countries ...	2,255	1,957	2,752	2,198	1,898	2,478	8,140	2,988	86,64	81,15	21,86	18,78	24,18	84,50	29,28	88,05
GRAND TOTAL	2,407	2,190	2,917	2,369	2,048	2,821	8,490	8,896	4,268	88,28	28,45	20,87	27,52	81,95	88,79	44,41
Percentage of British Empire	6.8	10.6	5.7	7.2	8.2	12.2	10.9	18.5	14.1	...	...	...	...	...	...	...

Exports of Tea.

(Quantity in Millions of lbs.)

(Value in Lakhs of Rupees.)

Name of Countries	Pre-War Average	War Average	Post-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Pre-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom	194	252	280	291	381	276	288.5	275.6	256.4	9.51	16.90	14.79	17.59	18.15	17.75	17.17
Canada	10	10	10	14	17	15	18	12.8	14.9	55	67	80	77	65	64	75
Australia	9	8	6	8	2	2	2	1.9	1.0	41	18	8	11	8	10	5
Ceylon	4	8	8	8	4	8	8	8.0	2.6	27	20	28	20	20	28	18
Egypt	1	2	2	3	2	1	1	...	0.8	...	15	8	7	4	8	2
Iraq	...	...	12	1	...	.5	0.5	0.6	0.5	...	5	2	8	8	4	8
Russia	30	18	...	8	8	7	...	...	1.7	1.42	16	14	4	...	...	18
United States of America	2	6	6	10	11	8	8	6.8	7.9	12	50	57	46	41	86	48
China	8	6	...	1	...	...	1	...	...	86	6	...	...	...	...	...
Persia	...	4	2	2	1	1	...	1.8	11.0	2	10	7	6	...	...	92
Georgia	...	...	...	2	1	...	...	...	...	...	9	8	...	...	...	...
Arabia	...	...	...	1	2	.5	1	0.7	0.5	1	5	5	8	6	4	8
New Zealand	...	...	...	1	1	2.5	1	0.4	0.2	...	5	6	18	7	2	1
Other Countries	8	14	10	6	4	6.8	5.8	0.6	4.9	40	27	28	86	58	61	42
Total British Empire	221	280	306	312	355	299.5	306.5	294.4	275.6	10.74	17.98	15.99	18.80	19.01	18.78	18.19
Total Foreign Countries	45	48	15	29	24	18.5	18.8	18.8	26.8	233	1.46	1.16	1.05	1.12	1.14	1.85
GRAND TOTAL	266	328	321	341	379	318	324.8	313.2	301.9	13.07	19.41	17.15	19.85	20.13	19.92	20.04
Percentage of British Empire to total	83.1	86.7	95.3	91.5	93.7	94.3	94.1	94.2	91.2	83.2	92.6	93.2	94.6	94.4	94.2	90.7

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	1981-82	1982-88	1988-84	1984-85	1985-86	1986-87	Pre-War Average	1981-82	1982-88	1988-84	1984-85	1985-86	1986-87
France ...	169.1	87.5	126.8	228.2	219.4	188.0	99.8	140.7	156.2	2.82	8.58	8.68	2.88	1.47	2.29	8.11
United Kingdom ...	1.9	8.8	18.8	77.9	81.6	52.8	184.2	62.4	98.2	8	1.15	58	67	1.70	1.00	1.60
Belgium ...	15.8	6	14.0	4.5	8.6	18.5	14.0	9.1	55.8	27	7	14	14	15	88	1.58
Italy... ..	7	2.9	14.6	80.8	28.2	72.4	54.4	9.1	107.7	2	1.29	44	84	59	80	1.47
Germany ...	7.4	8	12.2	121.8	48.1	97.2	65.1	178	80.0	12	1.76	76	1.18	78	1.10	1.81
Netherlands ...	1	...	7.8	147.2	87.4	100.9	114.9	628	110.1	...	2.11	1.88	1.22	1.27	1.24	...
Other Countries	17.8	18.6	7.0	17.1	9.7	21.6	29.8	952	...	27	24	15	25	2	48	...
TOTAL ...	211.8	118.7	195.2	672.0	488.0	546.5	511.2	412.6	789.6	8.58	10.14	7.12	6.68	5.98	665	12.29
Percentage of United Kingdom to total ...	0.9	6.9	6.8	11.6	6.9	9.0	9.1	...	...	0.85	11.8	7.7	4.6	2.0	...	...
Declared value per cwt. Rs. ...	...	...	...	...	...	...	...	...	...	8-5-1	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	1981-82	1982-88	1988-84	1984-85	1985-86	1986-87	Pre-War Average	1981-82	1982-88	1988-84	1984-85	1985-86	1986-87
United Kingdom	180.5	208.5	141.9	14.1	14.8	176.4	108.8	90.1	197.8	2.65	16	16	2.01	1.28	121	286
France ...	76.8	25.8	42.9	44.2	21.6	42.6	18.7	7.6	6.5	1.56	55	25	51	17	10	10
Italy ...	26.6	16.6	16.1	14.6	10.6	21.7	10.1	6.7	8	55	24	18	31	18	9	1
Belgium ...	67.8	4.9	23.1	8	8	10.2	8	8.6	2	1.56	1	4	18	1	5	...
Germany ...	83.5	2.0	8.2	9.8	9.5	10.8	5.4	8.4	18.5	70	14	18	18	7	11	20
Australia ...	1.6	11.1	11.4	10.0	9.4	12.0	21.4	9.7	18.8	8	12	10	14	26	18	27
Other countries	42.2	7.0	12.9	26.8	8.8	108.7	83.2	83.6	58.9	94	81	9.6	1.56	1.08	52	92
TOTAL ...	879.0	270.4	251.5	120.8	72.2	878.9	288.4	164.7	296.0	7.99	1.58	91	4.58	8.00	221	486
Total for Br. Empire ...	182.1	214.6	158.8	24.1	23.7	188.4	119.8	99.8	21.61	2.68	1.28	26	2.15	1.54	1.84	8.18
Percentage of Br. Empire to total	84.9	79.4	61.0	20.0	82.8	41.7	50.0	60.6	72.9	88.5	8.8	28.0	46.9	51.8	60.4	71.8

Exports of Oil Seeds—(Contd.)

(Quantity in Hundreds of Tons).

CASTOR SEEDS

(Value in Lakhs of Rupees).

Name of Country	(Quantity in Hundreds of Tons)			CASTOR SEEDS						(Value in Lakhs of Rupees)						
	Pre-War Average	War Average	Post-War Average	1981-82	1982-88	1988-84	1984-85	1985-86	1986-87	Pre-War Average	1981-82	1982-88	1988-84	1984-85	1985-86	1986-87
United Kingdom	58.9	47.1	10.5	28.2	22.7	27.0	26.4	22.4	20.5	78	84	88	88	81	81	29
United States of America ...	11.8	14.7	18.8	34.7	28.4	28.4	18.9	40	1.7	18	48	41	29	17	5	2
Belgium ...	18.7	1.1	4.1	4.1	4.1	8	...	...	...	20	6	6	...	...	...	...
France ...	15.7	14.8	8.8	20.8	16.8	18.0	9.2	18.6	6.5	28	81	24	16	12	19	10
Italy ...	11.0	7.1	4.8	12.1	6.2	7.9	5.1	67	1.4	16	18	9	10	6	9	2
Other Countries	7.5	4.0	1.8	9.5	11.9	10.0	20.4	18.8	18.0	11	18	11	12	15	19	20
TOTAL ...	118.6	88.8	48.8	104.0	85.9	81.6	68.7	600	48.1	1.66	1.50	1.24	1.00	81	88	68

Percentage of United Kingdom to total ...

47.4	58.0	21.7	22.8	25.0	19.5	29.4	87.8	47.0	22.6	25.8	19.0	29.6	87.8	46.0
------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

RAPE-SEED

United Kingdom	25.8	50.5	46.7	14.4	10.7	19.7	12.2	20	94	85	19	14	21	14	8	18
France ...	68.5	19.6	17.0	8.6	8.8	11.1	5.2	38	71	96	7	10	18	6	4	10
Italy ...	7.1	6.0	26.0	18.0	68.2	9.7	8.4	2	50	11	26	91	11	4	...	8
Belgium ...	98.6	5.4	56.5	1.8	2.5	4.8	2.6	17	26	1.52	2	8	5	8	8	4
Germany ...	68.2	1.6	88.4	4.0	0.1	9.6	4.2	48	1	1.05	5	12	11	5	6	1
Other Countries	10.0	7.6	21.2	10.6	13.7	21.9	9.8	75	128	16	14	23	28	10	10	18
TOTAL ...	272.7	90.7	205.8	58.9	114.5	78.5	86.9	100	876	4.15	78	1.54	81	42	26	54

Percentage of United Kingdom to total ...

9.8	55.7	22.7	28.7	9.8	22.7	88.1	10.5	250	8.4	26.0	9.1	22.2	88.8	11.5	24.1
-----	------	------	------	-----	------	------	------	-----	-----	------	-----	------	------	------	------

Exports of Rice not in Husk

(Quantity in Thousands of Tons)

(Value in Lakhs of Rupees)

Name of Countries	Pre-War Average	War Average	Post-War Average	1981-82	1982-88	1988-84	1984-85	1985-86	1986-87	Pre-War Average	1981-82	1982-88	1988-84	1984-85	1985-86	1986-87
	1909-10 to 1918-14	1914-15 to 1918-19	1919-20 to 1928-24							1909-10 to 1918-14						
United Kingdom	159	825	96	51	75	71	88	50	189	157	40	54	48	58	89	99
Ceylon	825	828	811	410	894	408	892	424	428	427	867	840	270	278	850	8,51
Straits Settlements	808	261	170	288	156	154	185	188	161	824	167	110	88	82	108	120
Union of South Africa ... ..	...	..	..	27	25	25	26	26	88	82	80	26	21	25	28	86
Kenya Colony, Zanzibar Pemba ... ..	..	...	...	17	18	16	11	12	18	88	17	12	15	12	18	14
Australia and New Zealand ... ..	...	...	...	5	5	6	7	4	7	21	5	4	8	4	8	5
Belgium ... ..	...	...	...	49	29	41	20	8	8	42	28	16	15	8	5	5
Germany	845	28	207	262	228	246	158	79	55	841	178	155	188	88	55	40
Netherlands	240	24	81	158	96	81	62	70	88	216	109	61	43	89	45	28
China	18	6	68	854	234	171	178	72	17	...	265	180	98	97	50	12
Japan and Korea	128	52	52	...	74	...	4	9	48	184	...	62	...	8	7	36
Sumatra	10	38	88	96	62	70	70	75	47	11	64	48	41	40	49	88
Java	168	82	75	68	18	4	26	4	1	177	48	11	2	15	8	1
Bahrein Islands ... ..	...	...	...	16	17	18	12	18	19	25	28	21	18	11	18	19
Egypt	54	17	86	86	86	24	80	14	8	54	58	25	48	17	10	5
Mauritius and Dependencies	56	50	50	51	52	52	62	55	50	74	54	46	87	47	48	48
Cuba ... ..	...	...	...	70	89	46	17	25	29	...	52	80	28	9	21	26
West Indies ... ..	...	...	...	21	17	22	86	48	29	19	18	14	14	25	84	28
United States of America ... ..	...	...	...	1	1	1	8	2	8	...	1	1	1	2	2	4
Arabia	25	88	47	42	44	44	48	47	49	...	50	48	86	41	44	48
Other Countries	572	446	289	289	857	210	292	229	276	480	175	180	1,22	181	158	203
Total British Empire	1,044	1,094	885	810	721	790	588	845	929	10,80	7,57	5,92	4,90	5,12	698	718
„ Foreign Countries	1,854	591	627	1,401	967	948	1,009	549	529	15,61	10,27	8,81	5,62	5,18	402	441
GRAND TOTAL	2,898	1,685	1,462	2,801	1,828	1,788	1,598	18,94	14,58	25,67	17,84	14,28	10,52	10,80	10,95	11,59
Percentage of Br. Empire	48.5	65.0	57.1	85.2	40.0	45.4	87.0	60.5	68.8	...	...	...	...	...	...	...

Exports of Hides and Skins.

RAW HIDES

(Value in Lakhs of Rupees)

Name of Countries	Pre-War Average	War Average	Post-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom ...	81	1,09	60	4	4	11	10	14	28
United States of America ...	69	1,65	86	...	...	1	1	1	5
Italy ...	84	1,45	52	15	18	18	24	12	9
Spain ...	47	21	26	8	4	4	3	5	...
France ...	8	9	5	...	...	...	...	...	8
Belgium ...	7	1	4	...	...	...	...	...	...
Germany ...	2,48	25	75	32	19	84	29	37	43
Netherlands ...	17	1	4	4	4	6	10	5	8
Other Countries ...	1,52	28	80	80	28	26	33	33	41
Total British Empire ...	84	1,16	68	4	4	12	10	14	28
Total Foreign Countries ...	6,28	3,88	2,74	87	59	89	100	98	105
Grand Total ...	6,57	5,05	3,42	91	63	1,01	1,10	1,12	1,33
Percentage of British Empire in total	5'2	22'9	19'9	4'4	8'8	12	9'1	12'5	20'9
Declared Value per cwt. ...	66-4-1	...	...	26-11-8	23-6-9	25-0-0	23-14-4	24-7-11	...

RAW SKINS

United Kingdom ...	26	89	50	47	54	84	46	76	88
United States of America ...	2,80	3,93	4,80	1,77	91	1,59	1,09	1,63	1,55
France ...	25	22	28	16	21	16	6	6	16
Other Countries ...	42	28	48	21	54	64	41	58	42
Total British Empire ...	82	57	69	50	61	91	54	87	88
Total Foreign Countries ...	3,41	4,25	5,33	2,24	1,53	2,32	1,48	2,11	2,18
Grand Total ...	3,73	4,82	6,02	2,74	2,14	3,23	2,02	2,98	3,01
Percentage of British Empire in total	8'6	11'8	11'8	19'8	23'5	23'1	26'7	29'2	29'0

Exports of Wheat

(Quantity in Thousands of Tons)

(Value in Lakhs of Rupees)

Name of Countries 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	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	Pre-War Average 1909-10 to 1918-14	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
	United Kingdom	985	840	162	17	8.6	7.0	161.8	10.51	10	7	6.0	144.6
France	106	84	18	...	...	...	...	..	...	118	...	...	...	...	...	...
Italy	84	62	11	...	...	...	...	...	...	87	...	...	...	...	...	...
Belgium	188	6	16	...	...	...	...	..	...	146	...	...	...	...	...	...
Germany	16	...	8	...	...	...	...	...	0.8	...	...	...	..	...	...	0.7
Egypt	4	268	9	...	..	...	...	...	54.0	4	...	...	...	...	..	48.9
Arabia	...	...	...	2	0.6	0.6	0.7	0.6	0.8	...	2	1	0.6	0.7	0.6	0.8
Other Countries	25	47	18	2	1.6	1.5	1.7	2.0	14.6	46	8	8	2.7	2.9	2.8	14.6
Total British Empire	992	680	178	17	...	...	8.6	7.0	161.8	10.60	10	...	...	7.0	6.0	144.6
„ Foreign Countries	816	177	64	4	2.2	2.1	2.4	2.6	70.2	8.87	5	4	3.8	3.6	3.4	65.0
GRAND TOTAL	1,808	807	237	21	2.2	2.1	11.0	9.6	281.5	18.97	15	4	8.8	10.6	9.4	209.6
Percentage of British Empire	75.8	78.1	78.0	81.0	...	...	78.2	72.9	69.6	...	...	...	...	...	...	68.9

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 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom ...	1,52	4,88	2,91	2,08	1,60	2,88	1,94	2,21	3,06
Other Countries ...	4	2	29	5	2	8	4	8	12
Total British Empire ...	1,53	4,89	3,08	2,09	1,61	2,88	1,94	2,21	3,06
Total Foreign Countries ...	4	1	16	4	1	8	4	8	12
Grand Total ...	1,57	4,40	3,19	2,13	1,62	2,41	1,98	2,29	3,18
Percentage of British Empire in total ...	97.5	99.8	95.0	98.1	99.4	99.0	98.5	97.8	96.2

Dressed and Tanned Skins.

United Kingdom ...	2,15	1,99	2,14	2,77	2,77	2,92	2,91	2,62	3,22
United States of America ...	29	59	25	8	...	4	8	8	2
Japan ...	18	12	86	26	21	21	24	19	22
Other Countries ...	13	6	18	8	6	7	7	7	11
Total British Empire ...	2,21	2,02	2,26	2,81	2,81	2,95	2,93	2,63	3,23
Total Foreign Countries ...	50	78	67	33	28	29	32	28	34
Grand Total ...	2,71	2,75	2,93	3,14	3,04	3,24	3,25	2,91	3,57
Percentage of British Empire in total ...	81.5	74.5	79.5	89.5	92.1	91.5	90.2	90.0	90.5

Exports of Manganese Ore.

(Quantity in Thousands of Tons)

(Value in Thousands of Rupees)

Names of Countries				1931-32	1932-33	1933-34	1934-35	1935-36	1936-37							
	Pre-War Average	War Average	Post-War Average							Pre-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom	1,93	8,86	2,45	54	55	117	159	197	204	80,66	16,06	14,16	25,40	32,82	38,64	41,59
Germany	7	8	5	2	1	8	1	17	14	...	41	25	60	81	8,61	4,81
Netherlands	19	...	15	8	2	8	...	...	...	...	89	50	55	...	...	...
Belgium	1,50	15	1,04	85	82	19	87	72	98	25,84	10,65	9,50	2,40	6,50	12,65	20,88
France	97	47	1,08	80	75	61	118	119	87	17,24	17,87	16,88	10,60	17,76	20,69	17,19
Italy	12	12	12	...	...	...	...	16	...	...	...	...	...	...	...	26
Japan	...	12	2	...	81	62	99	174	2	...	...	6,65	10,77	18,95	28,96	20,18
United States of America	1,82	48	66	28	...	...	45	106	128	18,75	8,44	...	1	8,07	10,99	14,48
Other Countries	2	1	1	10	2	6	50	28	77	6,15	220	85	29	1,07	11,46	18,16
TOTAL	6,07	4,74	6,43	2,12	1,98	266	460	729	676	98,64	56,52	48,24	51,84	80,48	182,41	181,50
Percentage of U.K. to total	1'8	70'9	37'8	25'5	27'8	44'0	34'1	27'0	27'0	31'8	28'8	29'4	50'0	40'8	29'1	31'6

Exports of Shellac.

(Quantity in Thousands of Cwts.)

(Value in Lakhs of Rupees.)

United Kingdom	79	65	66	81	809	229	44	145	...	35	25	1,28	144	17	42
United States of America	164	191	233	66	94	82	87	156	...	44	22	81	49	81	49
Germany	61	4	11	84	40	20	28	50	...	15	10	11	18	10	16
France	18	9	9	11	12	8	9	18	...	9	8	4	5	8	4
Japan	4	12	10	27	81	48	54	67	...	15	8	10	29	19	21
Australia	2	2	2	4	8	4	7	5	...	1	2	1	8	2	1
Belgium	...	...	...	4	8	8	4	8	...	2	1	1	2	1	2
Italy	...	...	...	5	6	6	7	2	...	2	2	2	4	8	1
Other Countries	28	18	15	30	81	46	75	55	...	12	10	11	88	18	17
TOTAL	856	801	856	20'2	529	482	285	497	...	1,80	88	1,94	2,37	104	158
Percentage of B. Empire to total	22'8	22'8	21'9	32'4	59'0	49'8	15'5	29'1	...	27'7	32'5	60'4	50'2	16'8	27'4

Exports of Pig Lead (Value in Lakhs of Rupees)

Names of Countries	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom	104.2	117.6	127.7	88.0	111.5	168.0
Germany	6.9	...	...	...	...	...
Belgium	4.6	...	...	...	...	...
Ceylon	5.9	4.0	3.6	3.2	3.8	4.7
China	3.8	3.2	0.9	0.5	...	...
Japan	38.7	20.9	17.1	40.6	54.5	53.8
Other Countries	9.2	1.9	2.4	7.9	9.1	28.0
Total British Empire (United Kingdom and Ceylon)	110.1	121.6	181.3	86.9	114.8	172.7
„ Other Countries	63.2	26.0	20.4	49.0	63.6	62.2
TOTAL	1,73.8	147.6	151.7	185.9	178.4	234.9
Percentage of U. K. and Ceylon in total	63.5	82.3	87.5	68.9	64.8	73.6

Exports of Wolfram Ore (Value in Lakhs of Rupees)

United Kingdom	56.2	50.2	60.9	97.5	127.1	73.4
Germany	3.8	0.7	1.7	4.0	3.9	4.5
Other Countries	2.4	0.5	1.8	5.9	9.6	3.0
TOTAL	62.3	51.4	64.4	107.4	140.9	109.0
Percentage of United Kingdom	90.5	97.7	94.5	90.9	90.4	67.8

Exports of Coal (Value in Lakhs of Rupees)

Names of Countries	Pre-War Average 1909-10 to 1913-14	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom ... ..	...	1.0	3.6	3.1	...	...	...
Ceylon	43	33.0	20.0	25.9	23.0	12.6	17.1
Straits Settlements	17	2.5	1.9	0.5	1.8	1.0	1.1
Hongkong ... ..	...	14.1	13.8	6.5	3.3	2.9	...
Philippine Islands and Guaw ... ..	...	3.2	0.7	0.4	...	...	...
Other Countries	16	0.7	3.8	0.7	0.7	0.8	2.2
Total British Empire	60	50.6	39.3	36.2	23.4	16.5	13.2
„ Foreign Countries	16	3.9	4.5	1.1	0.7	0.8	2.2
GRAND TOTAL	76	54.5	43.8	37.3	24.2	17.3	15.4
Percentage of British Empire in total	78.0	92.3	89.7	97.0	97.6	95.4	89.2

Exports of Pig Iron

United Kingdom	24.1	26.1	21.6	21.3	15.0	39.3
Germany	4.6	2.7	1.3	0.8	0.8	...
China	5.3	5.9	4.4	3.3	1.9	1.9
Japan	65.3	24.2	40.2	54.2	91.3	69.0
United States of America	17.9	10.9	13.3	6.9	12.0	12.9
Other Countries	5.0	4.6	3.2	5.7	3.0	5.9
TOTAL	122.7	74.4	85.0	92.7	124.5	129.0
Percentage of United Kingdom	19.6	35.1	26.2	22.9	12.0	30.3

Exports of Raw Wool
(In Lakhs of Rupees.)

		Pre-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom	...	261	250	98	146	92	188	201
United States of America	...	4.5	22	9	38	25	57	65
Other Countries	...	2.5	5	8	19	10	15	20
TOTAL	...	268	277	110	198	127	210	286

Manufactures.

United Kingdom	...	19	40.6	44.6	56.5	78.9	60.8	65.6
Ceylon	...	...	1.7	1.0	1.9	1.6	0.7	0.5
United States of America	...	2.4	10.8	12.7	8.5	7.8	18.1	12.0
Australia	...	...	0.1	0.7	0.6	1.0	1.6	1.0
Other Countries	...	1.7	3.2	3.6	5.2	5.5	4.9	6.5
TOTAL	...	25.1	56.4	68.5	72.7	89.8	80.6	85.6
Other kinds of Woollen Manufactures		2.8	2.7	4.3	1.3	2.0	2.8	2.2
Total of Woollen Manufactures	...	25.9	59.1	67.8	74.0	91.8	82.9	87.8
Total of Wool and Woollens	...	294.0	836.1	177.8	278	219.2	298.0	378.9

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 1928-24	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Cotton—										
Piecegoods (millions of yds.)	...	2,654	1,853	1,852	776	1,225	796	944	947	764
Twist and yarn (millions of lbs.)	...	42	84	45	81	45	82	84	43	29
Raw	Tons ...	12	58	12	79	85	48	60	77	65
Waste	Cwt. ...	8	2	...	...	...	...	...	...	...
Metals and Ores.—										
Iron and Steel	Protected Tons { ...	808	422	661	278	287	244	456	538	424
	Not Protected " } ...				134	186				
Copper	" ...	593	90	260	204	325	78	495	417	220
Lead	" ...	123	102	67	80	27	28	28	28	26
Zinc	" ...	106	51	101	206	326	818	876	4,87	4,76
Brass	" ...	20	118	444	848	571	471	687	5,09	3,29
Aluminium	" ...	181	9	58	89	25	89	52	64	68
Sugar	" ...	727	558	517	556	402	264	228	201	28
Oils:—										
Mineral	(millions of gallons) ...	91	83	189	217	188	186	201	227	234
Other kinds	(thousands of gallons) ...	1,197	862	445	3,930	3,151	6,383	3,346	9,586	3,932
Motor Cars	No. ...	(a) 8	2	8	7	6	10	14	14	18
" Cycles	" ...	(a) 1	1	2	0.9	0.8	0.7	0.8	0.7	0.9
" Omnibuses, etc,	" ...	...	...	1	4	8	5	10	8	9
Grain, Pulse and Flour	Tons ...	15	84	186	156	77	124	416	236	100
Silk Raw	lbs. ...	2,567	1,958	1,816	1,563	3,186	2,379	2,217	2,191	1,977
" Waste	" ...	92	78	105	4	8	...	5	...	...
" Piecegoods including mixed goods (in millions of yds.)	...	82	28	20	25	45	51	47	36	28
" Yarns, Noils, Warps, etc.	lbs. ...	1,011	787	784	1,710	3,010	2,028	3,293	3,623	2,444
Wool—Raw	" ...	3,202	3,678	2,086	6,691	7,186	5,099	5,985	7,485	6,774
Piecegoods	(millions of yds.) ...	22	8	5	6	14	11.5	11	5	5
Shawls	No. ...	1,663	193	80	164	333	332	416	500	495
Other Manufactures	lbs. ...	4,032	1,713	1,459	4,150	6,557	7,245	10,770	27,884	104,676
Liquors	gallons. ...	6,401	4,362	4,825	5,666	5,415	4,855	4,912	5,121	5,076
Paper and Pasteboard	cwts. ...	...	...	1,229	2,191	2,640	2,564	2,988	3,333	3,203
Spices	" ...	1,329	1,365	1,265	1,270	1,272	1,365	1,509	1,684	1,753

(a) Figures for 1918-14.

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 1913-14	War Average 1914-15 to 1918-19	Post War Average 1919-20 to 1923-24	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Chemicals—									
Soda Compounds cwt. ...	531	826	903	1,515	1,638	1,672	1,909	2,011	4
Tobacco (in millions of lbs.) ...	8	4	6	4.5	6	5	4	8	4
Glass—Bottles and Phials gross ...	166	345	338	461	810	786	8,30	1,040	846
Glass Beads and false Pearls cwt. ...	29	18	22	15.5	23	22	21	22	19
„ Sheet & Plates (millions of sq. ft.) ...	16	8	15.5	16	19	20	25	31	27
Dyes from Coal tar (in millions of lbs.) ...	15	8	12	18	13	14	19	20	17
Camphor lbs. ...	1,417	1,632	707	1,933	1,753	1,786	2,019	2,207	1,868
Quinine Salt „ ...	119	76	81	111	103	128	103	104	99
Fruits—Dried, Salted, etc. tons ...	53	53	63	71	61	57	84	90	90
Soap cwt. ...	314	342	239	310	296	303	207	60	48
Paints and Colours „ ...	296	255	299	334	340	370	356	371	372
Cement tons ...	30	95	119	88	88	66	67	59	51
Bricks and Tiles (millions) No. ...	18	17	20	11	11	14	14	18	14
Salt ...	545	444	511	451	544	378	378	337	332
Teak wood C. tons. ...	92	70	26	12	7	12	9	1	1
Boots and Shoes (millions of pairs) ...	2.3	1.2	0.6	9.5	7.9	7.3	4.3	2.9	1.7
Books, Printed, etc. cwt. ...	31	23	28	31	27	30	34	34	39
Tea (millions of lbs.) ...	4.8	7.4	7.7	7	5.8	4.7	3.1	4.1	4.1
Coal and Coke tons. ...	455	133	630	63	47	76	71	76	92
Paper-making materials cwt. ...	171	135	165	443	313	406	390	309	221
Gums and Resins cwt. ...	150	87	163	140	146	137	197	196	134
Flax manufactures (millions of yds.) ...	5.2	3.1	1.3	1.6	1.6	1.6	1.7	1.6	1.6
Animals—living No. ...	14	12	5	12	5	6	9	9	10
Hides and Skins—raw tons. ...	1	1	1	1.8	1.8	2.2	2.0	1.9	1.6
Tallow and Stearine cwt. ...	57	40	64	123	140	117	147	149	205
Fish (excluding Canned Fish) cwt. ...	205	129	119	88	93	103	97	110	99
Matches (millions of gross) ...	14.6	14.6	12.7	0.1	0.06	0.03	0.05	0.11	0.05
Oil-Cloth and Floor-Cloth sq. yds. ...	1,444	1,121	634	733	944	856	1,044	1,060	1,065
Cordage and Rope cwt. ...	23	25	15103	23	15	18	22	30	26
Pitch and Tar ...	290	219		63	117	155	105	32	64

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	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Cotton—Raw and Waste ...	1,08	45	2,01	7,08	7,23	8,56	5,28	6,75	5,85
" Piecegoods ...	45,24	44,40	58,26	14,67	21,26	18,49	16,92	15,78	18,87
" Other Manufactures ...	6,94	708	12,89	4,48	5,57	4,25	4,84	5,36	4,11
Machinery and Millwork ...	5,61	514	21,65	10,92	10,54	12,77	12,64	18,68	14,14
Metals and Ores—Iron and Steel ...	12,49	10,11	21,80	6,82	5,80	5,55	6,34	7,22	5,94
Copper ...	8,07	71	1,92	85	1,15	88	1,40	1,17	81
Other Metals ...	2,51	2,07	4,90	2,60	8,28	8,06	8,48	8,64	2,92
Ores ...	2	2	4	1	1	1	1	1	2
Oils—Mineral ...	8,72	4,02	8,08	9,04	6,70	5,88	6,07	5,92	5,98
Other Oils ...	28	22	25	68	1,80	92	90	1,88	1,82
Silk—Raw and Manufactures ...	895	8,98	5,74	2,74	4,88	8,59	8,87	2,78	2,41
Sugar (including Molasses) ...	12,98	14,56	19,71	6,17	4,28	2,71	2,11	1,91	24
Instruments, Apparatus and Appliances ...	1,86	1,66	8,92	8,69	8,85	4,02	4,78	5,18	5,19
Vehicles—Motor Cars ...	1,18*	75	8,12	1,48	1,29	1,77	2,57	2,51	2,48
" Cycles ...	11*	6	19	4	4	8	4	8	4
" Omnibuses ...	6	6	70	67	41	66	1,21	1,20	1,81
Other Vehicles ...	45	75	2,25	2,29	2,08	2,81	2,76	8,18	2,79
Hardware ...	8,17	2,79	5,79	2,61	2,09	2,88	8,05	8,27	2,89
Wool and Woollens ...	8,25	2,00	2,62	1,62	2,96	2,55	8,86	2,79	2,87
Provisions and Oilman's Stores ...	2,29	2,28	8,20	8,41	2,98	2,72	2,89	8,12	8,20
Paper and Pasteboard ...	1,27	2,02	8,50	2,50	2,86	2,68	2,78	800	2,82
Chemicals ...	90	1,92	2,05	2,57	2,71	2,70	2,92	812	2,72
Dyes ...	1,88	1,06	2,91	2,68	2,50	2,46	8,08	884	8,01
Liquors ...	2,02	2,87	8,72	2,27	2,26	2,27	2,86	2,48	2,40
Rubber ...	28	97	1,84	2,21	1,98	1,88	2,06	2,07	2,11
Drugs and Medicines ...	94	1,21	1,70	1,91	1,86	1,98	1,92	2,11	2,07
Spices ...	1,64	2,06	2,87	2,08	1,72	1,56	1,55	1,62	1,88
Glass and Glassware ...	1,62	1,28	2,58	1,22	1,42	1,22	1,88	1,89	1,28
Fruits and Vegetables ...	1,08	1,10	1,76	1,84	1,17	1,00	1,80	1,81	1,42
Tobacco ...	71	1,82	2,28	94	97	72	62	62	81
Paints and Painter's Materials ...	71	99	1,44	88	92	92	97	1,02	97
Apparel ...	147	148	1,70	82	84	82	82	71	80
Precious Stones and Pearls, unset ...	98	47	1,19	45	84	75	50	48	98
Soap ...	62	96	1,71	89	88	78	68	84	27
Salt ...	79	1,82	1,74	72	79	50	52	57	60
Building and Engineering Materials ...	78	99	1,67	84	77	65	60	78	67
Stationery ...	58	64	1,07	64	72	66	69	76	75

*Figures for 1918-14.

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	Wr Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1928-24	1930-31	1931-32	1933-34	1934-35	1935-36	1936-37
Grain, Pulse and Flour ...	20	58	2,70	1,18	71	84	2,66	162	72
Haberdashery and Millinery ...	1,87	1,02	1,81	54	68	55	67	59	64
Toilet Requisites ...	20	25	42	48	58	57	64	66	67
Belting for Machinery ...	40	60	84	50	58	46	50	54	46
Manures ...	5	5	10	36	53	52	67	71	80
Boots and Shoes ...	57	41	41	65	52	48	35	29	21
Wood and Timber ...	70	1,02	1,09	61	51	54	57	58	49
Earthenware and Porcelain ...	52	46	78	38	50	48	44	46	47
Tea Chests ...	44	80	72	50	48	58	52	58	56
Toys and Requisites for Games ...	40	80	52	37	47	58	51	43	44
Books, Printed, etc. ...	48	46	53	58	46	49	52	58	57
Arms, Ammunition and Military Stores	84	88	60	68	44	48	24	49	66
Tea ...	22	47	55	44	85	25	17	25	18
Jewellery, also plate of gold and silver	24	9	17	19	84	5	21	11	16
Bobbins ...	...	37	66	32	29	22	29	81	22
Umbrellas and Fittings ...	42	29	38	30	28	27	27	29	19
Tallow and Stearine ...	16	16	28	21	25	20	22	28	36
Cutlery ...	22	15	30	21	24	26	28	29	29
Gums and Resins ...	24	20	33	24	24	27	27	26	23
Paper-making Materials ...	11	18	31	36	22	27	26	20	15
Furniture and Cabinetware ...	22	15	26	20	18	17	20	23	21
Flax, Raw and Manufactures ...	81	42	39	18	17	17	18	18	17
Animals, Living ...	44	52	25	42	15	28	25	20	16
Fish (excluding canned fish) ...	81	20	22	18	14	15	17	19	18
Jute and Jute Goods ...	19	36	22	18	18	10	9	11	9
Clocks, Watches and parts ...	28	18	24	11	18	16	16	18	40
Coal and Coke ...	81	80	2,25	14	10	14	12	18	51
Matches ...	88	1,58	1,77	1	1	1	1	1	
All other articles ...	7,96	10,88	24,24	9,67	10,81	18,01	18,59	12,75	11,69
TOTAL	1,45,85	1,47,80	2,54,05	1,26,87	1,82,58	1,15,86	1,82,25	1,84,87	1,25,22

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	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Pre-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
				1931-32	1932-33	1933-34	1934-35	1935-36	1936-37		1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom ...	370	247	257	119.1	133.6	99.5	97.8	97.7	76.7	335.2	121.8	131.8	95.8	100.5	97.5	78.8
Switzerland ...	11.8	8.4	6.0	0.5	0.7	0.1	0.1	...	...	...	0.6	0.7	0.1	0.1	...	...
Italy ...	6.1	8.0	2.9	1.4	...	0.2	...	...	...	5.0	1.2	...	0.2	...	...	...
China (including Hongkong)	0.4	2.8	7.8	132.2	133.2	102.8	127.7	134.2	49.9	...	92.0	84.8	64.8	92.8	98.9	33.2
Japan ...	4.6	74.2	167.9	62.1	131.5	116.8	118.4	213.1	158.8	6.2	32.8	160.7	95.7	115.9	179.2	137.4
Other Countries ...	25.5	10.7	5.7	0.5	2.0	1.6	1.1	.8	0.4	30.8	0.5	1.8	0.9	0.9	.6	0.8
TOTAL	417.9	340.6	446.8	315.8	451.0	320.6	340.17	445.7	285.2	377.2	293.9	378.8	257.5	309.8	371.1	254.9
Percentage of U. K. ...	88.5	72.5	57.5	37.4	29.6	31.0	28.	21.9	26.6	33.8	40.7	34.8	36	32.4	26.8	30.9

Imports of Cotton Piecegoods

(Quantity in Millions of Yards)

Grey—

United Kingdom ...	1,316	315.2	569	59.7	111.1	33.2	102.7	35.4	53.4	20,74	96	176	135	158.0	133.0	91.9
Japan ...	2.6	31.2	37	135.2	243.9	141.6	193.7	246.1	203.2	...	239	329.6	170	243.8	300.0	245.6
United States ...	10.4	7.4	3	0.5	0.3	0.2	0.3	...	...	...	1	0.6	0.5	0.3	...	...
Other Countries ...	2.0	1.1	3	4.0	0.7	0.1	0.7	0.4	0.2	35	6	1.1	.8	1.3	1.0	0.2
TOTAL	1,331	394.9	677	240.4	356.0	230.1	297.4	331.9	261.8	21,09	392	507.3	305.3	403.1	434.0	337.7

White—

United Kingdom ...	642.9	510.0	363.5	207	231	134.2	236.6	199.0	164.0	10,37	402	326.8	369	451.6	339.9	344.8
Netherlands ...	7.6	3.8	4.4	3.6	2.2	1.5	2.0	1.5	1.9	...	10.6	6.5	4	5.6	4.0	4.5
Switzerland ...	2.6	0.8	1.7	5.9	6.5	0.6	4.6	3.5	4.7	...	17.1	24.9	2	16.8	14.7	19.9
Japan ...	...	3.3	2.6	59.8	120.4	75.2	40.3	53.2	43.1	...	93.4	162.6	96	64.5	34.0	74.6
Other Countries ...	1.1	1.0	1.4	3.4	2.6	0.4	1.9	1.0	1.2	33	9.5	11.8	2	3.0	5.4	5.3
TOTAL	654.2	513.9	373.6	279.7	412.7	261.9	235.2	203.3	219.6	11,20	532.6	732.5	473	546.6	493.0	449.1

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	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	Pre-War Average	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
Coloured, Printed or Dyed—																
United Kingdom ...	590.4	850.8	254.6	110.8	194.8	142.4	215.1	155.0	116.7	11,80	285.4	487.6	854.1	504.8	877.8	294.1
Germany ...	...	...	...	0.5	0.6	0.8	0.1	0.2	0.2	...	8.9	4.9	...	1.0	1.1	1.8
Netherlands ...	15.2	8.8	7.0	8.1	2.6	0.1	0.2	0.8	...	...	10.1	7.7	0.4	0.4	0.7	...
Belgium ...	4.1	0.5	0.8	0.2	0.2	0.2	0.1	...	...	...	1.8	1.5	...	0.7	...	...
Switzerland ...	2.7	1.7	1.5	1.6	8.8	...	8.0	2.2	2.8	...	6.9	14.1	...	10.9	...	9.1
Italy ...	10.8	9.1	4.2	9.9	7.2	0.4	1.8	0.6	...	...	25.9	18.8	1.4	5.9	2.0	2.6
Straits Settlements (including Labuan) ...	1.5	0.7	1.4	0.4	0.2	0.9	0.8	...	...	...	1.5	0.8	1.4	0.7	...	...
Japan ...	0.5	18.1	14.0	94.7	214.2	128.9	189.8	191.5	160.6	...	162.7	291.9	165.4	211.7	251.4	287.6
Other Countries ...	6.9	1.6	1.9	2.5	2.2	0.5	0.5	0.7	2.1	1,65	7.5	6.8	2.7	6.0	8.8	5.0
TOTAL	681.6	886.8	285.4	228.2	424.8	268.7	860.9	851.8	292.5	12,95	505.2	884.1	525.4	742.7	645.8	549.9
Fents—																
United Kingdom	14.4	26.1	11.9	6.5	10.7	11.1	...	...	...	...	18.0	19.8	16.6	...	...	...
United States of America	0.8	5.8	4.8	16.4	19.4	15.6	...	...	...	...	22.9	30.2	15.9	...	...	...
Japan ...	...	...	...	...	1.2	8.2	...	...	...	...	...	1.8	11.9	...	...	...
Other Countries ...	0.2	0.5	0.1	0.4	0.4	0.2	...	...	...	...	0.8	1.1	0.5	...	...	...
TOTAL	14.9	81.9	16.8	8.8	81.7	84.92	...	...	...	...	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	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Pre-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom ...	7	4	7	22.9	34.9	36.7	16.8	20.8		25.4	28.0	33.1	33.1	15.8	20.9	1.1
Ceylon ...	...	...	...	1.0	1	...	...	...	...	...	1.8	0.1	...	...	...	...
Straits Settlements ...	1.7	28.5	7.5	4	2	...	...	2	1	8.7	0.8	0.5	0.1	2	0.4	0.2
Java ...	458.0	867.2	882.8	868.7	294.8	194.4	175.2	150.4	15.0	923.8	480.2	329.7	197.9	168.9	140.2	13.1
China (Incl. Hongkong)	4.4	5.7	6.5	4.0	2.2	3.4	3.8	3.0	5.0	10.8	9.0	4.4	4.9	5.6	4.6	4.8
Russia ...	...	...	...	68.4	8.8	...	...	...	...	...	66.8	8.9	...	...	...	...
Poland ...	...	...	...	1.8	...	...	...	...	...	...	15.4	...	...	...	...	...
Germany ...	...	...	...	15.4	2	...	1	...	...	8.8	17.7	0.8	...	...	...	...
Hungary ...	...	...	118	6	...	...	...	...	...	85.1	0.7	...	...	...	...	...
Czechoslovakia ...	...	...	...	9	4	...	...	...	...	...	1.2	0.5	...	...	...	...
Other Countries ...	174.2	70.2	85.2	34.5	27.8	26.9	26.2	26.8		209.4	24.1	29.7	19.8	25.2	24.6	5.2
TOTAL ...	684.0	472.0	444.0	516.1	401.7	261.4	222.7	201.2	23.1	12,51.0	600.7	422.9	270.8	210.7	190.7	23.9

Imports of Machinery and Millwork.

(Value in Lakhs of Rupees)

	Pre-War Average	War Average	Post-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom ...	497.7	420.4	17,60.8	7,78.2	7,81.2	8,73.5	915.8	925.5	926.8
United States of America ...	24.6	66.8	3,10.8	1,22.1	81.1	80.7	114.8	117.1	128.4
Japan ...	0.6	18.5	6.0	8.7	4.1	7.8	11.2	17.6	18.8
Italy ...	1.4	2.4	4.8	...	...	...	...	...	...
Germany ...	30.8	2.5	38.9	1,12.8	98.1	181.8	126.6	164.4	200.8
Belgium ...	1.8	...	...	26.8	38.0	42.0	16.7	27.5	31.1
Other Countries ...	4.7	8.8	44.5	55.2	51.1	140.5	79.1	116.6	112.0
TOTAL ...	561.1	5,18.9	21,64.8	10,92.8	10,54.2	12,76.9	1268.7	1867.7	14,18.9
Share of United Kingdom	88.7%	81.8%	81.8%	70.8%	4.1%	68.4%	72.4	67.6	65.5

Imports of some kinds of Iron & Steel Manufactures
(Quantity in Thousands of Tons)

(Value in Lakhs of Rupees)

			1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Iron—																
Ore	...	...	8.1	0.4	0.7	2.0	1.5	1.7	1.0	2.8	0.8	0.6	1.5	1.1	1.8	1.8
Manufactures																
Angle, Tee, Bolt and Rod	Protected	...	0.5	—	—	—	2.5	—	—	1.0	0.1	—	—	2.2	—	—
	not Protected	...	0.7	2.1	2.9	1.8	0.8	—	—	0.7	0.9	2.8	1.7	0.6	—	—
Bars and Channels	Protected	...	1.9	0.4	0.2	0.2	0.5	1.0	0.7	1.9	0.4	0.2	0.2	1.2	2.8	1.6
	not Protected	...	2.8	0.9	1.0	1.1	0.8	—	—	4.6	2.4	2.5	2.7	2.0	—	—
Other Manufactures	...	...	0.2	0.1	0.1	—	0.1	0.1	0.1	0.6	0.4	0.4	0.8	0.8	0.2	0.2
Total of Iron excluding ore	Protected	...	2.8	0.5	0.2	0.2	8.1	1.1	0.7	2.8	0.5	0.2	0.2	8.8	2.4	1.6
	not Protected	...	6.8	8.5	4.7	5.0	8.2	1.8	1.7	8.2	5.1	6.8	6.2	4.0	1.5	1.5
	TOTAL	...	8.6	4.0	4.9	5.2	6.8	2.9	2.4	11.0	5.6	6.5	6.4	7.4	8.9	8.16
Steel—																
Angle, Tee and Spring	Protected	...	26.8	18.4	11.7	11.4	18.9	19.6	14.9	27.6	16.9	10.1	10.9	14.2	19.9	16.6
	not Protected	...	1.8	0.7	0.6	0.1	—	—	—	1.7	1.0	0.6	0.2	—	—	—
Bars (Other than Cast Steel)	...	...	87.4	72.5	69.2	66.1	2.6	54.5	27.5	91.2	65.1	56.8	68.0	68.8	61.7	86.5
Other Kinds	...	...	2.6	2.8	2.8	2.7	12.4	18.1	85.5	9.8	5.7	7.7	9.2	14.1	15.7	28.1
TOTAL OF STEEL	Protected	...	77.6	50.5	38.6	81.2	44.8	74.8	44.1	80.0	47.5	81.1	82.4	51.6	86.1	57.6
	not Protected	...	40.6	48.4	50.2	49.1	44.7	17.4	88.8	49.8	41.2	44.4	50.9	45.5	11.2	28.1
	TOTAL	...	118.2	98.9	88.8	80.8	89.0	92.2	77.9	129.8	88.7	75.5	88.8	97.2	97.8	80.7
Iron or Steel—																
Beams, Channels, Pillars	Protected	{ fabricated }	18.5	4.6	1.4	2.8	1.4	1.7	2.5	82.6	10.9	8.0	4.9	2.9	4.6	6.8
Girders, Bridge Works	Protected	{ others }	78.8	31.5	14.8	16.9	20.9	27.0	22.4	72.8	28.8	12.8	16.1	20.6	26.6	28.2
	TOTAL	...	86.8	86.1	15.7	19.2	22.8	28.7	24.9	104.9	89.7	15.8	21.0	28.5	81.2	29.6
Bolts and Nuts	Protected	...	8.9	7.0	6.5	7.6	10.2	12.6	9.4	26.5	18.9	18.8	21.1	28.6	82.0	28.5
Fencing Materials (including Fencing Wire)	...	...	7.4	8.5	4.5	5.7	7.8	8.8	7.8	18.0	9.4	14.2	14.9	18.1	18.1	15.2
Hoops and Strips	...	...	88.8	28.8	24.8	28.0	84.5	46.9	41.2	48.7	27.9	27.6	85.8	45.8	57.1	58.9
Nails, Rivets & Washers (other than Wire Nails)	Protected	...	18.9	2.1	2.6	4.8	5.6	8.0	5.9	88.1	4.2	4.9	8.6	10.6	14.9	11.2
	not Protected	...	—	8.7	7.9	5.8	6.6	7.9	6.4	—	27.2	25.8	19.7	21.5	25.1	21.8
	TOTAL	...	18.9	10.9	10.5	10.6	12.2	15.9	12.8	88.1	81.4	80.7	28.8	82.1	40.0	82.5
Pipes and fitting Casts	...	...	8.0	1.7	2.0	8.4	1.6	1.4	1.4	10.2	6.4	6.0	7.6	6.9	6.8	6.6
Rails, Chairs and Fish-plates	...	...	10.6	4.6	1.7	8.0	5.8	7.9	10.0	15.5	9.8	4.4	5.0	7.5	7.8	10.1
Screws	...	...	1.6	2.0	2.0	1.4	1.7	2.8	1.9	9.2	11.1	9.9	6.2	7.5	10.4	8.4
Sheets and Plates	Protected	...	146.5	88.4	72.4	60.1	58.5	78.2	64.6	287.5	164.8	122.9	112.2	110.8	129.7	109.9
Galvanised	not Protected	...	0.9	0.6	0.8	0.7	0.8	—	—	1.7	1.1	0.5	1.2	0.6	—	—
	TOTAL	...	147.4	84.0	72.7	60.8	58.8	78.2	64.6	289.2	165.9	128.4	118.4	110.9	129.7	109.9

Imports of some kinds of Iron & Steel Manufactures

(Quantity in Thousands of Tons)

(Value in Lakhs of Rupees)

			1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Tinned	...	Protected ...	17.8	7.6	7.0	7.2	5.6	6.5	1.4	54.8	19.9	19.5	21.4	17.0	20.4	5.7
Not Galvanised or Tinned	...	...	89.8	22.1	22.1	28.8	31.4	37.4	26.5	53.0	28.5	27.1	31.0	42.6	48.5	36.0
Sleepers and Keys of Steel	{	Protected	15.8	5.8	8.8	2.8	4.2	4.5	4.6	17.2	7.6	4.2	4.2	6.8	7.0	6.5
		not Protected	1.2	0.8	—	—	—	—	—	2.0	0.6	0.1	—	0.2	—	—
TOTAL			16.5	5.6	8.4	2.9	4.8	4.5	4.6	19.2	8.3	4.3	4.2	6.5	7.0	6.5
Tubes, Pipes and Fittings Wrought	{	Protected	8.5	—	—	0.6	0.2	0.1	1.4	12.8	0.1	...	1.8	0.9	0.2	2.9
		not Protected	34.2	23.8	23.5	28.5	34.7	62.0	38.9	102.2	71.2	61.7	69.8	37.9	111.6	76.7
TOTAL			37.7	23.8	23.5	29.0	34.9	62.1	40.3	115.0	71.3	61.7	71.6	38.8	111.8	79.6
Wire Nails	...	...	12.4	9.5	13.2	11.9	15.6	15.3	3.0	19.8	14.8	23.8	20.0	24.1	21.9	12.5
Wire Rope	...	...	3.3	2.6	2.0	2.3	3.2	3.0	3.4	13.3	14.2	10.7	11.5	15.5	14.9	17.3
Wire other than Fencing Wire	{	Protected	12.3	9.4	9.6	3.4	9.5	9.6	3.6	20.3	15.4	17.1	14.6	15.9	15.7	14.1
		not Protected	15.0	10.1	9.0	3.3	7.3	3.0	6.3	30.5	18.1	13.9	16.2	12.9	13.8	11.6
Other Manufactures			16.1	6.7	5.4	4.4	7.0	7.6	3.1	57.0	41.9	17.8	15.1	26.7	29.8	32.3
Total of Iron or Steel	{	Protected	341.4	136.1	161.9	155.6	174.9	211.6	172.7	593.4	320.9	267.1	272.3	301.0	347.6	279.4
		not Protected	146.0	37.1	75.3	37.9	99.3	142.7	109.3	349.7	216.3	131.1	191.3	232.5	273.5	230.3
TOTAL			437.4	173.2	237.2	243.5	274.2	354.3	282.0	943.1	537.8	448.2	463.6	533.5	621.1	510.2

Imports of Electrical Instruments, Apparatus and Appliances

(Value in Lakhs of Rupees)

Name of Countries	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom ...	174	115	122	180.5	162.4	175.0	170.4
Germany ...	43	38	34	25.2	32.0	37.8	42.7
Netherlands ...	15	18	11	11.5	18.0	18.1	5.8
Belgium ...	7	5	8	8.8	2.1	8.8	5.8
Italy ...	9	5	6	6.8	7.6	6.2	8.5
Japan ...	7	5	17	15.2	16.8	17.8	17.2
United States of America ...	44	80	27	28.9	30.6	38.8	36.1
Other Countries ...	12	17	17	15.0	16.8	17.3	22.6
TOTAL ...	8,11	2,28	2,34	2,30.9	281.8	308.3	308.6

Imports of Kerosene Oil

(Value in Lakhs of Rupees)

Name of Countries	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Russia ...	56	...	1,64	1,50.2	1,47.6	144.4	117.6
Georgia ...	1,21	1,18	...	...	...	...	...
Roumania ...	...	...	...	28.1	7.0	2.9	1.8
Azerbaijan ...	65	72	...	...	...	...	...
Sumatra ...	...	...	...	10.9	41.5	16.1	58.2
Persia ...	86	95	39	2	36.1	45.7	19.2
Java ...	...	...	...	18.4	8.0	...	...
United States of America ...	1,48	1,28	18	18	6	8.0	1.6
Other Countries ...	68	25	33	8.7	19.0	4.8	2.5
TOTAL ...	5,84	4,38	2,54	2,26.8	2,60.6	216.9	195.9

Imports of Cement

Name of Countries	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom ...	36	25	17	14.2	18.4	19.6	15.4
Germany ...	1	1	...	...	...	...	...
Japan ...	18	10	8	5.6	8.8	2.1	1.8
Other Countries ...	5	5	4	2.4	1.6	1.8	1.6
TOTAL ...	55	41	29	22.2	28.8	22.0	18.8

Imports of Motor Vehicles

(Quantity in Numbers)

(Value in Lakhs of Rupees)

Name of Countries	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Pre-War Average	War Average	Post-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Motor Cars (including Taxi-Cabs)—															
United Kingdom ...	2,178	3,953	5,848	6,811	6,744	6,837	77	24	80	50	80	106	123	127	122
United States of America ...	8,868	1,201	2,227	5,564	8,851	8,870	21	46	166	65	29	36	93	74	76
Germany ...	212	146	108	130	835	818	...	...	...	4	2	2	2	7	16
France ...	161	84	62	26	18	...	5	2	7	5	2	1	1	...	...
Italy ...	510	226	221	267	210	892	...	2	9	10	5	5	4	3	5
Canada ...	676	296	1,715	2,057	2,828	1,290	...	...	85	10	6	26	88	88	21
Other Countries ...	115	290	80	89	109	247	10	1	15	4	5	1	1	2	8
TOTAL	7,220	6,201	9,759	14,434	18,590	12,989	1.18	75	3.12	148	129	177	257	251	243
Motor Cycles (including Scooters)—															
United Kingdom ...	803	699	612	675	554	491	10.8	5.1	13.5	3.9	3.3	3	3.4	2.8	2.4
United States of America ...	8	1	12	17	180	430	...	...	...	...	...	0.1	0.1	0.5	1.1
Other Countries ...	110	82	76	102	...	...	0.40	1.3	5.9	0.3	0.2	0.2	0.3	...	...
TOTAL	926	782	700	794	734	921	10.7	6.4	19.4	4.2	3.5	3.3	3.3	3.3	3.5
Motor Buses—															
United Kingdom ...	435	517	528	1,171	982	1,217	3.6	2.7	22.8	14.4	9.9	12.4	25.3	30.9	33.1
United States of America ...	3,236	1,793	3,692	6,559	5,051	6,012	0.7	2.7	29.7	88.8	24.7	36.4	67.5	54.5	67.9
Canada ...	598	333	1,243	2,058	2,335	1,719	...	...	6.2	9.0	5.8	16.4	25.6	30.8	23.2
Other Countries ...	33	23	33	185	102	2,12	1.4	1.0	10.9	0.7	0.6	0.6	2.3	3.7	6.9
TOTAL	4,802	2,676	5,496	9,973	8,470	9,160	5.7	6.4	69.6	66.5	41.0	65.8	119.6	119.9	131.1

Imports of Rubber Manufactures

(Quantity in Thousands)

(Value in Lakhs of Rupees)

Name of Countries	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47
Pneumatic Motor Covers																		
United Kingdom ...	1,32	81	87	1,08	197	229	216	238	59.4	87.0	30.8	44.8	70.8	87.4	98.3	105.3		
Germany ...	36	31	18	16	10	15	14	22	19.3	17.1	7.9	8.1	4.0	6.7	6.8	10.1		
France ...	84	20	23	15	7	2	2	...	11.4	6.5	7.5	6.1	8.0	0.8	1.1	0.1		
Italy ...	49	28	30	32	10	4	...	...	21.4	18.4	12.5	18.8	8.8	1.8	0.2			
Canada ...	1,17	55	24	12	22	12	2	1	58.1	20.8	7.6	4.8	6.8	4.1	0.6	0.5		
United States of America ...	1,13	1,41	1,59	87	37	33	20	16	59.1	68.0	66.1	40.4	16.4	14.5	9.9	7.5		
Other Countries ...	6	15	7	21	28	23	27	28	1.9	4.8	2.4	7.7	8.7	9.7	8.8	8.6		
TOTAL ...	4,87	3,71	3,48	2,92	3,11	3,27	2,81	2,90	225.6	163.0	184.8	125.7	118.3	124.4	126.2	132.1		

(In Hundreds of Numbers)

(In Thousands of Rupees)

Pneumatic Motor Cycle covers	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47
United Kingdom ...	1,09	82	46	32	38	38	29	27	78.5	47.2	61.4	51.4	63	45	38	35		
United States of America ...	7	8	7	5	2	2	8	2	14.9	5.0	8.8	7.6	2	2	3	2		
Other Countries ...	47	56	36	17	11	4	2	2	36.6	50.0	36.0	21.3	13	4	2	2		
TOTAL ...	1,68	91	89	54	51	44	32	29	130.0	102.2	106.2	80.8	78	51	41	37		

(In Thousands of Numbers)

(In Lakhs of Rupees)

Pneumatic cycle covers	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47
United Kingdom ...	3,44	6,29	9,56	7,74	11,17	1,325	1,068	1,212	14.2	10.4	14.6	11.8	14.8	17.1	16.0	18.0		
Germany ...	1,20	1,02	2,41	45	38	71	761	605	1.8	1.5	3.8	0.7	4	0.9	7.2	5.2		
France ...	2,03	1,88	1,72	36	97	9	761	605	3.2	3.4	2.9	1.4	1.2	0.1	7.2	5.2		
Other Countries ...	47	1,76	2,65	4,64	5,20	180	761	605	0.8	2.8	3.9	4.9	5	1.6	7.2	5.2		
TOTAL ...	12,14	10,90	16,34	18,69	17,72	15,35	1,824	1,817	20.0	18.1	24.7	18.8	21.4	19.7	28.2	23.2		

(In Hundreds of Numbers)

(In Thousands of Rupees)

Solid Rubber Tyres for Motor Vehicles	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47
United Kingdom ...	24	23	18	18	24	34	22	16	253.4	224.5	169.4	183.4	237	242	148	140		
Germany ...	12	5	7	2.9	5	5	4	8	170.1	63.9	85.5	33.2	57	56	57	29		
United States of America ...	20	16	8	7.8	2	4	5	8	238.5	164.7	98.2	91.2	36	42	58	42		
Other Countries ...	4	1	2	0.6	1	5	5	1	44.0	11.1	22.9	6.4	6	41	23	8		
TOTAL ...	60	45	35	29.3	32	48	36	23	765.0	464.2	376.0	314.2	336	381	286	220		

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	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom ...	1,14	29	28	40	61	84	22
Japan ...	8	...	..	9	19	14	16
France ...	4	18	1	...	1	...	...
Germany ...	20	29	67	82	80	42	25
Belgium ...	5	2	4	1	1	1	1
Other Countries ...	44	12	15	14	23	25	17
TOTAL ...	1,92	85	1,14	87	140	116	81

Hardware (excluding Cutlery and Electroplated Ware)

	Post-War Average 1919-20 to 1923-24	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom ...	3,12	96	91	98	98	104	90
Sweden ...	13	12	15	16	17	19	15
Germany ...	59	76	1,08	86	95	108	94
Austria ...	5	4	5	4	4	8	8
Japan ...	46	16	30	35	32	36	34
United States of America ...	1,22	27	17	23	30	31	26
Other Countries ...	22	80	33	27	29	26	18
TOTAL ...	5,79	2,61	2,99	2,38	3,05	327	289

Cutlery

	Pre-War Average 1909-10 to 1913-14	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom ...	10.5	5.9	6.5	7.8	8.4	8.7	9.2
Germany ...	7.9	13.2	14.8	13.7	14.7	13.8	15.9
Other Countries ..	8.3	1.6	3.5	4.0	4.9	4.7	3.5
TOTAL ...	21.7	20.7	24.3	25.5	28.0	28.7	28.6

Imports of Salt

	Pre-War Average 1909-10 to 1913-14	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom	27	6	4	1	1	1	...
Germany ...	17	5	10	8	10	14	18
Spain ...	24	...	4	...	...	...	...
Aden and Dependencies ...	58	49	40	37	38	40	45
Egypt ...	35	2	6	1	2	...	1
Italian East Africa ...	15	10	14	...	...	...	...
Other Countries ..	4	...	1	3	1	1...	1
TOTAL ...	1,75	72	79	50	52	56	60

Imports of Boots and Shoes

(Quantity in Thousands of Pairs)

(Value in Lakhs of Rupees)

Name of Countries	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Pre-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom ...	153	207	129	145	142	120	51.0	6.6	6.2	5.8	6.1	6.2	5.8
Germany ...	64	93	46	7	...	...	...	0.7	1.1	1	0.8	...	...
Austria ...	7	2	...	2	..	...	2.5	0.8	0.2	0.2	0.2	...	...
Czechoslovakia ...	63	268	377	234	351	336	...	2.4	4.6	5.9	7.1	8.0	3.2
Japan ...	8,784	6,892	6,620	3,620	2,877	1,206	0.2	48.7	31.6	32.4	19.8	18.7	7.1
United States of America	7	2	1	2	...	...	0.5	0.2	0.1	...	...	...	...
Canada ...	1	...	2	1	..	...	...	...	...	...	...	...	...
Other Countries ...	451	418	189	196	36	81	2.5	6.0	8.0	2.8	1.8	1.0	0.6
TOTAL ...	9,490	7,882	7,818	4,256	2,906	1,693	56.7	64.9	51.8	47.5	34.8	28.9	21.2
Total of U. K. and Canada	154	207	181	146	142	120	...	6.6	6.2	5.8	6.1	6.2	5.8
Percentage of U. K. and Canada in Total ...	1.6	2.6	1.8	3.4	4.9	7.1	2.7-2	10.2	12.0	12.2	17.5	21.4	25.0

Imports of Cotton Raw

(Quantity in Hundreds of Tons)

(In Lakhs of Rupees)

	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Pre-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom ...	5.2	6.1	...	14	...	...	53.7	4.2	4.6	...	12.0	0.2	0.4
Persia ...	4.6	8.8	9	7	...	...	...	2.4	4.5	4.8	4.2	0.8	...
Egypt ...	143.6	91.4	61.0	169	155	187	4.5	181.0	77.9	53.8	154.8	140.9	185.0
Kenya Colony ...	321.8	206.9	242.0	327	366	359	0.1	316.8	177.7	202.8	276.6	312.8	306.2
Tanganyika Territory	5.7	9.4	28.0	24	47	41	...	4.6	8.1	23.0	22.1	39.9	34.9
Anglo-Egyptian Sudan	16.8	64.5	9.0	34	50	40	...	16.9	66.2	7.2	29.4	48.4	40.8
United States of America	236.2	457.9	81.0	18	105	9	27.7	223.6	334.6	64.0	16.0	91.6	8.2
Other Countries ...	4.8	2.6	2.6	15	43	14	11.2	3.9	2.1	1.6	19.5	30.4	9.2
TOTAL	793.2	847.6	429.9	606	766	650	102.2	708.4	725.7	355.7	328.4	674.5	584.7
Total British Empire	343.8	277.5	341.0	315	416	399	58.8	332.9	248.5	289.0	318.0	301.7	347.0
Percentage of British Empire	48.8	32.9	78.7	61.9	54.8	61.4	57.5	47.8	34.2	81.8	60.2	53.7	57.6

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

Wool Raw—	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom ...	5	9	18	14	18	18	21
Persia ...	8	5	8	2	1	1	...
Australia ...	10	15	18	18	21	27	85
Other Countries ...	1	2	8	...	1	8	4
TOTAL	19	31	42	34	41	44	60
Carpets and Floor Rugs—							
United Kingdom ...	2.4	2.0	1.8	1.5	2.4	3.1	3.0
Persia ...	1.1	2.1	0.8	0.2	0.1	0.1	1.1
Other Countries ...	1.0	1.1	1.5	0.6	0.9	0.7	...
TOTAL	4.5	5.2	4.1	2.3	3.4	3.9	4.1
Piecegoods—							
United Kingdom ...	47.7	24.8	52.5	57.4	46.5	43.6	41.5
Germany ...	8.2	4.2	8.8	6.5	7.6	8.7	5.6
Netherlands ...	3.7	2.4	1.6	0.9	0.7	...	...
Belgium ...	3.9	1.5	5.9	4.6	0.5	0.2	0.3
France ...	24.0	16.1	34.3	17.4	4.2	0.1	...
Italy ...	25.8	15.1	42.1	22.6	3.5	1.5	1.3
Japan ...	2.9	0.7	7.8	15.5	73.1	30.1	34.4
Other Countries ...	4.2	3.9	3.2	5.4	3.7	1.3	1.4
TOTAL	1,19.9	68.9	1,61.2	1,30.8	139.8	81.1	84.3
Woollen Shawls—	Pre-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom ...	...	0.1	0.4	0.2	...	..	...
Germany ...	...	4.9	7.9	7.5	6.7	5.3	7.3
Other Countries ...	...	0.9	2.6	1.7	5.3	5.7	5.1
TOTAL	41.5	5.9	10.8	9.5	12.0	11.5	12.9
Hosiery ...	12.0	6.7	6.9	8.3	12.3	17.5	14.5
Other sorts of Manufactures	32.1	44.4	71.5	69.9	178.0	120.5	110.3
TOTAL OF WOOL & WOOLLENS	3,24.6	1,62.1	2,96.5	2,54.9	386.5	273.5	237.1

Imports of Artificial Silk Manufactures. (Value in Lakhs of Rupees)

	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Piecegoods of Cotton and Artificial Silk—								
United Kingdom	41.6	12.7	9.6	17.1	14.1	...	...	...
Germany ...	9.7	8.9	4.9	7.8	2.1	...	...	...
Switzerland ...	43.4	15.3	7.6	4.4	11.1	...	...	...
Italy ...	51.2	19.6	16.0	21.8	16.8	...	...	...
Austria ...	9.2	2.8	1.6	8.0	8.7	...	...	...
Japan ...	140.0	150.4	203.6	252.4	124.2	...	...	...
Other Countries	19.9	6.9	8.5	8.7	2.4	...	...	...
TOTAL	315.0	211.6	251.8	310.2	173.9	...	...	...
Other Artificial Silk Manufactures—								
United Kingdom	24.3	14.2	18.3	15.1	19.3	24.3	11.3	9.1
Germany ...	7.2	5.3	4.0	3.9	...	1.7	1.4	2.4
Netherlands ...	6.4	8.7	10.1	7.1	...	...	...	...
France ...	11.6	1.4	7.3	3.3	4.2	1.5	0.6	...
Switzerland ...	5.3	0.9	2.3	0.7	...	...	...	...
Italy ...	46.4	50.6	41.3	47.8	37.6	54.3	27.2	18.2
United States of America ...	...	0.8	1.3	2.2	...	...	...	...
Japan ...	5.5	3.3	6.2	16.0	134.6	267.9	260.7	350.9
Other Countries	10.3	4.4	5.7	9.6	73.0	9.6	14.6	10.1
TOTAL	117.0	90.1	92.5	105.7	274.2	359.3	315.3	375.6

Imports of Tea (Black and Green)

(Value in Thousands of Rupees)

Names of Countries	Pre-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Ceylon ...	7.10	15.41	18.09	11.83	5.02	3.49	3.79	2.61
Straits Settlements	...	96	53	53	18	10	9	...
Java ...	81	7.63	4.50	1.00	1	...	...	...
China (including Hongkong)	10.17	20.90	19.10	13.60	16.39	3.33	15.95	3.54
Other Countries	3.68	73	1.32	2.37	3.42	4.70	5.13	7.01
TOTAL ...	22.29	45.63	43.57	34.63	25.13	17.12	24.97	13.16

Imports of Food, Drink and Tobacco

(Quantity in Thousands of Tons.)

(Value in Thousands of Rupees.)

Names of Countries	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Pre-War Average	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Fruits and Vegetables, Dried, Salted, etc.—															
France	0.2	0.5	0.3	0.2	0.3	0.5	0.2	9.00	1.27	2.49	1.60	1.17	1.40	2.63	1.64
Italy	2.8	1.8	1.7	1.6	1.5	1.5	1.7	8.50	25.14	6.88	6.94	8.68	6.84	7.83	18.05
Maskat Territory and Trucial Oman	6.1	8.3	7.1	7.9	9.0	9.0	8.0	18.80	14.15	16.54	13.00	10.96	11.16	10.57	9.28
Iraq	45.6	41.5	37.4	26.0	47.1	50.7	51.7	...	49.72	40.49	32.76	20.50	36.59	35.58	39.91
Persia	5.3	5.6	3.2	3.3	4.1	4.9	2.4	18.70	13.51	16.83	9.50	6.56	3.09	9.18	3.59
Portugese East Africa ... ..	...	...	...	12.1	12.7	14.5	15.7	...	...	...	...	...	...	18.71	20.4
Other Countries	9.4	12.9	10.9	6.3	9.6	8.6	10.0	52.72	19.18	24.66	20.59	24.06	41.72	17.79	27.22
TOTAL	69.4	70.5	60.6	57.4	84.3	89.7	89.7	1,07.72	1,17.92	1,07.84	84.39	71.88	97.71	102.29	1,15.06

(Quantity in Thousands of Gallons.)

(Value in Lakhs of Rupees)

Ale, Beer and Porter—															
United Kingdom	3,017	2,478	2,447	2,184	2,250	2,209	2,181	45.6	63.7	43.8	49.7	45.2	45.4	47.1	45.3
Germany	899	555	508	376	365	450	444	...	25.2	14.8	14.8	10.6	9.8	11.7	11.3
Netherlands	369	342	282	303	411	492	544	...	7.5	6.3	6.0	6.5	3.7	10.6	11.5
Japan	279	260	416	526	488	599	618	...	4.6	3.8	4.4	1.5	5.2	6.1	6.9
Other Countries	46	95	65	62	79	117	112	18.88	1.3	2.2	1.6	1.5	1.9	2.5	2.4
TOTAL	4,610	3,725	3,718	3,456	3,598	3,867	3,849	59.43	1,02.3	76.1	76.0	68.3	71.0	78.0	77.9

(Quantity in Thousands of Gallons)

(Value in Lakhs of Rupees.)

Spirit—															
United Kingdom	708	463	476	493	503	522	500	69	1.25	33	34	39.4	32.2	36.6	38.1
Germany	37	16	11	12	14	14	12	...	5	3	2	3.4	3.9	3.8	3.4
France	339	157	122	123	134	144	136	...	42	22	21	22.2	24.2	25.3	24.6
Java	1,144	1,069	837	521	411	299	331	3	12	10	8	7.0	5.5	3.3	2.7
United States of America	57	46	43	45	46	53	52	5	17	14	16	14.0	13.3	15.7	14.5
Other Countries	33	19	11	14	21	19	21	33	4	3	2	2.6	4.6	3.3	3.2
TOTAL	2,313	1,770	1,775	1,213	1,129	1,051	1,052	1.15	205	135	1.33	133.6	143.7	143.0	141.5
Wines	246	165	166	177	173	183	153	23	24	15	16	19.2	20.3	20.9	19.5
TOTAL OF LIQUORS	7,174	5,660	5,415	4,856	4,912	5,121	5,076	2,12.43	3,31.3	2,26.1	2,25.0	2,26.6	235.6	247.6	239.6

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

Names of Countries	Pre-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Provisions, etc.—							
United Kingdom ...	1,84	1,51	1,40	1,51	161	178	179
Netherlands ...	9	57	35	24	25	25	29
Straits Settlements (incl. Labuan) ...	24	24	20	20	25	27	28
China (incl. Hongkong) ...	4	10	8	9	11	10	11
United States of America...	4	22	19	14	15	18	17
Australia ...	3	18	18	16	12	12	14
Other Countries ...	51	64	53	38	40	42	42
TOTAL ...	2,29	3,41	2,93	2,72	289	312	320
(In Thousands of Rupees)							
Tobacco—							
Unmanufactured ...	...	29,86	62,27	47,27	33,56	27,85	44,77
Cigars ...	...	1,04	85	74	61	70	61
Cigarettes :							
United Kingdom ...	...	48,55	26,81	16,62	20,64	26,68	30,15
China (incl. Hongkong) ...	...	2,70	1,04	84	82	...	...
Egypt ...	4,69	63	82	32	28	...	...
United States of America ...	...	55	50	52	64	75	...
Other Countries ...	...	35	78	1,26	33	72	1,45
Total of Cigarettes ..	52,74	52,78	28,95	19,06	22,21	28,10	31,60
Tobacco for Pipes & Cigarettes	...	8,54	3,06	3,00	3,01	3,20	2,89
Other Sorts ...	18,33	2,13	1,80	2,08	1,53	1,71	1,49
TOTAL ...	71,07	94,35	96,94	72,15	61,82	61,56	80,88

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 1936-37.

(In Lakhs of Rupees.)

Names of Countries	Pre-War Average (1909-14)			War Average (1914-19)			Post-War Average (1919-24)			1928-29		
	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	88,56	-18,94	78,04	1,46,48	-78,89	72,87	1,18,24	-40,87
Ceylon	8,24	72	+7,52	9,68	1,66	+7,97	12,82	1,71	+10,61	14,25	2,10	+12,15
Straits Settlements	7,78	8,08	+4,65	6,28	4,87	+1,86	8,20	4,85	+8,85	7,95	5,11	+2,84
Australia	8,14	1,01	+2,18	5,08	1,11	+8,92	4,99	8,19	+1,80	7,89	8,46	-1,07
Hongkong	9,26	98	+8,28	4,48	1,80	+3,18	6,98	1,86	+5,07	2,51	78	+1,78
Canada	1,09	1	+1,08	1,79	4	+1,75	1,88	69	+1,14	2,45	2,46	-1
Aden and Dependencies	1,25	41	+84	2,15	77	+1,88	2,79	80	+1,99	2,99	62	+1,40
Kenya Colony, Zanzibar and Pemba	89	86	+58	1,82	1,15	+17	2,14	1,99	+15	1,77	2,72	-95
Other Countries of the British Empire	4,16	8,89	+77	15,58	2,68	+12,85	12,88	4,02	+8,86	9,21	1,09	+8,12
Total British Empire	92,06	1,01,54	-9,48	1,15,78	96,64	+19,14	1,25,12	1,65,54	-40,42	1,19,92	1,86,58	-16,66
Percentage of Total Trade...	41.1	69.6	...	51.6	65.4	...	41.4	65.2	...	85.5	58.9	...
Foreign Countries—												
United States of America	16,90	4,49	+12,41	26,75	10,29	+16,46	86,26	21,64	+14,62	89,97	17,92	+22,05
Japan	16,86	8,64	+18,22	25,20	15,41	+9,79	40,81	17,48	+22,88	84,61	17,68	+16,98
China	8,74	1,58	+7,16	4,56	1,98	-2,68	10,98	8,14	+7,84	9,48	4,82	+5,16
Java and Borneo	2,91	9,85	-6,44	2,55	11,56	+9,01	8,18	17,18	-14,09	8,69	16,42	-12,78
Argentine Republic	2,27	...	+2,27	2,61	...	+2,61	4,21	...	+4,21	8,01	16	+7,85
France	14,82	2,21	+12,61	10,02	1,85	+8,17	14,87	2,87	+12,00	17,91	4,78	+18,18
Italy	7,08	1,45	+5,68	8,77	1,78	+7,04	9,68	2,47	+7,16	15,25	7,86	+7,89
Spain	1,99	17	+1,82	1,60	86	+1,24	2,80	80	+2,50	8,91	27	+8,64
Russia	1,94	22	+1,72	2,74	10	+2,64	...	12	-12	25	85	+60
Netherlands	8,84	1,27	+2,07	40	86	-46	8,16	2,18	+98	8,78	4,77	+8,96
Belgium	11,97	2,76	+9,21	1,10	88	+72	11,25	4,64	+6,61	18,75	7,20	+6,25
Germany	22,86	9,85	+18,01	2,04	1,04	+1,00	14,86	7,16	+7,70	82,48	15,84	+6,24
Austria	7,77	8,19	+4,58	94	27	+67	78	42	+81	9	1,40	-1,81
Other Countries	1,811	4,58	+8,58	19,05	6,28	+1,277	25,12	9,41	+1,571	80,21	17,75	+12,46
Total Foreign Countries	1,82,06	44,81	+87,75	1,08,88	51,16	+57,17	1,76,86	88,51	+88,85	2,18,04	1,16,72	+1,01,82
GRAND TOTAL	2,24,12	1,45,85	+78,27	2,24,11	1,47,80	+76,81	8,01,98	2,54,05	+47,98	8,87,96	2,58,80	+84,66

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 1936-37—(contd.)

(In Lakhs of Rupees.)

Names of Countries	1929-30			1930-31			1931-32			1932-33		
	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade
British Empire—												
United Kingdom ...	69,59	1,03,10	-33,51	54,23	61,29	-7,06	53,46	44,76	-1,30	37,55	43,77	-11,22
Ceylon ...	18,22	1,80	+11,42	11,33	1,43	+9,95	7,65	1,89	+6,26	6,57	1,78	+4,79
Straits Settlements ...	3,02	6,17	-1,85	6,31	3,97	+2,34	4,70	2,87	+1,88	2,65	2,79	+86
Australia ...	5,80	5,54	+26	4,49	2,42	+2,07	2,95	1,53	+1,87	3,88	1,07	+2,81
Hongkong ...	2,04	74	+2,30	1,67	87	+80	1,81	52	+1,29	1,89	1	+1,88
Canada ...	2,41	1,91	+50	1,72	1,33	+39	1,47	42	+1,05	1,62	34	+1,28
Aden and Dependencies ...	1,43	57	+86	1,31	33	+98	77	53	+24	62	43	+19
Kenya Colony, Zanzibar and Pemba	1,72	3,44	-1,72	1,16	3,36	-2,20	77	3,68	-2,01	64	2,22	-1,58
Other Countries of the British Empire	9,38	1,19	+8,19	7,18	1,02	+6,16	5,14	87	+4,27	4,54	1,95	+2,59
Total British Empire ...	1,14,61	1,24,46	-9,85	89,45	76,02	+13,43	68,72	56,62	+12,10	60,46	59,86	+1,10
Percentage of Total Trade ...	86.0	51.7	...	39.6	46.1	...	44.1	44.8	...	...	...	...
Foreign Countries—												
United States of America ...	37,03	17,66	+19,37	21,14	15,12	+6,02	13,87	12,85	+1,02	9,76	11,25	+1,40
Japan ...	32,56	23,59	+8,97	23,87	14,51	+9,33	13,95	13,34	+61	13,95	20,50	+6,55
China ...	18,06	4,10	+13,96	18,27	3,33	+14,94	7,79	2,76	+5,03	3,55	2,95	+60
Java and Borneo ...	4,27	13,67	-9,40	2,63	10,34	-7,71	1,74	4,86	-3,12	73	4,17	-3,44
Argentine Republic ...	7,10	8	+7,02	3,63	...	+3,63	2,93	...	+2,89	3,64	...	+3,64
France ...	16,94	4,57	+12,37	11,17	2,89	+8,28	7,43	2,17	+5,26	7,85	2,03	+5,82
Italy ...	11,47	6,78	+4,69	7,93	4,51	+3,42	5,40	3,61	+1,79	4,65	3,95	+70
Spain ...	3,61	30	+3,31	2,87	30	+2,07	1,84	20	+1,14	1,87	25	+1,12
Russia ...	40	46	-6	53	1,04	-51	53	95	-42	34	36	-2
Netherlands ...	3,90	4,23	+4,67	6,67	3,22	+3,45	4,66	2,04	+2,62	3,21	1,69	+1,52
Belgium ...	12,21	6,79	+5,42	7,57	4,67	+2,90	4,24	3,02	+1,22	3,93	3,42	+2,87
Germany ...	26,49	15,79	+10,70	14,26	12,33	+1,93	10,19	10,21	+2	3,00	10,37	-64
Austria ...	5	1,23	-1,18	...	32	-32	...	71	-71	...	64	-71
Other Countries ...	29,23	37,14	+12,09	21,15	15,67	+5,48	13,59	13,00	+59	11,49	10,64	-85
Total Foreign Countries ...	2,03,32	1,16,34	+86,98	1,36,19	83,80	+52,39	87,17	69,72	+17,45	71,97	73,22	-1,25
GRAND TOTAL ...	3,17,93	2,40,80	+77,13	2,25,64	1,64,82	+60,82	1,55,89	1,26,34	+29,55	1,32,43	1,33,08	-15

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 1936-37.—(concl'd.)

(In Lakhs of Rupees)

Names of Countries	1933-34			1934-35			1935-36			1936-37		
	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade
British Empire—												
United Kingdom	47,20	47,59	-89	47,92	53,73	-5,81	50,43	52,19	-1,71	61,06	48,09	+12,97
Ceylon	5,91	1,29	+4,62	6,37	1,29	+5,08	7,12	1,49	+5,63	7,32	1,74	+5,58
Straits Settlements	3,26	2,68	+58	3,28	3,11	+12	3,66	3,66	...	4,29	3,82	+48
Australia	2,93	1,02	+1,96	2,71	97	+1,74	2,37	1,19	+1,68	3,22	1,13	+2,09
Hongkong	1,08	45	+63	57	39	+18	50	42	+8	57	28	+4
Canada	1,88	69	+1,19	1,72	92	+80	1,72	94	+78	2,13	72	+1,46
Aden and Dependencies	65	49	+16	64	42	+22	71	43	+28	84	48	+36
Kenya Colony, Zanzibar and Pemba	37	2,43	-1,76	51	320	-2,69	53	3,50	-2,92	64	3,47	-2,83
Other Countries of the British Empire	4,81	1,00	+3,45	5,20	1,32	+3,18	6,32	1,69	+4,63	6,34	1,63	+4,16
Total British Empire	68,14	57,70	+10,44	68,37	65,35	+852	73,96	65,51	+8,45	86,06	61,65	+25,31
Foreign Countries—												
United States of America	14,07	7,13	+6,89	12,39	3,41	+8,98	16,12	3,94	+12,18	13,42	3,16	+10,26
Japan	12,61	16,36	-3,75	24,59	20,30	+4,29	21,39	21,34	+5	29,99	21,26	+8,73
China	4,45	2,23	+2,22	2,62	2,07	+55	1,33	1,35	+8	1,25	1,40	-15
Java and Borneo	43	2,71	-2,28	51	2,21	-170	49	2,06	-1,57	35	67	+13
Argentine Republic ... ..	...	...	...	...	...	...	...	...	...	...	...	...
France	7,37	1,51	+5,86	5,29	1,53	+3,76	7,15	1,30	+5,85	7,33	1,14	+6,19
Italy	5,75	2,91	+2,84	5,34	3,02	+2,32	3,52	2,00	+1,52	4,63	1,21	+3,42
Spain	1,41	21	+1,20	1,33	24	+1,14	1,73	22	+1,56	63	13	+50
Russia	3	1,64	-1,61	3	1,57	-1,54	35	1,61	-1,26	23	1,32	-1,09
Netherlands	4,21	1,32	+2,89	3,33	1,30	+2,03	3,71	1,34	+2,37	3,36	1,33	+2,03
Belgium	4,43	2,67	+1,76	4,39	2,16	+2,23	5,52	2,44	+3,08	6,34	2,31	+4,03
Germany	9,34	333	+901	7,17	10,10	-2,93	9,50	12,34	-2,84	3,44	12,15	-8,71
Austria ... ..	...	52	-52	1	53	-52	4	43	-39	2	33	-31
Other Countries	13,42	9,02	+4,40	14,70	13,00	+1,70	14,61	12,49	+2,12	13,02	21,56	+8,54
Total Foreign Countries	73,17	57,65	+15,52	82,30	66,94	+15,36	86,56	63,86	+22,70	101,16	63,57	+37,59
GRAND TOTAL	1,46,31	1,15,35	+30,96	1,51,67	1,32,29	+19,38	1,60,52	1,29,37	+31,15	197,22	1,25,22	+72,00

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

**Percentage share of the Principal Countries in the Export and Import Trade of
British India in Merchandise only.**

Countries	Pre-War Average		War-Average		Post-War Average		1934-35		1935-36		1936-37	
	Imports	Exports Including Re-exports	Imports	Exports Including Re-exports	Imports	Exports Including Re-exports	Imports	Exports Including Re-exports	Imports	Exports Including Re-exports	Imports	Exports* Including Re-exports
British Empire—												
United Kingdom	62.8	25.1	56.5	31.1	57.6	24.2	40.6	31.6	38.8	31.5	48.10	31.1
Ceylon	0.5	8.7	1.1	4.8	0.7	4.8	1.0	4.4	1.1	4.5	1.8	8.7
Straits Settlements	2.1	8.4	3.0	2.7	1.9	2.6	2.8	2.1	2.7	2.8	3.0	2.2
Australia	0.7	1.4	0.8	2.2	1.3	1.7	0.7	1.8	0.9	1.7	0.9	1.6
Hongkong	0.7	4.1	0.9	2.0	0.7	2.8	0.8	0.4	0.8	0.8	0.4	0.8
Mauritius and Dependencies	1.8	0.6	1.1	0.6	2.2	8.1		0.6		0.5		0.5
Other British Possessions	1.1	2.8	2.0	8.8	0.8	2.7	4.5	4.9	4.9	5.6	5.1	4.8
TOTAL	69.7	41.1	65.4	51.7	65.2	41.4	49.4	45.8	48.7	46.4	58.8	44.2
Foreign Countries—												
Japan	2.5	7.5	10.4	11.2	6.9	18.3	15.7	16.0	16.8	18.4	16.9	15.8
United States of America	3.1	7.5	7.0	11.6	8.5	12.0	6.4	8.5	6.7	10.1	7.2	9.4
Java	6.4	1.8	7.8	1.1	6.8	1.0	1.4	0.8	1.8	0.8	0.8	0.4
France	1.5	6.6	1.3	4.5	0.9	4.8	1.2	8.5	1.0	4.4	0.9	4.0
Italy	1.0	8.2	1.2	8.9	1.0	8.2	2.3	8.8	1.5	2.2	1.0	2.4
China (Exclusive of Hongkong and Macao)	1.1	8.9	1.3	2.0	1.2	8.6	1.6	1.7	1.4	1.1	1.1	0.7
Iron	0.4	0.5	0.6	1.6	0.7	1.3	1.6	0.8	1.7	0.8	1.7	0.7
Union of Socialist Soviet Republic	0.1	0.9	0.1	1.2	0.1	—	1.2	0.1	1.2	0.2	1.1	0.1
Netherlands	0.9	1.5	0.6	0.2	0.9	1.5	1.0	2.2	1.0	2.8	1.1	2.0
Belgium	1.9	5.8	0.8	0.5	1.8	8.7	1.6	2.8	1.8	8.4	2.2	8.5
Germany	6.4	9.8	0.7	0.9	2.8	4.9	7.6	4.7	9.2	5.8	9.7	4.8
Austria (a)	2.2	8.5	0.2	0.4	0.2	0.2	0.4	—	0.8	—	0.8	—
Total including other Foreign Countries	80.8	58.9	84.6	48.8	84.8	58.6	50.6	54.2	51.8	58.6	41.2	55.8
GRAND TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

(a) Figures prior to 1921-22 represent Austria-Hungary.

Does not include Re-exports and as such is not strictly comparable with previous figures.

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	(1929=100)	(1929=100)	(1929=100)	(1929=100)	(1929=100)	(1929=100)
Year and Date						
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	78.8	68.2	70.8
1933	61.7	68.2	69.8	81.6	68.6	68.0
1934	68.1	71.0	78.7	80.8	60.0	71.7
1935	61.5	74.1	88.9	84.4	54.0	74.2
1936						
January	65.2	77.2	84.6	87.3	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	75.5
April	65.2	76.7	88.6	87.5	59.2	75.6
May	68.8	75.5	82.5	87.5	59.6	75.7
June	68.8	76.0	83.1	88.1	60.8	75.8
July	64.5	77.6	84.5	89.8	62.4	75.9
August	68.8	78.0	85.6	91.8	64.0	76.2
September	64.5	79.7	85.6	91.4	67.0	76.1
October	66.0	80.7	85.5	91.2	75.1	76.0
November	66.0	82.6	86.5	92.6	78.5	76.1
December	66.7	85.8	88.4	97.8	82.8	76.5
1937						
January	69.5	87.7	90.1	106.1	85.8	76.7
February	70.2	89.1	90.6	104.8	85.0	76.9
March		94.4	92.1	109.1	87.7	77.8

(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	103.0	90.8	92.3	109.7
1927	...	108.4	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	96.2	104.5	96.2	85.5
1931	...	78.8	89.6	87.2	102.8	88.4	74.7
1932	...	73.2	87.8	77.9	94.6	78.8	75.4
1933	...	68.5	85.4	74.9	93.5	76.6	80.3
1934	...	65.1	86.0	79.4	92.8	78.6	82.0
1935	...	67.8	87.2	82.6	86.9	80.0	88.6
1936	...	68.5	89.2	84.8	91.1	80.8	87.8
April	1936 ...	67.1	87.8	88.4		80.7	88.4
May	" ...	67.1	87.8	88.8	89.4	80.7	88.8
June	" ...	67.8	89.0	85.1		80.8	87.0
July	" ...	67.8	89.0	85.2		81.8	86.9
August	" ...	68.5	89.6	85.6	90.6	81.4	87.7
September	" ...	69.1	90.2	85.9		80.7	88.1
October	" ...	69.8	92.1	85.7		80.7	87.5
November	" ...	69.1	92.1	85.8	97.1	80.7	87.6
December	" ...	69.8	92.1	86.1		80.7	89.6
January	1937 ...	69.8	92.1	86.9		80.8	89.6
February	" ...	69.8	92.1	87.2	99.8	81.0	94.1
March	" ...	69.8	92.1	88.8		81.2	94.8

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)

Nationality	1927-28		1928-29		1929-30		1930-31		1931-32	
	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared
British ...	6,185	6,050	6,605	6,521	6,488	6,558	5,852	5,651	5,598	5,388
British Indian ...	123	181	122	116	92	85	82	95	80	82
Native ...	61	61	51	57	50	61	54	63	54	58
Foreign—										
American ...	249	202	388	276	233	264	159	157	198	184
German ...	529	510	601	558	678	703	666	680	538	594
Italian ...	464	479	472	508	590	564	478	475	524	551
Japanese ...	542	570	558	552	662	639	771	772	599	582
Other nationalities ...	724	699	775	772	915	862	49	412	766	746
TOTAL ...	8,877	8,702	9,517	9,355	9,648	9,786	9,006	8,785	8,807	8,185

Nationality	1932-33		1933-34		1934-35		1935-36		1936-37	
	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared
British ...	5,849	5,225	4,792	5,044	5,120	5,387	5,422	5,534	5,378	5,720
British Indian ...	52	62	17	33	17	43	5	79	26	92
Native ...	49	54	26	49	35	61	33	59	36	57
Foreign—										
American ...	225	235	223	258	260	262	321	284	301	258
German ...	420	419	352	435	379	444	456	515	435	599
Italian ...	598	604	710	722	679	750	491	505	438	538
Japanese ...	563	591	588	525	654	621	777	679	776	791
Other nationalities ...	647	615	587	516	795	659	697	568	698	728
TOTAL ...	7,908	7,305	7,360	7,717	7,939	8,227	8,302	8,248	8,188	8,733

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

(All Quantities in Thousands of Maunds except Treasure)

IMPORTS

Articles	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Grain and Pulse—Wheat	865	294	276	158	125	364	338	176	233	203
Gram and Pulse	281	311	256	284	197	422	619	162	290	526
Rice, husked and unhusked	2,012	2,569	1,907	2,249	2,238	2,447	1,687	1,938	1,983	1,620
Other Grains and Pulse	787	1,176	1,253	537	773	721	379	298	597	631
Hides and Skins	174	209	171	134	106	97	125	134	141	169
Ghi	87	93	80	70	57	60	56	61	57	66
Tobacco	133	137	139	119	112	137	93	70	117	100
Wool, raw	313	314	214	103	130	71	174	151	191	264
Carpets and Rugs	32	33	31	22	17	20	14	11	12	17
Borax (a)	25	20	14	15	10	7	9	9	7	5
Charas (b)	1.9	2.0	2.3	3.0	2.7	2.3	2	2	2	2
Jute, raw	222	333	303	233	300	203	271	349	336	293
Oilseeds—Linseed	663	393	533	497	409	446	429	263	339	349
Mustard and Rape	331	324	232	260	304	356	236	343	297	333
Treasure (in 1,000 ounces)										
Gold ... ..	...	...	...	1.8	...	36	66	73	13	7
Silver	3,513	3,903	4,943	3,275	4,393	6,347	9,796	9,712	1,601	663

(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	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Cotton—Twist and Yarn	66	62	76	79	72	78	66	58	67	64
Piecegoods, foreign	840	850	258	181	215	200	211	218	244	310
" Indian	251	287	246	257	294	295	287	249	307	311
Dyes and dyeing materials, Indigo	1'2	'9	'9	'7	1'6	1'7	6'7	8'7	8	2
" others	10	23	12	11	27	32	13	10	10	11
Grain and pulse—Wheat	892	1,181	1,544	1,417	1,186	885	1,116	920	758	826
Rice, husked	480	580	701	649	670	663	697	717	618	606
Others	1,433	1,474	1,858	1,164	1,720	1,580	1,404	1,427	1,211	1,290
Iron and Steel—Unwrought	57	34	53	58	57	26	30	15	8	18
Sections	403	353	238	343	291	193	307	332	269	417
Machinery and Millwork	56	65	40	43	52	30	19	37	65	40
Others, including Hardware and Cutlery	43	54	30	54	29	31	24	26	35	41
Petroleum	366	331	376	370	392	311	357	392	327	394
Salt	1,742	1,844	1,706	1,599	1,740	1,706	1,501	1,526	1,558	1,517
Sugar—Unrefined	109	102	98	97	72	33	166	103	110	155
Refined	922	939	939	1,075	771	741	888	910	688	819
Tea	104	100	105	93	102	104	174	267	191	190
Tobacco	139	141	131	126	134	112	107	111	118	111
Brass and copper (a)	13	15	11	8	14	29	16	21	17	11
Betelnuts (a)	35	37	37	30	39	32	24	35	26	26
Treasure (in 1,000 ounces)—										
Gold	0'9	2'0	3'0	25'5	16	2'5	...	117	...	35
Silver	3,571	3,378	6,185	3,233	15,151	3,976	2,081	897	454	2,078

(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	48,112
1926-27	17,089	48,481
1927-28	17,579	47,873
1928-29	18,872	49,800
1929-30	19,884	52,181
1930-31	16,552	42,026 (Not accurate as Madras figures are not available)
1931-32	1,7971	Not available
1932-33	15,708	51,906
1933-34	15,077	91,625
1934-35	16,167	54,888
1935-36	16,549	58,536
1936-37	16,166	58,081

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 an 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 seaborne 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.

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.

It will be discovered that coinciding with an increase in the country's foreign trade the internal trade also underwent improvement, reflected at its best in the goods earnings of the Indian State-owned Railways which advanced by over Rs. 4 crores compared with 1935-36. As the statistics show the rise in industrial production influenced the traffic in coal and coke into most provinces and the building revival largely accounts for the rise under cement. More active conditions in the raw cotton trade resulted from the increase in foreign demand and the improved conditions in the mill industry, the increase being about 6 lakhs of maunds. The reduction in textile imports had a corresponding effect on the trade in foreign piecegoods, but the rise in internal consumption of Indian mill-made goods is measured by the advance in rail-borne trade in twist and yarn as well as piecegoods.

One of the few items to show a fall is

dyes and tanning substances. The relaxation of Iranian trade regulations had a favourable effect on the trade in dried fruits, and the boom in the wheat trade was not apparently confined to the ports of shipment, as the returns show a rise of about 6 million maunds on the previous year. The marked increase in India's exports of hides and skins apparently stimulated the internal trade also though the actual increase was small. The larger production of India's jute industry is reflected in the rise under both raw jute and gunny bags and cloth. Last year's record shipments of shellac exercised without doubt a favourable influence on the volume of lac and shellac carried, but iron imports excepting those into Calcutta and Bombay and Madras ports showed a small decrease compared with the previous year. Last year's increase in manganese shipments had obviously no counterpart in the inland trade, but among minerals, mica registered an increase. Improved economic conditions within the country undoubtedly account for the rise in the consumption of salt and kerosene oil, the rise in the internal trade being an accurate index of improved purchasing power of the masses. The marked rise under groundnuts and cotton seed are not independent of the revival in the exports of one of our main staples, but curiously enough, the internal trade in linseed except into Bengal, failed to show an increase. Vegetable oils and ghee failed to register any improvement, but the great strides made by the sugar industry in providing practically the entire quantity needed for domestic consumption account for the increase of over 25 per cent. in the volume transported. The increasing consumption of tea within the country explains the rise of over 3½ lakhs of maunds recorded in the statistics.

The statistics support the conclusions that may be drawn from the data relating to industrial production and foreign trade, but as explained previously suffer from their incompleteness, and the fact that only the trade in a few selected commodities is covered by the returns. The renewed vitality of the country's internal trade, however, does not need evidence, for the rise in railway earnings and the generally higher yield of Government revenue originate as much from the brisker conditions obtaining in the internal trade as from the development of industries and the recovery in foreign trade.

Coasting Trade of India
Imports of Indian Merchandise
(Value in 000's Rs.)

Principal Articles	1932-33		1933-34		1934-35		1935-36		1936-37	
	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
Coal, Coke and Patent Fuel	8,80	1,79,86	5,63	1,40,07	7,09	1,51,75	4,81	1,34,84	4,81	1,19,01
Drugs and Medicines	1,85	22,04	1,96	21,94	2,19	26,25	2,20	22,81	2,12	22,52
Dyeing and Tanning Substances	85,17	2,17,99	60,18	1,64,86	5,68	15,42	6,28	14,83	8,81	15,51
Fruits and Vegetables	20,91	1,86,21	14,94	1,46,51	19,85	1,70,90	21,71	1,48,55	23,92	1,54,15
Grain, Pulse and Flour—Rice	93,94	7,42,97	71,45	11,22,57	65,80	15,46,90	88,55	12,21,69	1,21,04	12,94,68
Wheat	2,53	1,45,11	1,63	1,16,87	1,84	1,71,87	1,89	91,70	2,40	58,68
Oils, Mineral	29,33	11,03,43	38,10	8,51,46	38,82	9,55,98	86,24	9,15,20	82,69	8,87,75
Salt	15,40	89,74	15,57	88,53	12,64	51,88	11,77	56,41	15,48	58,98
Seeds—Essential	2,96	82,35	2,31	85,99	2,51	43,77	2,79	84,29	2,36	87,42
Non-essential—Castor	...	5,33	4	5,77	...	4,97	3	9,24	6	8,50
Groundnut	61	21,94	74	13,05	2,85	13,76	3,45	15,73	3,27	10,95
Rape and Mustard	1,94	11,27	2,09	9,77	1,80	19,47	2,76	30,32	3,18	10,27
Sesamum	2,35	54,48	2,07	28,66	3,99	52,98	2,39	85,54	3,92	20,78
Copra	4,66	88,88	6,14	82,20	3,36	69,37	5,05	56,14	4,40	58,15
Spices	29,53	1,89,01	26,91	1,51,16	27,93	1,65,36	30,80	1,64,47	29,56	1,52,06
Sugar	9,96	6,78	11,50	14,26	16,25	15,45	21,90	15,92	43,69	1,12,20
Cotton—Raw and Waste	90,93	8,87,82	2,35,55	4,10,06	15,94	5,78,15	9,76	6,06,82	83,01	6,23,29
Twist and Yarn	2,71	2,88,08	2,62	2,43,67	2,34	2,64,30	2,26	2,98,81	2,75	2,87,94
Manufactures	29,33	12,36,79	25,46	10,03,81	37,69	11,42,21	30,57	10,18,80	33,98	10,71,82
Jute Manufactures	18,81	2,73,85	9,90	2,51,83	810	3,16,74	8,75	2,52,15	10,15	2,40,70
Tobacco	15,28	1,40,28	11,56	1,25,16	10,76	1,38,96	11,33	1,10,48	14,24	1,24,33
Teak Wood	4,99	1,59,89	4,04	1,49,23	5,99	1,75,91	4,11	1,77,03	5,49	1,79,73
All Others	1,34,61	...	...	...	...	...	...	...	5	...
TOTAL	5,96,30	67,35,95	6,74,36	61,40,72	4,89,21	74,90,53	5,32,33	63,42,37	6,29,03	70,68,54

Coasting Trade of India
Exports of Indian Merchandise (Value in 000's Rs.)

Principal Articles	1932-33		1933-34		1934-35		1935-36		1936-37	
	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
Coal, Coke and Patent Fuel ...	8,79	1,69,11	8,52	1,22,40	4,51	1,49,89	4,08	1,29,92	8,91	1,12,50
Drugs and Medicines ...	1,59	19,97	1,46	19,57	1,46	19,06	1,79	20,70	1,89	22,40
Dyeing and Tanning Substances ...	7,86	18,61	4,98	15,92	5,99	16,80	6,13	15,60	5,92	16,93
Fruits and Vegetables ...	28,96	14,42,83	15,49	1,16,76	21,53	21,84	21,15	1,07,61	1,16,47	1,24,58
Grains, Pulse and Flour—Rice ...	13,59	69,97	14,28	82,41	84,17	13,60,23	1,18,16	14,44,01	1,24,87	12,84,47
Wheat ...	2,56	1,89,10	1,69	1,15,48	1,84	1,66,24	1,80	86,06	2,59	57,01
Oils, Mineral ...	30,13	14,02,95	31,67	14,18,08	41,66	15,26,13	36,53	15,18,13	33,43	16,38,61
Salt ...	12,48	36,51	12,78	30,87	10,27	39,50	10,36	38,85	13,18	29,64
Seeds—Essential ...	2,68	32,27	2,80	34,48	2,96	34,40	2,95	36,79	2,34	29,64
Non-essential—Castor ...	7	24	4	65	...	41	1	43	4	1,05
Groundnut ...	88	10,51	67	7,69	2,56	57,89	7,73	18,95	17,13	17,71
Rape and Mustard ...	2,29	12,56	2,01	9,92	2,87	21,46	2,85	31,42	2,71	10,82
Sesamum ...	2,78	54,80	2,11	25,01	4,00	42,74	2,80	33,11	4,01	21,61
Copra ...	2,82	46,07	2,40	44,39	2,87	46,77	3,02	44,41	2,41	39,86
Spices ...	34,59	1,40,20	30,12	1,10,40	30,53	1,41,70	31,61	1,20,12	28,16	1,23,32
Sugar ...	9,66	7,63	11,71	14,71	9,37	14,85	61,31	22,51	37,10	1,10,84
Cotton—Raw and Waste ...	1,09,34	1,80,75	2,29,14	2,56,58	15,99	3,70,62	18,43	5,04,86	43,90	3,47,18
Twist and Yarn ...	2,61	2,95,18	2,39	2,63,32	2,13	75,35	3,11	2,91,56	2,85	2,60,15
Manufactures ...	23,87	14,09,14	25,43	11,99,23	21,80	12,34,21	18,02	10,33,97	20,66	12,91,99
Jute Manufactures ...	13,27	2,39,70	9,79	2,24,95	7,43	2,85,06	8,36	2,66,34	9,52	2,26,69
Tobacco ...	16,14	67,12	10,53	92,30	9,33	1,49,77	10,44	1,19,45	12,40	1,40,57
Teak Wood ...	4,14	1,77,15	4,67	1,76,35	5,54	1,93,89	1,74	2,22,58	1,52	2,09,15
All Others ...	8,04,55	21,77,50	2,63,40	...	...	...	...	...	...	...
TOTAL ...	6,30,10	68,44,88	6,37,58	65,57,14	4,78,11	76,50,06	5,40,80	77,18,04	6,04,80	77,37,82

Coasting Trade of India
Imports 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	1936-37
Hardware ...	50,95	52,17	62,01	59,99	62,70	37,83	37,77	38,73	34,85	39,86
Kerosene ...	17,86	12,45	18,78	9,88	11,18	23,38	21,01	14,99	8,59	7,88
Cotton Manufactures	2,82,11	2,54,37	3,01,04	2,74,56	3,81,84	1,78,03	1,44,02	1,30,71	1,58,24	1,59,18
Tobacco ...	11,70	11,87	11,84	15,02	8,99	20,30	2,48	2,54	5,80	5,12
All Others ...	5,65,05	5,48,52	4,91,88	4,69,88	5,68,64	4,37,12	4,58,24	4,57,88	4,65,02	5,14,28
Total ...	8,77,17	8,74,38	8,88,00	8,29,28	10,82,80	6,96,66	6,63,52	6,44,85	6,72,00	7,25,82

The details for the years 1930-31 and 1931-32 are not available. The totals are respectively Rs. 7,85,00,000 and Rs. 6,98,90,000.

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	1936-37
Hardware ..	56,07	59,96	66,64	55,05	56,64	44,87	33,01	32,08	34,09	41,22
Kerosene ...	61,31	35,88	31,32	25,71	27,96	29,41	28,53	30,74	25,65	26,77
Cotton Manufactures	8,77,16	8,74,11	5,26,28	5,17,25	5,66,94	2,35,45	1,68,50	1,60,68	1,71,94	1,95,88
Tobacco ...	9,42	7,17	9,93	8,52	11,64	8,97	5,00	4,48	6,40	7,28
All Others ...	6,55,78	5,85,79	6,21,42	5,18,61	6,01,54	4,81,43	5,22,74	5,46,32	5,98,81	6,26,63
Total ...	11,59,69	10,62,41	12,55,59	11,20,14	12,64,72	8,00,18	7,62,78	7,74,25	8,36,39	8,97,73

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	1936-37
Imports of private merchandise—												
Indian ...	1,08,11	95,05	1,01,14	98,79	92,07	80,49	79,78	78,82	68,15	70,79	78,75	76,98
Foreign ...	8,77	8,74	8,83	8,29	10,09	7,85	6,94	6,97	6,63	6,46	6,72	7,25
Government Stores	1,08	1,40	1,34	1,27	1,27	1,17	1,14	(b)	(b)	(b)	(b)	(b)
Total Merchandise ...	1,12,96	1,05,19	1,11,81	1,08,85	1,03,43	89,01	87,86	80,79	74,78	86,25	80,47	84,23
Imports of Treasure	1,87	8,60	1,48	1,69	1,79	1,52	1,88	1,97	70	1,16	86	1,02
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	81,33	85,25
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	88,48
Foreign ...	11,60	10,62	12,56	11,20	12,65	9,41	8,42	8,00	7,62	7,74	8,87	8,87
Govt. Stores ...	1,89	1,28	1,04	99	1,15	97	78	(b)	(b)	(b)	(b)	(b)
Total Merchandise ...	1,00,86	95,58	1,06,16	97,40	96,49	82,20	78,88	82,75	80,07	89,02	90,96	92,30
Treasure ...	2,87	2,27	1,51	1,86	1,54	1,48	2,18	1,18	78	1,10	99	86,86
Total Exports	1,03,73	97,80	1,07,67	99,26	98,03	83,68	81,01	83,93	80,80	90,12	91,95	98,16
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	1,73,27	1,78,41

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

(b) Figures not available.

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	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Rice in the husk	1,54	1,12	86	1,62	1,17	94	55	66	1,00	96	49
Rice not in the husk	4,18	7,96	10,98	12,10	8,28	8,88	6,87	9,98	11,96	11,78	11,59
Pulse	17	19	64	50	27	28	82	28	87	61	66
Oils, Mineral—											
Kerosene	8,82	8,72	4,10	5,29	4,98	5,27	8,42	8,49	9,25	8,14	9,18
Lubricating	(a)	21†	21	85	46	50	70	65	69	79	66
Benzine and Petrol	(a)	46‡	2,01	8,27	8,21	2,84	5,84	5,42	5,74	6,77	6,90
Candles	12	15	18	9	8	8	8	7	7	7	8
Lac	8	6	48	87	4	5	2	9	10	5	7
Wood and Timber—											
Teak Wood	1,17	1,82	2,89	2,65	1,98	1,52	1,68	1,64	1,82	2,09	2,00
Other Timbers	18	14	28	41	22	14	16	18	22	82	28

(Quantity in Thousands)

Rice in the husk ... (tons)	214	168	98	178	175	269	110	161	222	174	87
Rice not in the husk ... (,,)	888	806	709	909	811	1,086	986	1,928	1,978	1,578	1,584
Pulse ... (,,)	19	19	46	35	28	38	42	44	50	74	82
Oils, Mineral—											
Kerosene ... (gals.)	97,570	110,821	119,290	120,571	118,429	120,414	126,897	122,588	127,775	114,728	127,565
Lubricating ... (,,)	(a)	2,967†	2,160	8,698	6,515	7,841	7,465	6,525	6,779	7,264	5,505
Benzine and Petrol ... (,,)	(a)	4,215‡	14,871	52,108	51,101	45,846	47,650	48,032	55,889	95,478	2,784
Candles ... (lbs.)	4,408	5,455	6,287	8,159	2,878	2,847	2,752	...	2,619	2,081	55
Lac ... (cwt.)	...	...	...	...	...	...	...	63	47	82	...
Wood and Timber—											
Teak Wood (C. tons)	128	110	166	169	125	104	126	132	154	180	170
Other Timbers (,,)	28	20	25	86	21	16	17	23	30	41	89

(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	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Coal (tons) ..	413	842	870	703	654	427	341	274	331	311	288
Cotton Twist and Yarn (lbs.) ...	10,395	12,686	18,944	18,498	12,430	12,915	12,616	12,616	11,432	10,100	10,804
Cotton piecegoods—											
<i>Grey</i> (unbleached,—											
Indian (yds.) ...	7,859	8,570	8,649	7,905	6,797	17,757	14,664	19,651	9,978	17,633	20,631
Foreign (") ...	8,009	8,116	5,496	2,856	1,811	2,857	1,629	1,843	1,072	1,469	1,424
<i>White</i> (bleached)											
Indian (yds.) ...	8,707	5,395	4,485	8,625	4,934	5,849	5,595	15,671	30,194	21,574	29,201
Foreign (") ...	2,586	8,741	2,008	810	524	1,293	1,176	819	2,802	1,053	5,826
<i>Coloured, printed or dyed—</i>											
Indian (yds.) ...	12,199	21,812	18,122	18,591	11,249	20,433	22,913	36,029	44,746	29,626	38,050
Foreign (") ...	2,833	4,434	3,342	756	1,357	2,411	1,935	2,435	1,040	1,555	1,565
Jute bags (No.) ...	38,948	39,322	40,123	43,856	49,030	53,292	41,181	57,196	56,951	53,241	54,479
Betelnuts (cwts.) ...	311	279	294	246	372	243	225	231	213	203	202
Tobacco, unmanufactured (lbs.) ...	21,160	16,432	16,637	12,614	10,225	14,014	13,399	11,115	11,466	11,441	13,132
Pulse (tons.) ...	14	12	15	12	13	12	13	6	6	5	4
Wheat flour (tons.) ...	16	12	13	26	23	13	19	20	22	24	26

(Value in Lakhs of Rupees.)

Articles	Pre-War Average	War Average	Post-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
Coal ...	51	65	1,09	1,03	96	68	55	45	50	46	42
Cotton, Twist and Yarn ...	56	97	2,35	1,01	70	63	65	52	55	43	51
Cotton, piecegoods—											
<i>Grey</i> (unbleached)—											
Indian ...	14	22	37	20	17	34	23	36	33	32	35
Foreign ...	5	9	24	6	4	6	8	4	2	3	3
<i>White</i> (bleached)											
Indian ...	8	13	25	12	15	15	14	29	55	45	55
Foreign ...	5	13	11	1	1	4	3	2	5	2	1
<i>Coloured, printed or dyed—</i>											
Indian ...	27	60	95	53	43	64	70	90	1,06	73	73
Foreign ...	6	20	25	3	4	10	7	7	3	4	4
Jute bags ...	1,19	1,66	1,33	2,40	1,30	1,66	1,11	1,53	1,32	1,23	1,25
Betelnuts ...	60	56	64	59	43	43	34	30	27	27	31
Tobacco, unmanufactured ...	53	43	51	45	33	29	23	22	22	19	23
Pulse ...	20	20	36	26	30	13	20	9	9	3	6
Wheat flour ...	29	27	32	61	44	26	30	23	29	33	39

Total ...

Tonnage of vessels engaged in the Coasting Trade of India

(In thousands of Tons)

Provinces	1927-28		1928-29		1929-30		1930-31		1931-32		1932-33		1933-34		1934-35		1935-36		1936-37	
	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared	Entered	Cleared
Madras ...	8,819	9,047	9,148	9,414	9,848	9,786	10,900	(a)	...	(a)	10,551	10,894	11,196	11,562	13,024	12,836	11,675	12,125	11,508	11,578
Bombay ...	4,084	4,690	4,246	4,556	4,191	4,642	4,184	4,568	...	(a)	4,471	4,508	4,568	4,876	4,709	4,955	4,886	5,052	4,945	5,250
Burma ...	5,548	5,645	6,216	6,188	6,482	6,426	6,447	6,887	6,712	6,757	4,724	4,508	4,872	4,757	4,916	4,766	4,675	4,620	4,521	4,567
Bengal ...	3,699	3,890	3,794	3,117	4,098	3,592	3,689	3,856	3,016	2,709	3,489	3,078	3,545	3,031	3,876	3,254	3,818	3,047	3,718	3,097
Sind ...	1,552	1,474	1,568	1,620	1,605	1,611	1,598	1,547	1,583	1,634	1,388	1,637	1,478	1,719	1,702	1,800	1,674	1,916	1,640	1,798
Bihar & Orissa ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL ...	21,786	21,755	23,637	32,236	24,955	24,845	26,174	26,007	26,168	15,858	24,588	24,684	25,667	25,957	27,207	27,181	26,749	26,788	26,566	26,515

(a) Figures not available separately.

(b) Exclusive of figures for Madras.

(c) Figures for Calcutta Port only.

Volume of Inland Trade of India (1935-36 and 1936-37)
River and Rail-borne
(Volume in—Maunds)

Names of Articles	Total for 1935-36	Total for 1936-37	Names of Articles	Total for 1935-36	Total 1936-37
Bones	3,298,927	4,670,723	Lac and Shellac ...	699,449	1,245,607
Cement	17,767,954	19,948,275	Manganese Ore ...	27,696,741	21,213,674
Coal and Coke	386,792,484	397,816,680	Mica	244,016	259,986
Coffee	181,847	210,985	Oilcakes	8,010,466	8,400,678
Cotton, raw	22,884,225	28,669,595	Oils—Kerosene ...	14,927,445	15,608,950
Twist and Yarn—(a) Indian ...	2,635,178	2,682,240	Vegetable Oils ...	4,686,488	4,551,971
(b) Foreign ...	842,771	270,990	Oilseeds—Castor ...	1,625,545	1,697,706
Piecegoods—Indian ...	8,699,239	9,860,160	Groundnuts ...	10,498,696	16,572,069
Foreign ...	1,482,652	1,160,820	Linseed ...	7,749,294	7,044,948
Dyes and Tans—Myrobalans ...	1,778,586	1,622,789	Rape and Mustard	6,722,702	7,148,222
Fruits, dried	7,191,809	10,064,554	Gingili or Til	2,165,548	2,347,021
Glass	966,175	969,827	Cotton ...	6,942,009	8,964,482
Grain and Pulse—Rice ...	47,625,710	50,098,137	Ghee	694,577	692,286
Wheat ...	22,191,584	23,108,597	Salt	28,196,096	30,001,834
Wheat flour ...	6,015,526	5,915,029	Saltpetre	540,890	509,868
Others ...	89,500,815	45,111,087	Sugar—Refined ...	18,081,875	24,987,659
Hemp, Indian and other fibres (excluding Jute) ...	1,594,491	1,745,812	Sugar—Unrefined, gur, rab, etc.	13,229,997	15,400,810
Hides, raw	1,376,058	1,996,228	Tea	8,698,706	4,264,368
Skins, raw	1,180,095	1,150,488	Tobacco, raw ...	8,165,926	8,295,986
Hides and Skins, tanned and leather	611,588	586,828	Wood and Timber—Teak	1,916,881	2,098,885
Jute, raw, loose and pucca bales ...	29,084,199	38,225,224	Other timber	14,100,114	12,990,084
Gunny Bags and Cloth	4,511,494	5,151,982	Wool, raw	788,915	770,426
Iron and Steel Bars, Sheets, etc. ...	40,504,202	39,817,288			

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 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.

The demand for power in the State is rapidly outgrowing the capacity of the Sivasamudram Power Station and various proposals for new sources of power are being actively considered. Amongst these is the scheme of developing power from the grand falls at Gersoppa which is 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 with 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 Shirota 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 Khandala 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 Khandala 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 has been able to pay 6 per cent. and over. 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 in the year 1926 with Major Howard as Chief Engineer, who has worked at the details of the whole Scheme. The Province of Madras has been divided into Nine Power areas *viz.*, Mettur, Madras, Anantapur, Periyar, Papanasam, Pykara, Vizagapatam, Bezwada and Chetti-^{pet}. 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 was brought into existence in 1933 and is in the course of development. The Mettur area was started in the year 1935 and a beginning has been made in respect of the Vizagapatam and the Bezwada area. The Papanasam and the Chettipat schemes are being actively considered and it is likely that a start will be made in 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 $\frac{3}{4}$ 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 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, was so great in 1935 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.
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. The most notable effect of the development of this scheme is the springing up of 29 cotton mills at Coimbatore alone besides a few at Tirupur, Udumalpet etc. The Coimbatore District has long been noted for the irrigation of its dry lands from wells and thanks to the availability of Power, the old fashioned ways of lift irrigation with bullocks has been replaced by electric pumping.

An important extension of this scheme, at present under construction, is the O.O. K.V. Transmission line to Madura.

The next Scheme that was started was the Mettur Hydro-electric Scheme. The following extracts from the Government's publication at the time of its inauguration, 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 " " " " " "	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."

Work on this project was started in 1935 and is still in progress.

In the year 1936, 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 was 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 interlinking 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 licenses, and that, in any case, the lack of licenses should not impede the extension of electric supply to promising areas.

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, Thycautery, 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	Opened in Nov.
Salawa	... 4,000	" "
Nirgajni	... 5,000	1936-37.

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 esti-

mated 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. The Salawa Power house was opened in the year 1935-36.

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 earmarked 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 guls 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.

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 Battye 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 hillside 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 5,6000 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.

The aggregate output of all the schemes outlined above including those that are in commission and under construction will only be a small fraction of the water-power available in India. It is estimated that over 28 million kilowatts could be developed and at the most liberal computation the power as yet developed is only 300,000 kilowatts.

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 conditions 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.

1936-37

The period under review is very important in the hydro-electric development of India. Besides the exceptional progress made in the construction of the various projects described above, a number of new schemes have been formulated and it is expected that a start will be made on them shortly.

In Madras, besides numerous extensions that have been made in the Pykara system, the most notable being the supply of power to Madura, Virudnagar and outlying areas, the first stage in the Mettur project is nearing completion. The Bezwada and the Vizagapatam thermal schemes have been taken up. Briefly described, the Bezwada Scheme is the construction of a thermal station in the town of Bezwada with an initial output of 1,500 k.w. and transmit power to Masulipatam, Gudivada and Ellore. As the load develops and outgrows the capacity of this station, it is intended to develop the hydro-electric project at Chettipat and link it to the system.

The Vizagapatam scheme is the purchase of the existing harbour power station and extending it so as to increase its capacity to 2,200 k.w. and transmit energy to Bimlipatam, Anakapalle, Vizianagaram, the manganese mines at Kodur and Garbham and the town of Bobbili. Similar to the Bezwada scheme, when the demand exceeds the power available, it is intended to develop

the hydro-electric power at Chettipat into the Vizagapatam district and feed the system.

Work on the above two thermal schemes is rapidly progressing and it is expected that by the middle of 1938, Power will be available in all the areas.

In the United Provinces, a thermal station at Chandausi and the power station at Nirgujni are nearing completion while the Chitaura station was formally opened during the year under review. The Chandausi steam station is intended for two purposes *viz.*, to cope with the peak load at times of maximum demand and to feed the whole grid at times of very low demand in order to enable the Ganges canal to be closed for a brief period for the purposes of repairs.

The State tubewell scheme is nearing completion and it is interesting to note that the 18,00 tubewells (both State and private) now in operation are able to pump 3,000 caudexs (about two-thirds of the dry weather flow of the Ganges River) and about a million acres have been brought under irrigation thus banishing for ever famine conditions in these areas frequently brought about formerly due to the vagaries of the monsoon.

The Eastern Grid Scheme is being actively considered and it was referred for expert opinion to the highly reputed London firm, Sir Alexander Gibb and Partners, who sent out one of their experts Mr. J. K. Hunter to investigate the matter. Mr. Hunter toured round the area collecting data and the final report is awaited.

The contemplated Eastern Grid comprises the construction of a Hydro-electric Power Station on the Sarai River in the Mirzapur District some 34 miles south of Benares together with the necessary aqueducts and pipe lines and an impounding reservoir on the Karammasi River. It is considered that by making full use of the supplies already available for the Sarai Canals together with the additional monsoon supplies already impounded, some 8,000 k.w. or 11,000 h.p. can be made available from this station. The feasibility of generating a similar quantity of power from the on the Tais River in the Rewa Hills is also under discussion with that State.

Negotiations are also in progress with certain local power companies to secure the

mutual advantage of surplus power which will be available from the respective steam and Hydro-electric station at certain seasons of the year. Such an interchange of power would reduce the capital outlay and working expenses both by the State and private generating systems for the benefit of all parties concerned.

The Eastern project further embraces the construction of transmission lines between Benares and Allahabad, Rewa and Allahabad, Allahabad and Fatehpur, Partabgarh and Sultanpur in addition to those from Benares to Jamsheedpur with a branch line to Moghalsarai.

Recent reports show that due to financial stringency a modified scheme is likely to be put on hand shortly. This scheme is the development of the Rewa Power Station and the construction of transmission lines to Mirzapur, Allahabad and Benares.

The main object of this scheme is the pumping of water from certain ghats in the Ganges and Tous Rivers for the purposes of irrigation.

A steam station is under construction and Fyzabad for the purpose of working a number of tubewells to irrigate fallow lands. Eventually this station will be linked to the Eastern Grid.

Experience in the Ganges canal grid shows how important such a scheme will be for the economic improvement of the Province.

The Malakand scheme in the N. W. F. Province is nearing completion and power will be available by the end of this year.

The Pallivasal scheme of the Travancore Government was scheduled to be in commission this year. But unfortunately when the Power House was completed, it was noticed that the site selected was treacherous and the structure began to give way. A new site has been selected and the work is being pushed on vigorously.

In Mysore the demand for power has outgrown the capacity of the Sivasamudram Power station and two new projects have been sanctioned, one in the Shimsa hydro-electric project and the other is the development of power in the Jog falls or as it is popularly known the 'the Gersoppa falls'. Work on these projects is to be started shortly.

INDUSTRIAL SECTION :

THE INDIAN TARIFF BOARD

HISTORICAL SKETCH

The Indian Tariff Board is the natural result of the decision of the Government of India after the Great War 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 with 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 the past few 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 its object through 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 principal 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 unaided

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 fanatical 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 Continental manufacturers would charge fully economic prices for their products, then the iron and steel industry would have no reason to fight shy of 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 to 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 boardcast 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 functions 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 was no work for the Board for some time to come, the action of the Government created serious disquiet in the public mind regarding the continuance of the policy of discriminating protection. And the disquiet was enhanced by the report that Government was 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. 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.

It was mentioned last year that the Government of India's attitude underwent a change and the Finance Member was prone to question the value of the policy of discriminating protection. The very alacrity with

which the Government of India acted on the advice of the Special Textile Tariff Board engendered a suspicion that only where Imperial Preference was concerned the Government attached value to the views of the Tariff Board. The Legislature which instructed the Government of India to give notice as regards the termination of the Ottawa Pact last year reaffirmed its faith in the well-tried policy of the past fifteen years and members so diverse as Sir Tracy Gavin Jones and Sir Homi Mody gave expression to the fears and suspicions lurking in the hearts of the business community.

While by the middle of 1936, it was thought necessary to disband the Tariff Board, a progressive fall in sugar imports lent additional importance to the speedy undertaking of the statutory enquiry as regards the renewal of protection for the sugar industry. The Government of India, apart from their concern over the decline in revenue felt that it would be better to have the Board's findings ready before the renewal of or revision of legislation was taken up in March 1938. The Board selected by the Government contains only one member with previous experience in Mr. F. I. Rahimtulla, who after having been elected to the Bombay Assembly turned down his seat and took up the appointment. Sir G. T. H. Bracken, a former Finance Member of the Madras Government was appointed Chairman and Dr. L. C. Jain of the Lahore University is the other member. Though Government claim frequently that industrial development is being advanced by the new Industrial Intelligence, Bureau, working since 1935, and the holding of conferences with Provincial representatives as well as by the encouragement of exhibitions such as the great one at Lucknow last year, the public has received no reassuring indication of anything approaching

active assistance. In recent months, some change may be discerned and the case of the minor industries, injured by Japanese competition is the subject of an investigation by Mr. R. K. Nehru. The enquiry however, has been suspended, after a promising start, owing to the political developments in the Far East, and the anticipated fall in Japanese imports is expected to provide a natural remedy. Obviously, the dropping of the enquiry suggests that the task was assigned in a half-hearted manner and the minor industries will have to struggle along as best as they can. Meanwhile, the stalemate in the Indo-British trade treaty negotiations indicates a possible source of danger in the British claim for tariff concessions now being vigorously pressed. Whatever might have been done in the past would be sacrificed if any embarrassing extensions of preferences are made. Meanwhile the Ottawa privileges remain a monument to the inexperience or temerity of previous negotiators, and if the Indo-Japanese trade treaty involved stiff bargaining, with the Japanese holding a hand as good as ours this year too, the opportunity furnished by negotiations with British must not be sacrificed for sentiment or anything else. Those, who envisage a period of rapid industrial advance in the near future and urge the importance of planning, will certainly resist the grant of any privileges to Britain's export trade in India at the expense of India's industries. Fiscal policy remains the most handy weapon, and if in the last few years, the original purpose and principles have been blurred there is now a feeling that industrial development must be fostered, now that internal trade recovery has proceeded far, and there is a feeling that the new Provincial Governments at least can be trusted to make up for the apathy of the Central Government.

TABULAR STATEMENT SHOWING THE WORKING OF THE TARIFF BOARD.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board	Action taken by Government																				
1	2	3	4	5	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 18th June, 1924.</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																								

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. A specific duty of Rs. 60 per ton.</p> <p>WIRE AND WIRE NAIL INDUSTRY. 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>. A specific duty of Rs. 60 per ton on wire nails.</p> <p>AGRICULTURAL IMPLEMENTS. 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. Protection not recommended.</p> <p>STEEL CASTINGS. No specific recommendation was made.</p> <p>ENAMELLED WARE INDUSTRY. No recommendation was made.</p>	
2.	Oct. 5, 1923.	<p>President: G. Rainy. Members: P. P. Ginwala, V. G. Kak.</p>	Sulphur.	The Board recommended that the import duty on all kinds of sulphur be removed.	Duty removed with effect from 9th June, 1924.
2.	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.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
				<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.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
7.	Oct. 8, 1924.	President: G. Rainy. Members: P. P. Ginwala, V. G. Kale.	Steel Industry (urgent enquiry).	<p>(6) Cement produced in India was generally of very good quality.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(10) The 15 per cent. <i>ad valorem</i> duty should be converted into a specific duty of Rs. 9 and declared prohibitive.</p> <p>(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.</p> <p>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 :</p>	<p>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</p>

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6

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> . <i>plus</i> Rs. 60 per ton.
Coal tubs, etc., and built up tubs	...	...	25% "	25% <i>ad valorem</i> . <i>plus</i> Rs. 47 per ton.
Fabricated steel beams, channels, angles, etc.	...	...	25% "	25% <i>ad valorem</i> . <i>plus</i> Rs. 54 per ton.
Fabricated iron, angles, etc.	...	...	15% "	15% <i>ad valorem</i> . <i>plus</i> Rs. 44 per ton.
Fabricated plates	...	...	25% "	25% <i>ad valorem</i> . <i>plus</i> Rs. 41 per ton.
Fabricated sheets	...	...	15% "	15% <i>ad valorem</i> . <i>plus</i> 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> . <i>plus</i> Rs. 35 per ton.
Wire nails	...	Rs. 60	per ton	Rs. 90 per ton.

on the consumer out of proportion to the benefit derived by the industry, they thought that a bounty of Rs. 20 per ton on 70 per cent. of the total weight of steel ingot subject to a maximum of Rs. 50 lakhs would meet the needs of the case. The bounty was given from 1st October, 1924 to 30th September, 1925. The proposal of Government to grant bounties was warmly approved by the Board.

8. June 18, 1925.

President:
G. Rainy.
Members:
J. Matthai.

Steel Industry.

The main recommendations of the Board were as follows:—

(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

A Resolution was adopted in the Legislative Assembly in September which provided:

(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

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board 5	Action taken by Government 6
9.	March 28, 1925.	President: G. Rainy. Members: P. P. Ginwala, J. Matthal.	SHIPBUILDING INDUSTRY.	<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. 35 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>
				<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>

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
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.	<p>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. 35 per ton whichever was higher. By the Steel Industry (Protection) Act, 1927, this compensation was reduced to Rs. 23 per ton.</p> <p>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.</p>
11.	June 18, 1925.	<i>President:</i> G. Rainy. <i>Members:</i> P. P. Ginwala, J. Matthai.	Wire and Wire Nail Industry.	<p>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.</p>	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

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
13.	April 3, 1926.	<p><i>President:</i> P. P. Grewala, <i>Members:</i> A. E. Mathias, J. Matthai.</p>	Steel Industry (Statutory enquiry).	<p>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</p>	<p>on South African coal, which the majority did not support.</p> <p style="text-align: center;">ROLLED STEEL INDUSTRY.</p> <p>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.</p>

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board	Action taken by Government
1	2	3	4	5	6

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. 13 per ton should be imposed on fabricated steel imported from elsewhere than the United Kingdom.

The duties proposed were as follows :—

Product.	Basic Duty.	Additional Duty.
	Rs. per ton.	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
1	2	3		5	6

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>	13
	(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 tinplate 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 tinplate 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.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
14.	April 8, 1926.	President: A. E. Mathias. Member: 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>(i) Forgings.</i></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;"><i>(ii) Steel Castings and Spring Steel.</i></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.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry	Recommendations by Tariff Board	Action taken by Government
1	2	3	4	5	6

that a good case had been made out for protection.

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.

The Board had no recommendations to make in respect of spring steel.

(iii) *Bolts and Nuts.*

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.

WIRE AND WIRE NAIL.

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.

15. Oct. 2, 1926.

President:
P. P. Ginwala.
Members:
A. E. Mathias
J. Matthai.

Match Industry.

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.

The conditions laid down by the Fiscal Commission were fulfilled.

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

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board	Action taken by Government
1	2	3	4	5	6
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>

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board	Action taken by Government
1	2	3	4	5	6
				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>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>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 8 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>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.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
21.	March 28, 1925.	<i>President:</i> P. P. Ginwala, <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, viz., 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.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6
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 18th 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

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6
				<p>be said of cloths of counts of 30s. 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. 8d. 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.</p> <p>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>

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6

duty on yarn was undesirable from the point of view of the handloom industry.

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.

There was no justification for an export duty on cotton.

The concession of free entry enjoyed by cotton mill machinery and mill stores prior to 1921 should again be granted.

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.

The appointment of Trade Commissioners in Basra and Mombasa was pressed.

Before the appointment of a Trade Commissioner, a commercial mission should make a survey of the potentialities of export markets.

No case had been made out for a special treatment of the hosiery industry.

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.

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.

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government. 6
28.	July 25, 1932.	<i>President:</i> Dr. J. Matthai. <i>Members:</i> F. I. Rahimtoola, G. T. Boag.	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.	<i>President:</i> J. Matthai. <i>Members:</i> F. I. Rahimtoola. G. T. Boag.	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>

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government. 6
				<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.</p> <p>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>

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government. 6
28.	July 25, 1932.	<i>President:</i> Dr. J. Matthai. <i>Members:</i> F. I. Rahimtoola, G. T. Boag.	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.	<i>President:</i> J. Matthai. <i>Members:</i> F. I. Rahimtoola, G. T. Boag.	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>

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government. 6
				<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.</p> <p>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>

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government. 6
80.	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.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6
31.	May 20, 1930.	<p><i>President:</i> A. E. Mathias.</p> <p><i>Members:</i> J. Matthai, F. I. Rahimtoola.</p>	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>

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government. 6
				<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>	

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6
27 1				The Tariff Board considered the scale for cane payment recommended by the Indian Sugar Committee, viz., 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.	
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>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>	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.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6

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.

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.

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.

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.

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

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government. 6
83.	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>In- 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. 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>

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government. 6
				<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, 1928.	<p><i>President:</i> Sir P. P. Ginwala. <i>Members:</i> A. E. Mathias. J. Matthai.</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. Matthai. <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.

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government 6
40	Aug. 26, 1933.	<p><i>President:</i> J. Mathai.</p> <p><i>Members:</i> G. Wiles, G. A. Natesan.</p>	Steel Industry.		

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.

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

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.

Serial No. 1	Date of reference. 2	Personnel. 3	Subject of Enquiry. 4	Recommendations by Tariff Board. 5	Action taken by Government. 6
-----------------	-------------------------	-----------------	--------------------------	---------------------------------------	----------------------------------

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.

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.

41 11th May, 1931. *President :*
J. Matthai.
Members :
F. I. Rahim-
toolah.
G. T. Boag.

Glass Industry.

(i) Sheet and Plate glass including figured and ribbed glass—Rs. 4 per 100 sq. ft. or 25 per cent. *ad valorem* whichever is higher.

(ii) Bangles, beads and false pearls—50 per cent. *ad valorem*.

(iii) Glass and glassware of the kinds specified below—50 per cent. *ad valorem*.

(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.

(b) Illuminating ware—Chimneys ; globes ; shades ; chandeliers ; dome lamps wholly or partly made of glass.

The report submitted in 1932 was released for publication only in 1934.

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>
42.	May 25, 1935	<p><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>	<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>

Serial No.	Date of reference.	Personnel.	Subject of Enquiry	Recommendations by Tariff Board.	Action taken by Government:
1	2	3	4	5	6
43.	June 25, 1936.	<p><i>President :</i> Sir Alexander Murray.</p> <p><i>Members :</i> Mr. F. I. Rahimtolla, Dewan Bahadur A. Ramasami Mudaliar.</p>	<p>Cotton Textile Tariff. To review and recommend the level of the duties necessary to afford adequate protection to the Indian cotton textile industry against imports for the U. K.</p>	<p>The report recommended the reduction of the duty on grey goods from 25 per cent. to 20 per cent. ad valorem and the duty on bordered grey bleached and coloured goods to 20 per cent. The duty on yarn was reduced similarly to 5 per cent. ad valorem.</p>	<p>Given effect to immediately by a notification under Sec. 4 of the Indian Tariff Act.</p>

INDUSTRIAL SECTION:

THE INDIAN COAL INDUSTRY

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. Yet, 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 coking, 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 state of 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 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.

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 1898. The

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	1936
Total world production		1,286,628	1,176,722	1,029,840	911,816	958,856	1,024,036	1,072,820*	1,274,487
Germany	...	168,440	142,704	118,644	104,736	109,920	124,860	148,016	158,880
France	...	53,784	53,880	48,004	46,272	46,872	47,588	46,2124	45,227
India	...	22,716	28,124	21,024	18,972	18,312	20,436	21,130	20,888
Japan	...	84,260	81,380	27,984	28,056	80,048	85,928	84,908	88,08
Netherlands	...	11,584	12,216	12,900	12,756	12,576	12,886	11,880	14,802
Poland	...	46,236	37,512	38,268	28,836	27,896	29,232	28,740	29,746
United Kingdom	...	262,044	247,800	222,984	212,604	210,800	224,496	236,524	282,141
U. S. S. R.	...	41,664	47,052	58,544	62,532	72,240	98,504	108,824	120,897

* Provisional.

(†) Transferred to Germany since 1935.

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 Raneeunge 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 Raneeunge fields cover an area of about 500 square miles spread over the districts of Burdwan, Bankura, Manbhoom and the Santal Pargannas. The Raneeunge 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 Raneeunge 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 1898. The Bokaro 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 2 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 a 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. Rlys. 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	19,804
1922	19,010
1928	19,657
1924	21,177
1925	20,900
1926	20,999
1927	22,082
1928	22,543
1929	22,875
1930	22,714
1931	19,518
1932	18,064
1933	18,218
1934	20,846
1935	20,863
1936	20,064

Production at the end of each decade.

	Tons.
1880	1,019,793
1890	2,168,521
1900	6,118,692
1910	12,047,416
1920	17,962,214
1930	23,808,048
1935	20,868,000
1936	20,064,000

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	1936-37
United Kingdom	29,892	18	...	...
Ceylon	222,996	215,605	182,618	202,884
S. S.	5,891	29,719	16,589	18,308
Hongkong etc.	99,286	55,384	41,270	...
Other countries	15,329	7,968	7,548	28,884
Total	372,894	308,689	198,025	249,526
Coke	827	2,684	1,799	1,419
	378,721	311,373	199,824	250,945

IMPORTS OF COAL.

(Quantity in Tons).

	1933-34	1934-36	1935-36	1936-37
United Kingdom	9,776	11,580	10,291	17,877
Union of South Africa	85,770	82,858	19,208	87,415
Australia	6,165	4,491	5,287	2,891
Other Countries	4,640	8,330	24,656	17,740
Total	56,351	56,754	59,457	74,928
Coke	19,791	14,168	16,454	17,228

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).

	1935	1934	1933	1932
Railways	7,293	7,126	6,682	6,443
Port Trusts	135	145	143	135
Bunker Coal	1,020	944	967	1,077
Admiralty and Indian Marine	29	28	30	29
Inland Steamers	551	577	586	579
Jute Mills	653	658	656	653
Cotton Mills	1,531	1,600	1,547	1,361
Iron and Brass Foundries	5,583	4,657	4,092	3,997
Tea Gardens	186	189	187	203
Consumption in collieries and wastage	1,220	1,169	1,979	2,015
Brick and Tile Manufacture	792	709	644	669
Paper Mills	171	149	162	142
Balance available for other forms	3,712	3,788	1,778	7,375
Total	22,876	21,799	19,428	16,679

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 Government had at one stage shown themselves more sympathetic to the appeals of the trade regarding the working of the collieries.

THREAT 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 4½ 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, 1923.

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 these, 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.

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 1935-36, 1936-37 and 1934-35 are given below:

	1934-35		1935-36		1936-37	
	Rs.	A.	Rs.	A.	Rs.	A.
Dishergarh	4	0	3	0	3	0
Poniati	8	9	2	12	2	14
Super Jharia	4	0	3	8	3	8
Selected Jharia	3	8 to 8	12	2	12	2

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 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 Chambers 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.

Mention may, perhaps, be made here of the disasters which occurred 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.

If the preceding year, apart from the accidents in the mines, was devoid of interest, 1936-37 provided plenty of features. The outstanding event, in some sense, was the Poidih disaster in the Jharia field. The

gravity of the disaster forced the question of proper safety methods to the forefront, while the warning of Sir Lewis Fermor about the prospect of a shortage of good coking coal lent urgency to the problem of coal conservation to which we adverted last year. The Industries and Labour Department besides issuing instructions for the adoption of safety methods, and the stoppage of female labour as from June, 1937, by an ending the Mines Act suggested the adoption of sand-stowing during extraction as advocated by an expert member of the first Coal Committee. The practicability of the more economical and safer extraction of coal by the adoption of sand-stowing and similar methods was the subject of reference to a small expert committee appointed by the middle of the year. The Chairman, Mr. L. B. Burrows was assisted by a member of the Geological Survey, an officer of the Mines Department and a Mine Manager. The coal industry, however, did not take the committee seriously and declined to tender evidence. The three organisations representing the industry held the view that the terms of reference were too wide and vague, and that other measures besides the adoption of safe methods were necessary to assist the industry. Further, the advance in internal consumption and the improvement in prices in the latter half of the year had the effect of reviving self-confidence, and there was also a feeling that the committee's findings would not redound to the credit of the industry, while the reforms advocated for more efficient and economical mining involved an increase in working costs, which would hardly be to the liking of mining interests. The Committee's labours concluded in the beginning of this year and the report was released for publication in May, 1937. The report met with a decidedly critical reception from coal-mining interests, who were not willing to subscribe to the view that India's coal resources had been wastefully exploited report derives interest from the suggestion of a cess to provide for the expense involved in the general adoption of sand-stowing. The cess was to be levied and administered by an independent statutory board to be clothed with powers of general supervision over the industry.

A minority of the Committee went further and recommended nationalisation of the mines, provision for compensating owners being made by Government. Public interest in the Committee's report was considerable and the admitted necessity for avoiding the disasters (more numerous in 1936) and also for conserving the fuel resources of the

country, led to a general approval of the recommendations of the committee. The committee's view that the unsatisfactory situation in the industry and the trade was largely of its own creation was blunt enough, but it proceeded to state further that the profit motive came into conflict with sound mining. The committee's view that the average of waste was about 50 per cent., of which the greater part could be avoided by sand-stowing, receives added emphasis from the finding that the life of the reserves of good quality coal is 122 years, the life of coking coal of quality is 62 years. In the Jharia field, the life of the reserves is placed at 81 years and of coking coal 57 years. The measures of conservation are advocated on grounds of public policy, apart from the interests of the iron and steel industry, to which coal is a vital factor. Control is necessary in the interests of safety of property of life in its opinion and the committee urged the adoption of its recommendations in regard to grading, marketing etc.

The Indian Mining Association challenged the findings of the Committee and its criticisms of the methods of extraction. The recommendations were viewed as impracticable and Indian colliery owners too endorsed the view that the additional cost was beyond the capacity of the industry in the existing circumstances. Legislation on the lines of the report will probably be resisted, but public opinion in the country will back up Government's efforts to reduce waste and make mining methods safer. The Adjai disaster early this year showed that subterranean fires were uncontrolled and the provision of rescue facilities inadequate.

The industry's economic position underwent a definite change for the better during

the past twelve months. Though the export trade, except to Ceylon, continued to shrink, internal consumption was on the upgrade and the industrial developments in progress led to enlarged use of coal. The price of coal improved in sympathy and after the beginning of the current year there was a sharp reduction in stocks which stimulated prices. Thana No. 1 was quoted at Rs. 4 per ton in May 1937 against Rs. 2-3 in May 1936. Raisings at the collieries, however, were maintained in fair volume, but the shortage of labour had its influence on output. Coal companies also appeared to have turned the corner and towards the end of 1936, investors generally paid more attention to the leading coal shares. Profit statement and dividend distributions in respect of the past year have revealed some measure of improvement to warrant the conclusion that 1936 was a better year than 1935 for the coal industry.

The industry is now faced with the problems and issues raised by the Burrows Report. At the last meeting of the Indian Mining Federation, the President expressed his view that safer mining was essential in the public interest and that the higher costs should be adjusted by a rise in prices. The adoption of improved and safer methods to combat the frequent disasters in coalfields had the support of the industry and public opinion and the recommendations of the Burrows Report towards the same end have been generally welcomed. The amendment of the Indian Mines Act and the regulations appurtenant thereto is a step that will commend itself to informed opinion, and the coming year will witness probably the inauguration of a new era of safer and more economical working of India's coal resources.

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 Abingdon 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

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 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 the 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 in 1866; and the result was an increase in loomage in the short period between 1869 and 1878 from 950 to 1,250. In 1872-78 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 8,117 were sacking. The next quinquennium saw the advent of Gondalpara, Khardah, 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 Gangabhai 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 31.69 lakhs acres in 1918-14 to 34.85 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 48.74 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. 874.84 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. 83 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 *faric* to the *behari*, 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 operations. 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 function 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

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 fell 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 troubles 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 referred to 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 other 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 wee. 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 restriction 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 were 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 stiffened 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 agitation was in progress to induce the Govern-

ment 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 secession 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 and 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.

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 businessmen 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.

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 an unexpected 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.

1936-37

The collapse of the agreement between the Association Mills and the outside mills was followed by prolonged and infructuous negotiations. From April, 1936, the Association mills, who were free to work at 54 hours per week after swing 6 months' notice, increased their working hours, and during the first quarter of 1936-37, the average working time in Association Mills was 46½ hours per week. The jute industry's position itself was more uncertain in view of the definite refusal of the Government of India to enact legislation to give effect to the scheme for restricting hours and output. Mr. Clow's letter explaining the policy of Government held out no promise of intervention even if gross overproduction resulted. The Association mills after April decided that one way of preventing new mills from being set up was to raise their own output and compete effectively, even if stocks grew heavy and prices declined. From July, the mills started to work 50 hours per week and in August, all the mills worked the full week of 54 hours. But the old condition regarding the extension of productive machinery held good and it was with a view to escape its restrictive influence that two mills decided to resign from the Association. The resignation was withdrawn when the Association itself withdrew its restrictions on hours and machinery. The relaxation of the rules is inevitably reflected in the output figures. Stocks at the end of the year were 9.51 crores of yards compared with 6.01 crores of yards at the end of January, 1936. The average production in the months since April was 16.35 crores yards per month as against an average of 12.03 crores yards in the first three months of 1936. Production of sacking was on an average 11.6 crores yards per month compared with an average of 9.6 crores yards during the first quarter of the year and stocks too were higher at 9.88 crores yards against 8.21 crores at the end of 1936.

The stock position should have shown even more marked increase had it not been for a striking improvement in world consumption. The progress of world recovery was reflected in a marked expansion of demand, but the prices realised by mills for their manufactures failed to provide the previous margin of profit. The jute crop of 1936, though higher than that of the previous year, met with enlarged demand and the raw material was in keen demand from shippers. The acute differences within the industry kept the prices of manufactured

goods down, and the jute industry, as Mr. Burn pointed out at the Annual Meeting of the Jute Mills Association in February, had not been able to share in the general improvement and obtain the better prices which buyers expected and were willing to pay. The situation in the industry since the beginning of the year has shown no change except for a well-defined rise in American consumption. Labour troubles have proved serious and a prolonged stoppage of work from March till May ensued. The strikes had the effect of imparting firmness to the jute and hessian markets and providing a much-needed reduction in stocks. Raw jute, however, developed sympathetic firmness and the mills costs of production generally would tend to rise while the conditions of the industry under a constant threat of overproduction have not changed for the better. The disappointing character of the financial results for most of the mills last year has been followed by a considerable diminution of investment interest. The leading speculative scrips have from time to time participated in slight market revivals but the group as a whole has been more depressed from the second quarter of 1937 and prices invariably show a drooping tendency.

Whatever may be the character of profit and loss statements the industry has certainly experienced some relief from the expansion of world demand. Exports of sacking in 1936-37 advanced to 451,056 tons from 371,566 tons in 1935. Shipments of hessian bags increased similarly from 54,160 tons in 1935-36 to 64,778 tons in 1936-37. The United Kingdom and the U.S.A. were in principal buyers of gunny cloth but most striking was the rise in the takings of hessian gunny cloth by the U. K. The total takings for 1936-37 were over 123 million yards compared with 79 million yards in 1935-36 and the U.S.A. also increased its takings substantially. Total exports advanced to 422,932 tons as compared with 299,890 tons in 1935-36. Shipments of rope and lime were also higher and the increase in the volume of exports was substantial the total for 1936-37 being 971,635 tons against 752,017 tons in 1935-36 while the value also improved to Rs. 27.94 crores as against Rs. 23.48 crores in 1935-36. It is only the expansion of exports that has provided some alleviation, but the gravity of the outlook is sufficiently clear as may be deduced from the special mention of the jute industry's troubles that Lord Catto made at the annual meeting of the Mercantile Bank of India.

INDUSTRIAL SECTION

THE COTTON TEXTILE INDUSTRY

India is regarded as the birthplace of the cotton textile industry, and even at present by virtue of its antiquity and importance it takes the first place among Indian industries. Alike in the capital sunk, in the volume of employment it provides, and in the net addition to the wealth and income of the country, it has hardly a rival among our industries. And what is more, it has a hold on the public imagination and affection that no other industry has. The decline of India's cloth manufactures since the latter half of the 18th Century was regarded as the symbol as much as the result of the country's political subjection, but its revival in the second part of the 19th century and its progress since, has been in the public mind equivalent to the progress of a political and economic emancipation.

The excellence of Indian cotton manufactures secured a market for them in Europe, two centuries ago and even the jealousy of English weavers, expressed in riots, did not make the East India Company give up the lucrative trade in calicoes. The growth of the Lancashire industry as the consequence of the industrial revolution in England accompanied by the neglect and ill-will of the governors of India make the old puissant industry of India a mere ghost of its former self, but after 1850 when the East India Company sought to stimulate exports of Indian cotton, many appreciated the

advantages that the development of the industry would obtain on Indian soil if the mechanical improvements of the West were adopted. Bombay was designed by nature to be the home of the cotton mill industry and the first Indian mill was established by Mr. C. N. Davar and started work in 1856 though the Bowreah Cotton Mills Company established at Fort Gloster near Calcutta as an English company in 1818 has the distinction of being the first. In the next few years six more mills were started in Bombay Island and the industry had also secured a foothold in Broach and Ahmedabad where the first mill was started in 1859 under the management of Mr. Ranchodlal Chhotalal. The American civil war gave a fillip to the Indian mill industry and by 1880 appreciable progress had been made as may be judged from the figures below:—

Year	(In thousands.)			
	Mills	Spindles	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 ...	56	1,461	13.5	44.4

Statistical records of the progress of the industry since 1880 are more complete and the table below indicates the advance of the industry for the quinquennium period up to 1903-4 and for the two years thereafter:

Year	Mills	Capital (in lakhs)	Labour	Looms	Spindles
1878-80 to 1883-4	... 63	657.6	51.0	14.5	1610.6
1884-85 to 1888-9	... 93	887.9	75.7	18.2	2296.8
1889-90 to 1893-34	... 127	1161.1	116.1	25.3	3263.8
1894-5 to 1898-9	... 156	1419.5	150	36.6	4046.1
1899-00 to 1903-04	... 195	1687.9	171.6	42	5000.9
1904-5	... 203	1757.5	196.4	47.3	5195.4
1905-6	... 204	1719.7	212.7	52.3	5293.8

Progress in the succeeding years was well maintained and in 1913 the Indian industry had a complement of 237 mills with a total of over 6.2 million spindles and 90,000 looms. It is estimated that the output of the industry at the time was 688 million lbs. of yarn and 1,164 million

yards of cloth as compared with 353 million lbs. of yarn and 422 million yards of cloth at the beginning of the century. Thus the beginning of the war period found the Indian industry a substantial one with crores of capital, mainly Indian, invested therein and affording work to

over 244,000 persons. It had shown remarkable expansion since its inception and had undergone in its later stages a change from one based on spinning to one embracing weaving, both of home-produced and imported yarn. Whereas spindles had increased by 39 per cent. looms had increased by 142 per cent. and the ratio of spindles to looms had fallen from 119 in 1898-9 to 68 per cent. in 1912-3.

Even more rapid was the progress of the industry during the Great War when the decline in imports assisted the progress of the industry though advance was hampered by the difficulty of obtaining plant and equipment from abroad. By August 1918, the number of mills increased to 252 with over 6.6 million spindles and 116,000 looms consuming over 2,085,000 bales of cotton. In the early years of the century the industry had an important trade in yarn with the Near East, Russia and the Far East, but the trade was lost through the remarkable advance made by Japan in textile manufacture and the enlarged demand for weaving purposes. 1917 is considered the most prosperous of the war years and high prices and large exports accompanied the rise in production.

The end of the war witnessed no diminution of prosperity and in the post-war boom orders for new and additional plant both for old and some new mills freely placed when the Rupees value was fixed at 2 sh. But the exchange crisis left the importers unable to take delivery. In the piecegoods market also a very acute situation developed and indigenous goods were shunned as much as imported goods. The Indian mills' spinning production as mentioned previously was being elbowed out of foreign markets and this added to the difficulties experienced in the slump of 1921. The competition of Japan in piecegoods became a serious factor in 1922 and the depressed state of the industry received no help from the movement to popularise khaddar.

Shareholders in the mill industry after the intense boom experienced something like disaster and labour troubles accentuated the difficulties of the industry. These conditions led to the appointment of a Tariff Board to enquire into the industry with particular reference to the causes of the depression, whether permanent or temporary, and to examine the extent to which it was due to foreign competition and also advise on the necessity or desirability of protection. The Tariff Board confirmed the impression conveyed by the terms of reference that the plea for

protection was made with far greater importunity by Bombay and Ahmedabad Mills than by mills situated elsewhere. And even as between them, more insistence was laid by the Bombay mills, for it was apparent that the industry there laboured under disadvantages imposed by higher costs, especially, wages, fuel and the distances from raw cotton areas and consuming markets. The examination of other questions revealed the contributory force of the loss of export markets like China, and the extent of competition from Japan was probably as serious as the losses occasioned by the growth of the industry in up-country centres.

The remedy which the Tariff Board suggested was the diversification of manufactures, and to this end, they suggested a bounty for stimulating the spinning of yarn of higher counts. The only action taken in regard to the majority and minority recommendations of the Tariff Board was the abolition of the duty on imported mill stores, for the Government stated, that on the facts as found by the Tariff Board, no case for protection had been made out. But as the result of protests and representations the Government issued a *communiqué* levying a specific duty of 1½ annas per lb. on imported yarn below the value of Rs. 1-14 per lb. when the rate was to be 5 per cent. *ad valorem* up to March 31, 1930. These concessions, which followed the tabolition of the excise duty (first imposed in 1894) in 1926 after prolonged agitation, had little effect. The fixation of the rupee ratio at 18d. gave foreign manufacturers a definite advantage and the recrudescence of labour troubles in 1928 and 1929 left the textile industry, particularly, of Bombay in an enfeebled condition. Requests for relief resulted in the appointment of Mr. G. S. Hardy to conduct an enquiry into the changes in the imports of cotton textiles and to advise on the possibility of substituting specific for *ad valorem* duties.

Mr. Hardy in his report confirmed the popular view of the intensity of competition from Japan and he pointed out that one of the results was to displace not only Indian but Lancashire goods. He reported against the change from *ad valorem* to specific duties as unsuitable. The issues raised in the report were examined by Government in conjunction with representatives of the Bombay Millowners' Association and the necessity of a certain degree of protection was accepted. As a consequence it was decided to raise the revenue duty on cotton piecegoods from 11 to 15

per cent. and under the Textile Industry Protection Act of 1930 they imposed on non-British goods an additional 5 per cent. for three years, and a minimum specific duty of $3\frac{1}{2}$ annas per lb. on plain grey goods, British and foreign. But the action appeared to be governed, mainly, by revenue considerations, and the necessity for protection was left to be adjudicated by a Tariff Board enquiry.

The Textile Industry Bill had a rather stormy passage in the Assembly and an amendment made grey goods from Lancashire subject to the specific duty. The industry received some assistance from the intensification of the *Swadeshi* movement in 1930 and the surcharge of 25 per cent. levied by the supplementary budget of 1931 on all imports conformed some advantage in addition to the changes made in the March Budget when the import duty was raised to 20 per cent. on non-British goods. The emergency budget of 1931 raised the duty on rayon yarn from 10 per cent. to $18\frac{3}{4}$ per cent. and the duty on rayon and mixed goods was fixed at 50 per cent. and $34\frac{3}{4}$ per cent. respectively after being subject to a duty of 20 per cent. in the previous seven months.

The import trade in textiles is one that is frequently the subject of both description and comment. The changes in its volume and distribution have been elucidated in statistics appended to this note besides the tables relating to India's foreign trade. The principal conclusions to be drawn from a glance at the tables is that the Indian industry, hampered though it is by many difficulties, has made remarkable progress, that the British manufacturer has lost his hold on the market and that Japan remains the most formidable competitor. The last has of course been the outstanding feature since Japan went off gold in December, 1931. In the middle of 1932, the value of the yen was stabilised at a very low value in terms of sterling. Depreciation of the yen exposed the Indian industry to increasingly rigorous competition, and in its representation to the Tariff Board appointed on July 25, 1932 the Bombay industry rested its case principally on the depreciation of the yen. The report of the Board on the question of the depreciated yen and the related charge of dumping (published in September) was preceded by the resolution of the Government deciding on the raising of the duty on non-British piecegoods to 50 per cent. subject to a minimum of $5\frac{1}{2}$ per cent per lb. on plain greys. But the higher duty was to be in force till March 31, 1933, and after

the Tariff Board reported there was a further decline in the value of the yen which rendered obsolete the figures employed by the Tariff Board in its calculations so that by the middle of 1933 recourse was had to further action, following representations from British and Indian Chambers of Commerce and the duty on piecegoods other than fents not of British manufacture was raised to $6\frac{1}{2}$ annas per lb. from $5\frac{1}{2}$ per cent. from 50 per cent.

This was not the last development in the triangular contest for the Indian market for which the Indian mill industry, Lancashire and Japan cater at present. At every step, action taken by the Indian Government sought to confer some differential advantage to Lancashire and protection was sought to be kept down to a bare minimum. Piecemeal action had little effect in removing the troubles of the industry, and the acceptance of the Ottawa Preference prior to the belated publication of the Tariff Board report was followed by British-Japanese discussions in regard to the Indian market. At the same time, as the Lancashire mission headed by Sir William Clare Lees visited India a Japanese envoy, assisted by expert advisers, was engaged in negotiating a trade treaty to replace the old convention denounced in April, 1933. The conclusions of the Tariff Board are set out in the appropriate place elsewhere in this volume and the only action taken by Government was to include the provisions of the Indo-Japanese trade agreement of 1934 and the Mody-Lees Pact in prescribing the tariff rates. The main principle underlying the former was to fix a quota for Japanese piecegoods imports and to see that it bore relation to the quantity of cotton Japan took from India. In the arrangement concluded between Bombay millowners and the Lancashire mission the claim that the Indian industry made to protection was conceded. A lower scale of duties on rayon goods of British origin was agreed to and India was promised that in colonies and British territories she would enjoy the same advantages as the British supplier of piecegoods. The most important point was an undertaking to increase takings of Indian cotton by Lancashire and the promise has been translated into the efforts of the Lancashire India Cotton Committee, whose representative Sir Richard Jackson has visited India twice, and interested English spinners in Indian cotton. Experiments at the Shirley Institute on most staple Indian cottons revealed its precise properties and increasing use has been made in Lancashire of Indian cotton

for spinning medium counts and for mixing purposes.

From time to time, the goodwill shown by Lancashire to Indian cotton has been the subject of publicity, and in recent months, great emphasis has been placed on this subject in relation to the negotiations for a new Indo-British trade treaty to replace the Ottawa Agreement which was denounced by the Indian Legislative Assembly in April, 1936.

Below is given a table relating to the imports of cotton and piecegoods into India in recent years. On an adjoining page is set forth the statistics of internal production. The latter reveals the continued expansion of home output, though the quantity of cotton taken is not subject to a similar rate of growth because the Indian industry has concentrated on the manufacture of higher count yarns and light fabrics. The increase in weaving output, particularly, of coloured goods remains a notable feature and the advice suggesting diversification and improvement of quality has been apparently taken to heart.

In 1935, a special Tariff Board was appointed to examine the effectiveness of the existing import duties, the level necessary to afford adequate protection against United Kingdom goods and yarn inclusive of rayon and mixture fabrics. The appointment was in response to the request of Lancashire suggesting that import duties should be adjusted in relation to fair selling prices in India. In the cold weather of 1935 the Tariff Board conducted its work, and Lancashire sent a delegation to tender evidence on its behalf in accordance with a provision embodied in the Ottawa Pact giving the U. K. or Dominion interest a right of audience. The Board finished its work before February, but the report was held up and its non-publication caused considerable anxiety. Towards the end of June, 1936, the Government of India released the report and put into effect immediately the tariff changes recommended. The duty on plain grey goods was reduced from 25 per cent. *ad valorem* to 20 per cent. or annas $4\frac{1}{2}$ per lb. whichever was higher to 20 per cent. *ad valorem* or annas $3\frac{1}{2}$ per lb. whichever was higher (2) the duty on bordered greys, bleached goods and coloured goods was reduced from 25 to 20 per cent. *ad valorem* (3) the duty on yarn of counts above 505 was fixed at 5 per cent. *ad valorem* and on yarns below 505 was to be 5 per cent. *ad valorem* or annas $1\frac{1}{2}$ per lb. whichever was higher. The Board considered that the existing tariffs conferred adequate protection to the

Indian mill industry which had led evidence for an increase in the duties.

The immediate acceptance of the recommendations, without waiting for the legislature's sanction, caused acute disappointment, though the recommendations were not surprising, in view of the fact that, the agitation for concessions had been intensified. The chorus of representations against the report had little effect, but the tariff concessions led to no improvement so far as Lancashire was concerned, for a rise in cotton prices, the passing of the Spindles Bill and rising wages at home involved an adjustment of prices that rendered the tariff revision of no advantage as the import statistics indicate. But the criticism of the Government action was not lost sight of in the negotiations for a new trade treaty with Britain and one of the consequences of the criticism was the appointment of a panel of non-official advisers to assist the Commerce Member. Pending the signing of a new treaty, the Ottawa Agreement was extended and in September the advisory panel met to consider the proposals of the Board of Trade and as these were found unacceptable the Indian side outlined in December the main principles that should be embodied in a new trade treaty and the negotiations were carried a stage further when, Sir T. A. Stewart was placed on deputation and the Indian advisers left in May to participate in the talks. At the time of writing, these have been suspended owing to a stalemate and the British Board of Trade has received representations demanding for Lancashire an adequate margin of preference against the Indian industry.

These were not the only changes in the year. Notice was given of an intention to terminate the Indo-Japanese trade treaty and negotiations were stabled to arrive at an arrangement to replace the pact of 1934. The Japanese Consul-General in Calcutta, assisted by technical advisers from Osaka acted on behalf of Japan and the distinctive feature of the negotiations was the dilatoriness. Indian opinion generally favoured the conclusions of a new treaty to embrace all Japanese imports besides textile manufactures and the imposition of a quota on rayon yarn and piecegoods. Meanwhile the separation of Burma as from April 1, caused a complication and separate talks had to be conducted with a representative of the Burma Government. The new Pact was signed on April 13 after the expiry of the old Protocol, and except for changes in the percentage allotment of each class of

goods the present treaty involves little of import to the domestic industry though it has been pointed out that the retention of the old quota is a bar to the further progress of Indian mills.

In the twelve months, April, 1936, to

	TWELVE MONTHS, APRIL TO MARCH			INCREASE(+) OR DECREASE(-) IN 1936-37 AS COMPARED WITH CORRESPONDING MONTHS OF			
	1936-37	1935-36	1934-35	1935-36	Per cent.	1934-35	Per cent.
Yarn spun	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	Per cent.	1,000 lbs.	Per cent.
Woven goods manufactured	10,54,117	10,59,287	1,001,420	-5,170	-0.5	+52,697	+5.8
	782,816	761,552	786,640	+20,764	+2.7	+45,667	+6.2

The exports of Indian yarn by sea from British India to foreign countries during the twelve months, April, 1936, to March, 1937, were 12 million lbs., as compared with 10 million lbs and 13 million lbs. in the corresponding periods of 1935-36 and 1934-35, respectively.

March, 1937, the quantities manufactured were 1,054 million lbs. of yarn and 782 million lbs of woven goods. These figures are compared in the statement below with those for the preceding two years:—

The quantity of coarse, medium, and fine yarns produced in Indian mills is compared below with the quantity imported by sea from foreign countries during the twelve months, April to March, 1935-36 and 1936-37.

	TWELVE MONTHS, APRIL TO MARCH				INCREASE(+) OR DECREASE(-) IN 1936-37 AS COMPARED WITH 1935-36	
	1936-37		1935-36		Production	Imports
	Production	Imports	Production	Imports	1,000 lbs.	1,000 lbs.
	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.
No. 1 to 25	740,097	422	756,258	857	-16,161	+65
" 26 to 40	248,765	5,250	288,414	14,751	+5,847	-9,011
Above No. 40	51,852	8,488	58,528	8,710	+8,324	-227

The production of Indian weaving mills consists chiefly of the descriptions of goods stated below with the quantity (in thousands

of pounds and their equivalents in yards):—

	1936-37		1935-36		INCREASE(+) OR DECREASE(-) IN 1936-37, AS COMPARED WITH 1935-36		
	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 yds.	Per cent.
Grey and bleached piecegoods—							
Shirtings and longcloth	194,909	900,680	182,247	842,844	+12,662	+57,836	+6.9
T-cloth, domestics, and sheeting	45,188	170,531	88,886	152,078	+6,847	+18,458	+16.8
Dhutis	219,768	1,117,787	284,221	1,240,511	-14,453	-122,774	-6.2
Chadars	26,742	65,875	28,689	59,459	+8,058	+6,416	+12.9
Khadi, Dungri or Khaddar	89,658	126,440	87,751	116,407	+1,907	+10,088	+5.2
Coloured piecegoods	154,668	810,222	152,878	797,879	+1,790	+18,843	+1.0

The following statement compares the production of piecegoods in Indian mills

with the imports of such goods from foreign countries:—

	TWELVE MONTHS, APRIL TO MARCH			
	1936-37		1935-36	
	Production	Imports	Production	Imports
	1,000 yds.	1,000 yds.	1,000 yds.	1,000 yds.
Grey and bleached piecegoods	2,161,765	481,481	2,778,492	595,181
Coloured piecegoods	810,222	282,554	797,879	851,548

INDUSTRIAL SECTION:

THE INDIAN TEA INDUSTRY

Tea formed an important item in the East India Company's cargoes and the fashion of tea drinking that set in during the 18th century in Britain was satisfied by imports from China. China had a monopoly of supply and the East India Company found in this lucrative trade from the East one of its principal sources of profit. But demand was irregular, and in 1773, stocks were so heavy that part of it was re-exported to the American colonies where however, the opposition to the Townshend duties was so strong that the cargo was thrown overboard by the colonists celebrating the 'Boston tea-party'. Nevertheless, the trade continued to be important and in 1805 imports into Britain amounted to 7½ million lbs. In 1813, the East India Company lost its monopoly of trade when its charter was renewed. Owing to the entrance of competitors, an alternative source of supply was looked for and the company was engaged in trying to locate areas of cultivation. Both in the East Indies and hilly regions of India, the climate and soil were considered suitable, and in 1834 Lord William Bentinck's Government appointed a committee to examine the possibility of importing tea plants from China and developing plantations in other territories. But on the North-East Frontier of India, the valleys of the Himalayas and the Nilgiris, the land was discovered to be well-suited to the cultivation of tea, but the authorities were unaware that the tea plant was indigenous to Assam and that there was no need to bring in the exotic China plant. For some time, scepticism prevailed as to the actual chances of growing it in Assam, but in 1838, the advocates of the Assam variety announced that they had shipped eight chests containing 350 lbs. to England. A year later, the English market realised that India had entered the lists as a supplier of tea. In 1838, the Assam Tea Company, which is the largest tea plantation company working in India, had been formed, and Indian tea was offered for sale at the Mincing Lane auctions in 1839. The quality was criticised by brokers and efforts to get hold of Chinese instruction proved unsuccessful. The industry, however, continued to progress and in 1866 there were 39 gardens with an acreage of 10,000 employing 8,000 labourers and producing 1.7 million lbs. In the course of another decade, the industry advanced further and there were thrice as many gardens, the acreage increased by 80 per cent. and output increased tenfold. By 1906, further progress was made and the output was 12.4 million lbs. from an acreage of 50,000 while the number of workers had risen to 64,000. Progress continued on the same scale in the following years, and in 1915, the acreage under tea was 53,178, the output was 17.99 million lbs., while the number of workers had fallen to 42,300. The last was the consequence of the invention of Mr. William Jackson and the

planting reforms of Mr. Christinson. The former introduced the rolling machine which rendered the slow and laborious process of rolling by hand and trampling it to dust under naked feet unnecessary. The latter evolved the measures necessary for preventing soil erosion on steep hill surfaces and for resisting the effects of drought. These were mainly responsible for India's getting ahead of China as a tea producer for export. The rapidity and magnitude of the advance is indicated by the following table:—

	Acreage (in 1000's)	Output (in million lbs.)
1901	524	201
1921	709	274
1924	714	375
1927	756	390
1928	776	404
1929	788	432
1930	805	391

During the same period, considerable success had attended the planting in South India and the Netherlands Indies too made a good beginning. In Ceylon, the coffee estates were almost wiped out by disease, and cinchona and later tea, was taken up by the disheartened planters. A promising beginning was made in 1880 and the island was able to export over 100,000 lbs. Five years later, the exports were over four million lbs. and in another five years the exports amounted to 45.8 million lbs. The acreage also increased from 406,000 in the first years of the century to 450,000 in 1929 while small holders also had about 20,000 acres under tea. Alongside of plantations in India and Ceylon efforts were made to start tea cultivation in Africa and in 1928-29 it was estimated that in Nyasaland, Kenya and South Africa there were about 16,500 acres under tea with an output of 2,645,000 lbs. Except in Natal, the African industry is of recent growth and during recent years production has increased further, not being subject to the Restriction Scheme. In spite of indifferent quality, the East African goods have been in demand for blending purposes and at London sales, partly on account of lower prices they have obtained some measure of popularity. Malaya has made only tentative experiments in tea cultivation, but the Dutch East Indies have now been established as rivals to India and Ceylon. In 1929 rapid progress had been made in both Java and Sumatra, the former having 230,000 acres and the latter 53,000 acres. During the same period China lost ground as an exporter of tea and became mainly a producer for domestic consumption. Vigorous efforts were also made by the Japanese to grow tea in Formosa conquered from China, and in recent years, the low grade Japanese varieties have proved strong competitors to cheaper Indian grades in neutral markets.

The methods of cultivation do not vary greatly as between different areas in India and the estates are usually similar in organisation and processes of manufacture too, though average prices realised by the crop may vary according to quality and district of growth.

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 liquoring quality.

"After being rolled, the leaves are spread out and left to ferment. Here, again, it is import-

ant 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	158.5	161.3
China (Black & Green)	76.8	73.0
Japan and Formosa	33.4	32.8
Total from foreign countries	268.7	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 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 detriment 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 $\frac{1}{2}$ 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 $\frac{1}{2}$ 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 $\frac{1}{2}$ 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.

1936-37

The fortunes of the industry during recent years have been governed by the International Restriction Scheme. The continued progress of consumption up to 1929 was followed by a sharp setback in the years of the depression and in 1933 the situation was so acute that it was recognised that rigid regulation was necessary. In 1933, the three leading producers, India, Ceylon and the N. E. I. agreed to regulate their exports in accordance with the standard quota based on the years 1929-31 and the committee set up to control exports contained representatives of the three countries. In new areas like East Africa no restraint was placed on exports, but fresh planting was forbidden.

Till 1935, the tea industry's position remained difficult and the quota was twice adjusted with deference to the lag between production and absorption. The quota for 1935 was lowered to 82½ per cent. of the standard, but India secured a concession in as much as exports to countries on her borders like Nepal and Afghanistan were treated as part of internal consumption. Production is largely governed by the Tea Control Act of 1933 and the volume of exports has shown little fluctuation, any deficiency being carried over to the next quota year. The year 1935 was hardly cheerful for the industry and the setting up of the I. T. M. E. B. was followed by very moderate results. But there was a fair rise in consumption and the future was regarded with some measure of confidence in the succeeding year. The increase of the tea duty in the British Budget of 1936 raised some apprehensions regarding the favourable trend of consumption, but during the course of the year prices were adjusted in some measure and the statistical position showed considerable improvement. The quota too was left unchanged at 82½ per cent. in November, and the economies effected by the managements of plantations were accompanied by an improvement in the margin of profit. The efforts to stimulate consumption continued on a broader scale and one of the salient features of the year was the conversion of the I. T. C. C. into the Indian Tea Market Expansion Board analogous to the International Board. Its representative character was broadened and the cess levied on exports was raised to a maximum of Rs. 1-8 per 100 lbs. by amending legislation.

The Indian tea market during the year was quiet but but fully steady. There were welcome indications of a revival of foreign

demand and prices were subject to a slightly rising tendency.

The beginning of 1937 saw a noticeable rise in London average prices and the movement was assisted considerably by an appreciable fall in bonded stocks. Fears of an increase in the British import duty in the Budget of 1937-38 proved to be unfounded and the improving trend of prices has been well maintained. The raising of the quota to 87½ per cent. in May, 1937 is likely to increase world exports by 40 million lbs. The rise has had no adverse effect on prices, and the outlook if not very inspiring, remains moderately hopeful.

The total production of tea in Northern India was 312.47 million lbs. in 1936-37. Total exports by sea from British India amounted to 301.866 million lbs. as compared with 312.706 million lbs. in 1935-36. In both years it will be noticed that exports were below the permissible quota. Prices at the end of the year showed a definite advance, the average price index raising to 142 in March 1937 from 127 in June, 1936. That is to say, Indian prices have kept step with London prices and the rise in internal consumption, which has responded to the publicity efforts, has been accompanied by a fair advance in prices. The tea planting industry has now turned the corner and in the fifth year of restric-

tion interests connected with the industry view the future with confidence. The leading Indian tea companies have reported a better year, although investors have not taken anything more than a bare minimum of interest in tea shares. The continuance of the restriction scheme from 1938 now seems assured, for the benefits obtained in the past four years would vanish if the scheme is allowed to lapse. The problem of outside competitors remains only slight, but the restraints imposed on exports do not extend to production. Opinion at present is divided as to the checking of internal production but the majority would welcome a check on large and indiscriminate production besides abolishing new planting. In the coming year, the Tea Control Act in India will presumably be amended for the purpose, but the question is one to be decided by the industry itself. The planting industry in India will probably welcome the renewal of the international agreement to regulate exports, and if necessary, agree to take steps to check even the production so that the internal price level and consumption are not disorganised by excessive offerings. The leading companies' chairmen have pronounced in favour of continuing the present agreement and in February 1938, it is more than probable that the present scheme will be renewed and its main principles retained.

TATA STEEL

IS

MADE IN INDIA

TO

BRITISH STANDARD SPECIFICATIONS

**The Company's Steel Works is the largest
and best equipped in the British Empire**

The Manufacture of Finished Steel Consists of—
**Rails, Fishplates, Sleepers, Structural,
Bars, Billets, Black Sheets, Galvanised
Sheets, Plain and Corrugated.**

**THE
TATA IRON AND STEEL CO.,
LIMITED**

100, CLIVE STREET, CALCUTTA

Telegrams: "IRONCO," Calcutta

Telephone: Cal. 5512

INDUSTRIAL SECTION :

THE IRON & STEEL INDUSTRY

The iron and steel industry has come to occupy a more important place in Indian economy and the public has been prepared for a great expansion of the industry in India during the past year. The flotation of the Steel Corporation of Bengal in May afforded a gratifying indication that the industry would continue to develop, and the Tata Company's progress in 1936 was such as to inspire the hope that when the existing tariff concessions are withdrawn, the industry would be able to stand on its own legs. The prospects of iron and steel, thanks to the rearmament policy of European nations, were never brighter and the Indian industry's position too has shown considerable improvement. The industry has great natural advantages and Mr. Dunn of the Geological Survey of India has lately drawn attention to the mineral resources of the Singhbhum District of Bihar which can be compared to the northern part of Ontario. As regards iron ore, limestone and coal, India is now considered to possess great advantages and the adverse experiences of the small units working in the 19th century is now belied by the great success attained by the Tata Co., and the Indian Iron and Steel Co. The proximity of good class coal to the iron ore deposits must be regarded as the main factor making for rapid progress and although there have been fears that the coking coal supplies in India may give out, proposals aiming at the conservation of the country's coal resources now render it improbable that the industry's advance will not be retarded by any shortage of the right kind of fuel. In Europe and America, transport costs are appreciably higher and the cheapness and quality of Indian iron ore and its proximity to coal fields are not equalled in any other country. Nature has done more than her share in providing the essentials for the iron and steel industry and so far as labour is concerned, experience has gradually provided a trained labour force whose efficiency is gradually rising. There has never been

any fear as regards any shortage of the volume of labour and the iron and steel industry during the last year has done enough to guard itself against labour unrest in any form.

India's increasing consumption of iron and steel makes any anxiety concerning markets almost superfluous. India has been a large importer in the past and the domestic production can only satisfy part of the existing demand. On the other hand, there has been a shrinkage of imports owing to the reluctance of supplying countries to provide anything like the previous quantity and the shortage of supplies and the advance in prices have combined to confer a reasonable degree of security and an assurance of profitable working for the Indian industry. Apart from the existing demand, the increasing industrialisation of the country makes it certain that the demand for iron and steel and manufactures thereof will not decline but will increase considerably. The substantial progress made by the subsidiary industries established in conjunction with the iron and steel industry during the past year affords a reassuring indication of what a prosperous steel industry can do for the country. The benefits obtained by the tinsplate industry, the wire and nail products industry during the past year have been real and tangible. The wagon-building industry too has now turned the corner and the Indian railways' renewal programme spells a period of activity and prosperity. The plants of the subsidiary companies located round Jamshedpur are all likely to share to the fullest extent in the prosperity of the parent industry. The foundries and workshops scattered over all provinces are also likely to experience the benefits accruing from the expansion of iron and steel production after a period of depression in which progress was at a relatively slow pace compared with the very substantial expansion of the steel industry in America and Europe. Round Jamshedpur, as the reader is aware



4 definite ECONOMIES

Official records of Cast Iron Pipes laid 100 to 200 years ago and still in service, prove that they are

CHEAPEST IN THE END.

Reports from 195 Waterworks Superintendents, on file in the office of a prominent technical publication prove that Cast Iron Pipes are

CHEAPEST TO MAINTAIN.

Long-lived Pipes obviously cause less street-opening for replacements and repairs. Therefore, Cast Iron Pipes

SAVE MONEY ON STREET-OPENINGS.

When replaced by larger pipes, or a main is abandoned or re-routed, Cast Iron Pipes

PAY A FINAL DIVIDEND IN SALVAGE VALUE.

Cast Iron Pipes are manufactured at our Kulti Works to B.S.S.

The

INDIAN IRON & STEEL Co. Ltd.

Managing Agents :

BURN & CO.

12, MISSION ROW, CALCUTTA

Works at HIRAPUR & KULTI



THE history of Cast Iron Pipes is one of satisfactory service. No other piping will successfully resist corrosion and the destructive action of acids and salt water. They are the most durable pipes in existence: to day there are Cast Iron Pipes in use that were laid 270 years ago. Engineers and Chemists the world over have found that for unusual conditions of service where other kinds of Pipes have failed, Cast Iron Pipes are the solution...and they cost less!



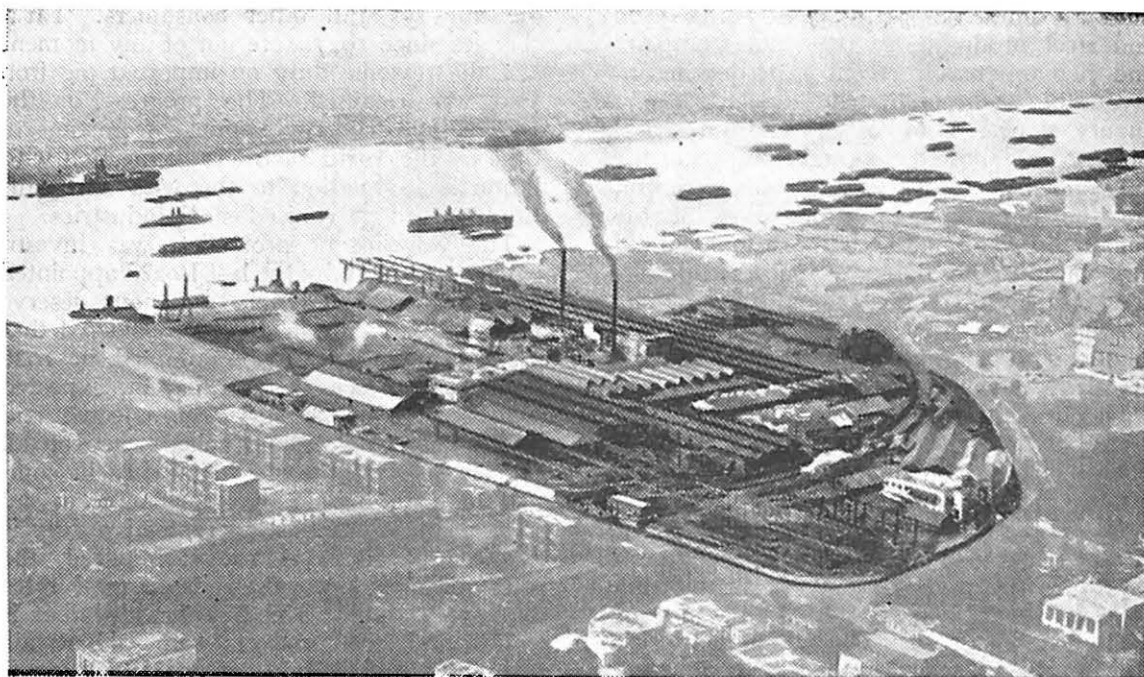
there are numerous plants based on the iron and steel produced by the Tata Company and their progress in recent years despite unfavourable trade conditions is indeed a happy augury of what is to come. The industries, which have followed the establishment of the iron and steel industry at the main centre, are the most complete indication of the potentialities of industrial development in this country and the great natural advantages of the iron and steel industry and its growing prosperity have come to reinforce the hopeful prospects that these subsidiary industries have now before them.

The iron and steel industry was the first to be investigated by the Indian Tariff Board. The Board appointed in 1923 reported in favour of protection and the Indian Legislature passed an Act recommending the levy of specific duties on imported iron and steel materials and the grant of bounties for the manufacture of rails, fishplates, etc. The engineering side also received the benefit of 25 per cent. duties on fabricated steel and the Act also made provision for the protection of the recently born tinsplate and wire and nail industries. The scheme of protection was revised in consequence of a heavy and unexpected fall in Continental steel prices and the rise in the rupee exchange to rs. 6d. The Tariff Board recommended an increase in the duties on imported fabricated steel. The Government of India accepted the findings, but held that a scheme of bounties was preferable to the steep increase in duties recommended, and the Board itself approved the proposal to grant a bounty up to Rs. 50 lakhs on steel ingots produced.

Subsequent tariff board enquiries adopted the scheme of bounties introduced in October 1924 and an act of the Indian legislature in 1926 amended the former Act and provided for higher specific duties. A later enactment in 1927 extended protection till 1933-34 and conferred power on the Governor-General-in-Council to increase the duties, if protection was threatened by dumping. Prior to this, the statutory enquiry of the Tariff Board reviewed the working of protection and recommended two scales of duties, basic and additional, the former applying to British manufactures and the latter governed by the prices of Continental manufactures. Though the margin of protection was based on the Board's view that all possible encouragement to Indian Steel should be given through State purchases found favour, and in the case of fabricated steel also, the Board held that the use of Indian products should be encouraged by

the railways and other consumers. Tariff changes since 1927 were not of any moment and the revenue duty on imported pig iron also was retained. The progress of the Indian industry was examined from time to time by the Tariff Board in connection with inquiries in relation to the wire and nail, tinsplate and galvanised steel industries.

The working of protection was investigated thoroughly by the last Board appointed in August 1933 and its conclusions deserve to be set down. The Board considered that the scheme of protection adopted in 1926 had proved successful and that the expected reduction in prices had been effected and that a stage had been reached when on all articles sold by the steel company in competition with Britain, it was possible to say that on imports either no protective duty is required at all or if any is required, the rates may be lower than the normal rates of revenue duty. The Board added that if Continental steel products were sold at fair prices the Indian industry could well stand their competition, and that the duties which were needed were more in the nature of anti-dumping than protective duties. 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 plate from the Continent. On rails, fishplates, structurals and tested plates from Britain the Board recommended no duties. On black sheets (tested) from the U. K. the Board recommended Rs. 10 per ton and Rs. 32 per ton on imports from the Continent. Galvanised sheets were recommended to be subject to an import duty of Rs. 10 per ton, irrespective of the country of origin. On imports of fabricated steel from countries other than Britain a duty of Rs. 40 per ton was recommended. The Board advised a duty of Rs. 38 per ton on British tinsplate and Rs. 57 per ton on Continental. On imports of wire nails, the scale recommended was Rs. 25 on British and Rs. 60 on foreign. A duty of Rs. 57-8 per ton was recommended on cast iron pipes imported from foreign countries, while British pipes were to be allowed free entry. The more important part of the Board's proposals related to the recommendation that even the revenue duties on rails and tested structurals should be removed or in the alternative, countervailing excise duties should be levied on internal production. The Government of India accepted the recommendation of the Board, but preferred equalising duties to the removal of the



AN AERIAL VIEW OF THE HOWRAH IRON WORKS.

Resources and Services include :—

Iron & Steel Works ; Railway Wagon Works ; A Permanent Way Dept. (manufacturing Points and Crossings and Rail Fittings); Spring, Forging, Stamping, and Foundries and Machine Shops; A Conservancy Dept. dealing with Municipal, Sanitary and Street Equipment including Road Rollers, Tar Boilers, etc., A General Stores and Merchandising Section handling numerous important British Agencies.

BURN & CO. LTD.

HOWRAH

Telegrams : BURN—HOWRAH

Phone : HOWRAH 601

revenue duties. The principle laid down in 1929 and followed since, 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 in India without duty and (2) the price at which the Indian manufacturers can sell at a reasonable profit which was termed the fair selling price. In the 1933 report also, the Board based its recommendations on the same principle after reviewing the working of the protective scheme in force for the previous seven years. The Board noted the larger share of the Indian market now supplied by Indian manufacturers. The share obtained by the Tata Company rose from 30 per cent. in 1927-28 to 72 per cent. in 1932-33. Imports were consequently reduced and foreign plants were working at a level much further below their capacity compared with Tatas.

The reduction in costs obtained by the Tata Company as a result of expansion and experience formed the subject of approving remarks, but the view that even the revenue duties were superfluous induced the Government to levy an excise duty of Rs. 4 per ton on steel ingots and countervailing duties on imports by the Iron and Steel Duties Bill of 1934. The Board's report was the subject of serious criticisms, and the objection in principle to differential duties, the introduction of Preference by the back door, and the practical termination of protection formed the main points of attack. In the succeeding year the industry passed through a period when the effects of the tariff changes made themselves felt. Imports increased and domestic production was affected to some extent by the levy of the excise duty. Prices too were lower and the Tata Company had to work for a reduction of costs in order to bear the excise duties, which amounted to Rs. 35 lakhs and also the lower level of prices while freight rates also, especially, on the E. I. R., proved a source of disadvantage. But the Company increased the efficiency of the plant and raised the output thereby. Equipment was kept in first class condition and a second sheet mill was brought into production. Better results were obtained from the coke plant and a battery of coke ovens was under construction.

The progress made by the Company was reflected in the resumption of dividends on the ordinary and deferred stock last year and the higher dividends declared in respect of 1936 are an index of further progress. At the annual meeting of the Tata Company's shareholders Sir N. B. Saklatwala

made reference to the fact that the Company was in a position to finance development out of earnings, and expressed the view that the adoption of a profit-sharing scheme as a mark of confidence in the labour force should yield valuable results. The Chairman of the Company referred to the completion of the new steel mill, and said that with the mill in operation and the possibility of manufacture at the lowest possible cost, India should be practically independent of all imports. The proposed tube plant to be worked in conjunction with Messrs. Stewarts and Lloyds and the construction of a hoop and strip mill formed the subject of optimistic remarks and the efficiency of the old furnaces and ovens and the adoption of the latest methods for the proposed developments were also mentioned in the Chairman's review.

The progress of the Tata Company in the past year does not form the principal feature. 1936 will be memorable for the reconstruction of the Indian Iron and Bengal Companies. The merger and reorganisation of capital has been the subject of a special supplement of *Indian Finance* in which attention was drawn to the prospects of pig-iron and the proposals to concert arrangements to establish a steel plant in co-operation with Tatas. After protracted negotiations, the scheme was abandoned, but while Tatas decided to carry out their own scheme of development independently, Indian Iron also decided to prosecute their scheme and sponsored the formation of a new plant at Hirapur to work with the hot iron provided from its furnaces and also to give facilities as regards land, water and lighting, etc., and the details are outlined in the prospectus of the Steel Corporation of Bengal. The Steel Corporation's promoters have promised that the wall of installing plant and equipment should be completed in 2½ years and the annual output of 200,000 tons from the new plant will be an important addition to the Indian steel industry's production.

The developments of the past year have been naturally assisted by the expansion of demand in the country and the fall in imports. Foreign countries engaged in rearmament schemes had little to spare for exports, and the advance of prices also led to a choking off of the demand. The total value of imports declined from Rs. 7.21 crores in 1935-36 to Rs. 5.93 crores in 1936-37, while the decline in volume should be greater in view of the marked rise in steel prices during 1936-37. Imports of iron too fell away and imports of protected steel

declined substantially, the fall being most pronounced under bars. The only rise was under blooms, billets and slabs. Imports of fabricated steel, bolts and nuts etc., declined substantially and a fall occurred under galvanised sheets also. The total imports of iron and steel fell from 354,284 tons in 1935-36 to 282,524 tons, while there was a corresponding fall in the value from Rs. 6.21 crores to Rs. 5.1 crores. Except under items like wire rope, sleepers and keys, imports of all categories, declined considerably. The Indian industry has now a larger share of the market obtained through the fall in imports, takings of protected iron and steel being reduced by 70,000 tons and as in countries abroad, India's steel production too is rising steadily. The Tata Company's output of steel has been gradually increasing and the fact that foreign competition is less strenuous, while prices have kept improving in line with the general trend has now rendered the steel industry's position more hopeful than at any time in the past. The advance in a internal

production can be inferred from the table below.

Coke	...	726,000	730,000
Pig-iron	...	892,000	900,000
Steel Ingots	...	834,000	880,000
Saleable Steel	...	604,000	646,000

Reference has been made in many reviews of world business conditions to the striking recovery of the heavy industries and the rise in Indian iron and steel production though somewhat belated, is symptomatic of the trend towards larger production of steel in Britain, the U.S.A. and other countries. The enlarged consumption of iron and steel in India is also part of world movement towards the increased use of iron and steel, while the reports of shortage of iron and steel in countries abroad have led to a healthy expansion of demand. There is now no doubt that the improvement witnessed in 1936 will be continued and the iron and steel industry can be said to have reached a very healthy condition.

INDUSTRIAL SECTION :

THE SUGAR INDUSTRY

Among the protected industries of India, sugar is unique in the fact that within five years of the grant of protection, it has made such progress as to promise self-sufficiency. India is now a leading producer whereas a decade ago she was one of the principal importers. The sugar industry in India has developed at an unprecedented pace, and the striking fall in imports during 1936-37 is convincing proof of the fresh records touched by internal production. In 1931, the Tariff Board recommended that in view of its agricultural importance, the sugar industry's claim for protection deserved sympathetic consideration. The Board recommended that in view of the efforts made by the industry between 1920 and 1930 to improve output by the best methods, encouragement was necessary. The Government of India accepted the findings of the Board and from January 30, 1932, levied a duty of Rs. 7-4-0 per cwt. on imported sugar. The revenue duty was changed into a protective duty and the industrialists and investors of India realised that a new era had dawned for the sugar industry, and the number of mills producing sugar rose from 32 in 1931-32 to 154 in 1936-37. The total production of sugar was over 1.2 million tons in 1936-37 compared with 478,120 tons in 1931-32 while imports dwindled to 23,000 tons as compared with 511,319 tons in 1931-32.

During the great depression, the sugar industry in other countries of the world suffered a severe setback, and Java had to restrict her output very considerably, following the loss of export markets. The international sugar conference held in April 1937, arrived at an agreement to ration the limited free market, and one of the terms of the agreement was a clause binding India to refrain from exporting sugar by sea to any country except Burma, but the Indian Legislative Assembly has refused to ratify the agreement.

In previous issues of the Year-Book a detailed account has been given of the post-war economics of sugar. The rise of

beet sugar as a more formidable competitor than ever, being subsidised by most European Governments had rendered it impossible for tropical cane producing countries to find new markets or keep their former markets and the menace of overproduction has inevitably pushed prices down. Improved methods of cultivation had increased the outturn in Cuba and Java and the Chadbourne plan agreed to in 1931 aimed at fixing export quotas for the principal producers. Heavy stocks and tariff restrictions combined to keep prices down all through the last five years though in sympathy with other commodities sugar prices looked up by the end of 1936, there was no real recovery, and the last few months have witnessed a mild recession. The conference convened in London in April failed to devise any solution that can provide a satisfactory remedy for the difficulties of the tropical island producers and were also compelled to point out that an international agreement will not prove satisfactory if each country decides to make itself self-sufficient.

During and after the war, the Indian industry languished and India which was in the nineteenth century an important exporter became a heavy importer. Subsidised beet sugar from Europe entered in increasing quantities and the Brussels convention adopted in 1904 had only this result. India became an importer of cane sugar from Mauritius and later from Java who was shut out of the U.S.A. by the preference given to Cuba. In the Far East, Java had a serious competitor in Formosa, whose plantations were developed by Japan, and the Indian market became her stand-by. In spite of a high revenue duty, imports into India increased steadily and out of a million tons imported in 1929-30 about 80 per cent came from Java. It is only since then that imports have fallen away as the result of a number of factors. The most important of them are the reduced purchasing power of the Indian consumer owing to the exceptional severity of the depression,

and the tariff restrictions following the Tariff Board enquiry, and prior to that, the exigencies of Indian Governmental finance which looked to the sugar duty as a sure source of revenue and raised it from 5 per cent to 10 per cent in 1916 and later in 1921 raised it to 15 per cent. A further increase to 25 per cent. *ad valorem* was made in 1922. Consequent on a fall in sugar prices, the import duty was converted into a specific duty of Rs. 4-8 per cent. This was raised to Rs. 6 per cwt. in 1930 and in 1931 a further increase to Rs. 7-4 per cwt. was made while the emergency Budget of September 1931 involved the imposition of a surcharge of 25 per cent so that the duty was raised to Rs. 9-1 per cwt. In the current year's Budget there has been a change and the surcharge has been raised to equal the excise duty of Rs. 2 per cwt. so that the present duty is now Rs. 9-4 per cwt.

The Tariff Board recommended protection for 15 years though at the end of 7 years the renewal of protection was to be determined by a tariff enquiry. The scheme of duties was based as usual on a calculation of fair selling prices and the Board considered that Rs. 8-13-1 per maund could be

taken as a fair price of sugar. The progress of the industry in recent years has been accompanied by a gradual reduction in prices, and in recent months there has been a substantial difference in favour of the home-produced article against Java sugar.

The Board attached importance to the agricultural aspect, and thanks to the labours of the Council of Agricultural Research a progressive improvement in the quality of cane and the introduction of new varieties in the important cane areas of India have been noteworthy features. Complaints that the cane-growers did not receive a fair return were satisfied by the fixation of minimum prices in Bihar and U.P. by the Local Governments in accordance with the rules framed after consultation with the interests concerned. The expansion of the industry was only slightly affected by the imposition of an excise duty in 1934 in order to make good the loss of revenue to Government following the serious fall in sugar imports. Another motive inspiring such an action was to check the pace of advance, but in the next two years there was a further increase in the number of mills and the output. The progress of the industry since 1931-32 is set forth in the following table:

	Mills	Factory	Gur	Khandsari	Exports	Imports
1931-32	82	158,581	69,589	250,000	478,120	511,919
1932-33	57	210,177	80,106	275,000	645,988	865,707
1933-34	112	453,915	61,094	200,000	715,059	240,776
1934-35	180	578,115	89,108	150,000	767,218	220,288
1935-36	137	912,100	50,067	125,000	10,87,167	198,888
1936-37	146	10,75,000	8,800	100,000	12,07,800	28,000
1937-38	154	10,50,000	25,000	60,000	11,85,000	20,000

In the last two years, notwithstanding the rise in output the sugar industry has been faced by a number of difficult questions arising from internal competition. The rate of increase in factories has slowed down and the increase in the excise duty this year from Rs. 1-5 to Rs. 2 per cwt., despite the protests of the Indian legislature, has placed an additional burden. But anyway, progress has been made and more than a fifth of the world's sugar production is now credited to India and one of the most favourable features has been the improvement in the percentage of recovery. The increase in production has caused serious difficulties in the market and since August, 1936 complaints of a glut and undercutting of prices have been common.

As we mentioned last year the industry's development hereafter is dependent on a solution of its main old problems, although internal consumption has not reached

saturation point, there is little scope for any marked increase, which are inclined to view any development of exports as impracticable. The solution of technical questions relating to molasses, marketing and technological research alone can lead to a reduction of costs and an improvement in quality is also one of the first desiderata. Since August 1934 attempts have been made by sugar producers to devise a marketing scheme for the avoidance of wasteful competition by apportioning markets, and also compel the reduction of imports to retain and develop the Indian market for Indian sugar. Differences, however, arose and the scheme failed to find favour. During the last year hopes of starting the scheme revived again and it was only the different situation precipitated by the unexpected addition to the excise duty that compelled the Indian Sugar Mills Association to take up the idea of forming a syndicate to regu-

late sugar supplies and prices. This has certainly been the outstanding development of recent months and it may also be claimed that the new spirit of co-operation has enabled the industry to present its case for the renewal of protection most successfully.

The principal features of the preceding year were the continued increase in mills and an advance in output. The year shows an increase in the acreage under cane placed by the final forecast at over 4.4 million acres of which 3.5 million acres were under improved varieties but for the next season there will be a reduction in the acreage. The estimated output for 1936-37 was 70 million tons of cane and the outturn per acre was considerably higher at 16.5 tons. The crop in the U.P., was affected only slightly by the heavy floods of 1936 and in Bihar the crop was well above average. The estimated output of raw sugar in 1936 increased from 6.1 million tons to 6.9 million tons. A larger percentage of the cane grown was utilised in cane sugar factories, but the bulk of the crop as usual was used in *gur* manufacture. The annual import declined to 23,075 tons, whereas the Government of India estimated that imports reach 110,000 tons. The devaluation of the guilder in October had no sensible effect on sugar prices, and fears of large imports from Java were not fulfilled. The annual internal consumption did not show any increase, being stationary about 1.1 million tons. The total production in 1935-36 was about 1.075 million tons, and even with the better economic conditions prevailing last year, consumption did not expand to any extent, and the estimated annual output for 1936-37, namely, 1.2 million tons will possibly exceed the demand.

The prosperity of previous years was not in evidence, and the financial results of the leading mills suffered by comparison with preceding years. The sugar market was in a state of suspended animation and heavy accumulation of stocks induced a general decline in prices. The industry convened a conference of manufacturers early in January, but no agreement resulted between the trade and the factory owners. The former complained of inferior quality and sharp practices, while the latter criticised the unhelpful attitude of the merchants. A slight rally in world prices towards the end of 1936 had no stimulating effect on prices in India and the industry again took up the question of organising the selling arrangements. A great sur-

prise was in force for the industry in the 1937 Budget. The Finance Member in order to recoup the loss occasioned by the fall in imports of sugar raised the excise duty from Rs. 1-5 cwt. to Rs. 2. The defence of the step only increased criticism and in spite of the legislature's disapproval the excise was raised to Rs. 2 from March 1. Native States also raised the excise to the higher level, and the spokesmen of the industry who had expected some relief were pained by the negative attitude of the Finance Member who observed that one effect of the higher excise would be to weed out inefficient producers. A more important event was the appointment of a Tariff Board to enquire into the necessity of the renewal of protection for a further term of seven years. The Board which started on its work in May consists of Sir G. T. H. Bracken, Mr. F. I. Rahimtoola and Dr. L. C. Jain. It has lately finished its sittings and the evidence presented has largely favoured the retention of the faith.

The difficulties of the industry after the commencement of the year were intensified by the failure of demand and prices to respond and the imposition of the higher excise induced a feeling of despair. Bihar factories decided to curtail the working season while the southern U. P. factories also decided to end the crushing season by April 15. The Local Governments concerned regarded such a decision with alarm, for the bulk of the crop was yet to be treated and even if cane prices were low, the ryot had little chance of disposing of his crop to advantage. The minimum prices were reduced and railway companies were prevailed on to reduce freight. The factory-owners were persuaded to crush cane up to the end of May as usual, and only the reduction in cane prices had the merit of offsetting slightly the burden imposed by the higher excise.

The industry, however, is now more conscious of the unity of interests and the Indian Sugar Mills Association held a conference during Easter at Calcutta to examine the position of the industry. The marketing scheme was investigated and as a result of efforts the Indian Sugar Syndicate was established in July. The duty of the Syndicate will be to reduce fluctuations in prices, take over accumulated stocks and stimulate consumption. The formation of the Syndicate had a favourable effect on prices though the traders are disposed to watch its working before considering that the scheme is the first step in voluntary

rationalisation of the industry. The Agricultural aspects of the sugar industry received considerable attention at the Sugar Conference held under the auspices of the Imperial Council of Agriculture.

The idea of 'Zoning' of the cane supplies commanded considerable attention and the problem of raising prices through the improvement of marketing methods also was discussed at length. The I.C.A.R.'s Marketing Adviser at present is engaged in marketing survey and the H. B. Technological Institute of Cawnpore is to be strengthened soon by the addition of marketing experts. Doubts expressed in regard to the limits of cane cultivation reflected the lack of confidence and the fall in 1937-38 acreage will certainly be viewed with relief. The sugar manufacturer's problems have also received greater attention and the central marketing scheme long adumbrated is sought to be realised through the Central Syndicate which was established after the Easter Conference this year. The Syndicate has arranged to take over all surplus stocks and by preventing forced sales has succeeded to some extent in maintaining prices. In spite of the fact that imported sugar sells at a higher price, and that supplies from abroad are scanty, domestic prices have not responded and the low prices ruling since 1936 indicating a fall of as much as 30 per cent. would appear to persist for an unusually protracted period. Hopes of a revival have been stimulated by the joint conference held at Patna during October.

The problems of the industry remain the same as last year. In the last edition of our Year-Book, we stressed the urgent need for organisation and stabilisation. Prices during the past year have been lower and though good cane at low prices has been readily forthcoming, the U.P. factory owners have not been too eager and worked this season only at the request of the interim Minister. The question of disposal of molasses has become more acute after the levy of a higher excise duty. Except in Mysore State, no considerable results have been achieved in the utilisation of molasses but the question of preparing power alcohol is now receiving increasing attention. Allahabad experiments on the uses of molasses as a fertiliser indicate another promising outlet, and the Forest Research Institute is considering the prospects of using bagasse in the manufacture of paper. The industry's problems will have to be largely solved by concerted voluntary effort, for the Government, beyond pro-

viding the initial facilities at the Technical Institute at Cawnpore and the cane research stations for the work on the agricultural side probably expected the industry to undertake independent solution of its problems.

Addressing the students of the Sugar Institute at Cawnpore on October 23, Mr. N. C. Mehta of the Council of Agricultural Research reviewed the immediate problems of the sugar industry and dwelt on the necessity for pursuing research work on essential lines. Mr. Mehta rightly drew attention to an unfamiliar aspect of the sugar industry. The wide variety and complexity of managing agency terms affected the earning capacity of mills, and the disappointing character of 1936-37 results, which have depressed sugar shares to a marked degree, could only be improved for the investor by the Company's managing agent altering the terms of remuneration. His plea for examination of managerial costs as an item of production will undoubtedly command much support at this time.

The statistical tables below are illustrative of the rapid development of the industry.

Sugar Production

The production of sugar direct from cane in India amounted to 1,128,900 tons during the season 1936-37 as against 912,100 tons during 1935-36. The total increase in the output of sugar during the season under review over that of the previous one in considerably higher, amounting to 216,800 tons. The following tables show details of sugar production for factories in (a) the United Provinces; (b) Bihar; (c) Bombay, Madras (including Orissa as this Province has only one factory working with cane), the Punjab, Bengal, Indian States, Burma; and (d) India as a whole.

Production: United Provinces.

Particulars	1936-37	1935-36
Number of factories worked	64	67
Cane crushed ... Tons	6,804,180	5,588,000
Sugar produced	608,640	580,000
Molasses produced	807,232	182,600
Recovery of sugar per cent. cane	9.65	9.60
Recovery of molasses per cent. cane	8.30	8.80

Production: Bihar.

Particulars	1936-37	1935-36
Number of factories worked	38	85
Cane crushed	3,579,520	2,808,000
Sugar produced	829,260	250,200
Molasses produced	188,650	97,200
Recovery of sugar per cent. cane	9.20	8.98
Recovery of molasses per cent. cane	8.70	8.46

Production: Bombay, Madras (including Orissa) and the Punjab.

Particulars	1936-37		
	Bombay	Madras and Orissa	Punjab
Number of factories worked ...	6	11	5
Cane crushed ... Tons	857,580	281,850	164,850
Sugar produced ..	88,200	21,100	14,600
Molasses produced ..	11,970	9,780	5,000
Recovery of sugar per cent. ...	10.68	9.10	8.88
Recovery of molasses per cent. ...	8.04	4.20	3.04

Particulars	1935-1936		
	Bombay	Madras	Punjab
Number of factories worked ...	6	8	4
Cane crushed ... Tons	288,000	191,380	112,868
Sugar produced ..	29,650	17,570	8,880
Molasses produced ..	9,500	8,370	4,600
Recovery of sugar per cent cane ...	10.47	9.14	7.87
Recovery of molasses per cent cane ...	8.35	4.30	4.10

Production: Bengal, Indian States and Burma.

Particulars	1936-37		
	Bengal	Indian States	Burma
Number of factories worked ...	6	8	8

Bengal Indian States Burma

Cane crushed ... Tons	279,520	770,200	186,680
Sugar produced ..	24,170	75,880	17,550
Molasses produced ..	10,860	27,680	88,20
Recovery of sugar per cent cane ...	8.64	9.78	9.40
Recovery of molasses per cent cane ...	3.70	3.59	4.45

Particulars	1935-36		
	Bengal	Indian States	Burma
Number of factories worked ...	6	9	2
Cane crushed ...	295,000	485,000	148,500
Sugar produced ...	24,000	88,600	18,200
Molasses produced ...	11,000	16,600	7,258
Recovery of sugar per cent. cane ...	8.19	8.70	8.90
Recovery of molasses per cent cane ...	3.87	3.60	4.90

Total Production in India.

Particulars	1936-37		1935-36	
	Bombay	Other	Bombay	Other
Number of factories worked	140	187	140	187
Cane crushed ... Tons	11,878,780	9,801,748	11,878,780	9,801,748
Sugar produced ...	1,128,900	912,108	1,128,900	912,108
Molasses produced ...	414,640	387,120	414,640	387,120
Recovery of sugar per cent cane ...	9.50	9.29	9.50	9.29
Recovery of molasses per cent, cane ...	3.50	3.48	3.50	3.48

INDIAN PAPER
FOR
INDIAN PUBLICATIONS

*Elephant Brand
papers are
the best*



Made by
**THE TITAGHUR PAPER
MILLS CO., LTD.**
Makers of High Class Papers
CALCUTTA

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 1925 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 lb. 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 1925 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 lb. 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

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 lb. and that on writing paper to one anna and three pies per lb. 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 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. The revision of the tariff was made in 1936, in accordance with the Board's views.

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 report: "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 Pulp 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 Rajamundry 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."

1936-37

There is little to add regarding the progress of the paper industry during the past year. Production was maintained at a satisfactory pitch and the total output of the Indian paper mills advanced from 47,000 tons in 1935 to 48,000 tons in 1936. Prices on the whole were distinctly to the advantage of the Indian industry, but the existing units were somewhat concerned over projects to establish new paper mills in various parts of the country. The fact that the industry had the advantage of the tariff and a plentiful supply of raw materials induced promoters to take up the idea of starting new paper mills and during the course of the year four new paper companies were formed, while another was started to take over the plant and properties of a company that had passed into the hands of a receiver. Prospects of enlarged consumption being sufficiently remote, if we remember the slow pace of educational progress, existing manufacturers were prone to regard the establishment of new mills as a threat of overproduction, while they were concerned to point out that in many categories the improved product which was favoured for its quality was and is still at an advantage for the fiscal advantages secured by the industry were limited and partial. None of the new units have as yet gone into production though one of the companies which took over previously existing plant has commenced operations and placed its manufactures in the market.

Imports of paper and pasteboard during the fiscal year 1936-37 amounted to 2,717,578 Cwt. against 2,836,024 Cwt., in 1935-36. There was a slight fall in im-

ports belonging to both the protected and non-protected groups. The total imports of paste-board etc. declined slightly, but imports of paper-making materials, especially, pulp were reduced considerably. The total value of imports of paper and pasteboard was Rs. 281 lakhs as compared with Rs. 299 lakhs in 1935-36. Imports from Germany increased appreciably, and the United Kingdom maintained her position as one of the principal suppliers of imports. Takings from Norway were lower in comparison with the previous year and Sweden's sendings of kraft and wrapping paper suffered a diminution. A tendency for prices of imported paper to be lifted up in response to a rise in prices abroad operated to the advantage of the Indian industry and the financial experience of the leading Indian producers of paper remained wholly satisfactory. The Titaghur Mills were able to declare a slightly higher dividend in respect of the last year and also propound a scheme of capital reorganisation which would provide for the capitalisation of accumulated reserves. Confidence in the Indian paper industry's future was shaken slightly by the batch of new issues during 1936 but Titaghur's reassuring financial record and its plans for extensions to the factory inspired the feeling that all was well and that the fears of overproduction, cut prices etc. were remote indeed, while the advance in prices after the beginning of the year showed that the depressed state of prices and inability to secure a market against the foreign competitor were things of the past and that the paper industry would be one of the first to adjust prices to costs and maintain an adequate margin of profits.

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. The War being over, there was a spate. 1920 to 1923 brought the 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 arrange-

ments 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 to realise the vulnerability of the present system, and therefore we had the Merger. The scheme was very carefully thought out and was 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 took several years of careful preparation and when the scheme came into successful operation it constituted a national achievement unparalleled in the history of Indian industries.

According to the merger proposals a

company by name the Associated Cement Company of India Limited was floated with a capital of eight crores of rupees. The basic proposal was to convert the shares of existing companies into shares in this company. Ten companies agreed to join this merger. Shareholders in existing companies will be offered cash or shares of a higher denomination in the new concern.

According to this scheme the evils of the quota system above mentioned were 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.

During the year 1936-37 the industry continued to make impressive progress. The favourable reception given to the merger scheme was followed by the acceptance of the details by the companies concerned, and towards the middle of 1937, the Associated Cement Companies incorporated last year made arrangements for marketing Indian cement under the brand **Star of India**, and in accordance with plan the individual companies were wound up.

The total production of cement in India during 1936-37 was estimated at 980.36 thousand tons. This was well below the capacity of the Indian industry, and on the basis of the annual consumption of the previous years, there is every probability that the country need to import practically nothing. The total imports of cement into India during 1936-37 amounted to 50,623 tons only valued at Rs. 21.92 lakhs in 1934-36 showing a fall in both volume and value. The greater part of the imports came from the U. K. and was mainly consumed in the port towns. The steady decline in imports, side by side with an advance in consumption, bears witness to the steady increasing output of the Indian cement industry and its capacity to meet all domestic requirements. The year was notable not only for the completion of the merger scheme, but for the flotation of new companies outside the merger by independent interests. By the end of the previous year itself, Burma had a separate cement company to manufacture portland cement, and the middle of 1936 saw the flotation of other rival companies. The merger company's view that the existing plants

were in a position to meet all domestic requirements was not accepted by those, who thought that there were areas in India unprovided with cement factories, and though the new units have not come into operation there is a fear that over-production may cut into the margin of profits and the cement industry may experience the difficulties of jute and sugar mills. It is too early to pronounce on the prospects of the newer companies, but the merger company's position is generally felt to be quite sound, and the current rate of growth in consumption should certainly work to its advantage. The stimulus given to the use of cement and cement concrete through its well-designed propaganda and publicity has placed the Cement Marketing Company, the selling branch of the A. C. C., in a strong position as regards the future, and the progressive reduction in the price of cement during the last 6 years enables the industry to anticipate a further advance in consumption. There is every probability that India's consumption will soon exceed one million tons and the industry is in a position to raise the annual consumption, which was 634,180 tons in 1930-31 to double that quantity in a few years hence. The industry's importance may grow further, and as building and road construction are bound to increase there is every reason to foresee a further increase in the use of cement. The emergence of new factories outside the merger may prove a somewhat disturbing feature and the orderly development of the past years may be interrupted. But the example set by the skilled conduct of those in charge of the industry should, however, inspire even the new entrants to aim at even and rationalised production without throwing prices and selling arrangements out of gear in order to compete with their older rivals. The industry's contribution to national prosperity may be gauged from the figures (compiled a year ago) relating to its output and sales in 1935-36. Nearly Rs. 1½ crores was paid in railway freight and over Rs. 1½ crores of jute bags were used for packing cement. The industry consumed about 4½ lakhs of tons of Indian coal and about 10,000 dealers and agents put about 9 lakhs of tons of Indian made cement on the market. The cement industry's progress owes nothing to protection, and the record of consistent progress is a tribute to the effective organisation built up by independent efforts, thanks largely to the vision and prudence of the late Mr. F. E. Dinshaw.

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. N. 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 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-month 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, 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 trouble 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 in the Bengal Council, to make up lost ground. Several experimental measures are in progress

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 revenues 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.

Against this debit Bengal revenues bene-

fit only to the extent of Rs. 7,00,000.

In the current year's budget, the receipts of the Bengal Government from salt are placed considerably lower, but the efforts to stimulate domestic production within the province would appear to be bearing fruit.

Imports of salt into India including Burma during the year 1936-37 amount to 382,177 tons valued at Rs. 60.49 lakhs as against 388,974 tons valued at Rs. 56.74 lakhs in the preceding year. The bulk of the supply came as usual from Aden, being 295,155 tons while Germany sent 77,939 tons. Imports from Egypt and other countries were negligible and Italian dumping was absent. Of the total imports, Bengal took over 300,000 tons and Burma 81,827 tons so that the imports into other provinces were insignificant. India's exports of salt during the year 1936-37 were only 15 tons, valued at Rs. 3,022. Since the separation of Aden last year, the question of protection, which must be re-examined on its merits, will have to be determined by the Legislature whose discretion will be unfettered, according to an assurance given by the Finance Member some years back.

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, which it seems to be the ambition of the Bazaar retailer 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 issue 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 on-sloughs 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 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 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. 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 predominantly 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
Bombay	100,000
Central Provinces	100,000

	Number of handlooms
Delhi	450
Madras	225,000
Northwest Frontier Province	500
Punjab	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 hand-spun yarn is also used in handlooms; and only the vaguest guess work is possible of the amount of hand-spun 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	Quantities in millions of lbs.				
	Handlooms		Yarn Consumed		Cloth produced
	Total	making Cotton goods	Cotton	Others	
Madras ..	818,434	258,588	78.8		315
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	4.3		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 hand-loom weaver is more or less impregnable. Likewise, in the very coarse varieties of cloth in which the cost of production for the hand-loom 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 andloom 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 LAC INDUSTRY

Lac is a resinous substance secreted by a kind of insect living on the tender shoots of certain trees and is found in several parts of India. No other country in the world produces lac. Bihar seems to possess the most favourable soil, climate and vegetation since 75 per cent. of the total production is accounted for by this province alone.

Since several centuries lac has been used in India for polishing furniture, colouring and glazing wooden toys and for filling hollow gold and silver ornaments. Western countries took small quantities of lac till 1900 for making polishes and sealing waxes. The gramophone industry started on its meteoric career in the beginning of the present century and the demand for shellac (purified lac) registered a corresponding increase as it is the essential raw material for gramophone records. By 1910 the electrical industry found in shellac an ideal insulating material and the War Offices of the world realised the great utility of shellac for coating the inside of shells and cartridges for keeping the powder dry. A thousand other uses were found in the rapidly developing industries of America and Europe. At the present time 25,000 to 30,000 tons of shellac are exported every year and only 800 to 1,000 tons are used in this country itself. During the first two decades of this century, increasing demand from foreign countries and speculation by middlemen were responsible for raising prices to unhealthy levels accompanied by sudden fluctuations' thus providing an inducement for adulteration. The natural consequences were dissatisfaction among consumers and their search for synthetic substitutes of unvarying quality and prices.

By the Act of 1921, the Government of India levied a cess on all exports of lac and constituted a committee of middlemen and shippers to spend the funds on scientific research to secure the future of the industry and save it from a fate similar to that of

the Indian indigo industry. The legislation was defective in so far as there were no scientists on the Committee, and a small advisory board called into existence by the Committee had neither the necessary prestige nor the vigor to initiate a new policy. But one of the important results of the Lac committees work was the Research Institute at Ranchi which was founded in 1925. During the period 1925-31, the research activities were directed towards improvements in the methods of cultivation in order to increase supplies in keeping with the demand and thus help to lower prices and incidentally take away the incentive for the search for a synthetic substitute.

By 1926 the prices of shellac had come down without any increased production but solely due to reduced demand. The need for agricultural and biochemical research had apparently disappeared and the importance of chemical research for improving the quality of shellac and finding new uses for lac and the necessity for a propaganda on behalf of shellac among consumers were keenly felt. An experimental shellac factory was added to the Institute, more staff was recruited and a Lac Marketing Officer was appointed in England.

The Lac Cess Act of 1921 was repealed and by the Act of 1930, a Committee of growers, manufacturers, middlemen and scientists was constituted by statutory authority, and greater Government control was made possible by associating the Committee with the Imperial Council of Agricultural Research and appointing the Vice-Chairman of the Council ex-officio President of the Lac Cess Committee. Under the able leadership of Sir T. V. Acharya policy of development was promised through the appointment of three Indian chemists to work in the laboratories of the chief consuming industries in England and financing of shellac research by American chemists to keep the existing merits and future potentialities of shellac constantly

AGRICULTURAL SECTION :

AGRICULTURE IN INDIA

A GENERAL SURVEY

India, as text books of economics are never weary of reminding us, is predominantly an agricultural country, and agriculture must remain her greatest industry for many years to come. The physical features and the soil of the country from the Himalayas to Cape Comorin are so varied and rich that almost all the crops grown in the world could be cultivated in India. She holds the world monopoly for the cultivation of jute, and a virtual monopoly in shellac. As a producer of cotton, she is second only to the U. S. A., while in rice, she has to her credit the largest production and the largest consumption. Agriculture provides directly or indirectly employment for the great majority of the people. The census of 1931 shows that more than 70 per cent. of the total population of 350 millions depend on pasture and agriculture for their livelihood. The whole structure of the national economy rests on an agricultural base; and the problems of Indian agriculture which are vast and varied will before long have to be tackled by the State.

It is impossible, in the scope of an introductory article, to deal exhaustively with the various aspects of agriculture in India, and in the following paragraphs, only an attempt is made to give the reader a general idea of the present state of agriculture in the country and its place in the economic life of the nation.

The total area of India is 1,818,000 square miles or 1,163,685,000 acres with a population of 353 millions, according to the census of 1931. Of the total area 687,618,000 acres belongs to British India, 426,825,000 acres are covered by Native States and 49,242,000 acres belong to the specially administered areas of the North-West Frontier Province and Baluchistan under the control of the Government of India.

The total surveyed area in British India, according to the prepared statistics of the Government of India, is placed at

667,594,000 acres, of which the area available for cultivation has been estimated at 433,539,000 acres or 65 per cent. of the total. Out of the balance, 13.4 per cent. is covered by forests and 21.7 per cent. by land absolutely barren, covered by buildings, water, roads etc. The net area sown every year varies from 30 to 40 per cent. of the total area available for cultivation. The gross area sown during 1934-35, after taking into account the areas sown more than once, amounted to 259,118,000 acres. The following table gives the classification of the above area under the various food and non-food crops:—

	Acres (1,000)	Percentage of Total
Food Grains (cereals & pulses) ...	200,635	77.4
Condiments & Spices ...	1,828	0.7
Sugar ...	3,524	1.4
Fruits & Vegetables ...	4,820	1.9
Miscellaneous Foodcrops ...	1,837	0.7
Total Foodcrops ...	212,644	82.1
Oilseeds ...	14,543	5.6
Fibres ...	17,584	6.8
Dyes & Tanning Materials ...	647	0.2
Drugs & Narcotics ...	2,409	0.9
Fodder Crops ...	10,308	4.0
Mis. non-food crops ...	983	0.4
Total ...	259,118	100.0

The above table shows that about 82 per cent. of the total area sown are under food-crops, while food grains, i.e. cereals and pulses, alone occupied 77 per cent. Fibres, which are mainly cotton and jute, covers only 6.8 per cent. of the total area. Oil-seeds, which are mainly grown for export purposes, occupy about 14½ million acres or 5.6 per cent.

Cultivation of food-grains, therefore, claims the foremost place in the agricultural economy of India. The staple food of the

people is rice, and wheat occupies the second place. Though India is the largest producer of rice in the world, and the second largest in the case of wheat, her export trade in both these commodities is of little importance, as most of the production is consumed within the country. Though of late, Indian wheat has been receiving the attention of foreign buyers owing to the world shortage in wheat stocks, export cannot be considered a permanent feature.

Of the total area under food grains, the United Provinces claim about 19 per cent., Madras 14 per cent., Bihar and Orissa 13 per cent., Bombay 12 per cent., Bengal 11 per cent., Punjab and Central Provinces 10 per cent. and other Provinces 11 per cent. The following table gives the total area under the various food-grains grown in 1934-35:—

	(In Thousand Acres)
Rice	79,520
Wheat	25,655
Barley	6,587
Jowar	21,853
Bajra	13,102
Ragi	3,738
Maize	6,185
Grain	13,732
Other Grains and Pulses	30,263

Oilseeds, such as linseed, groundnuts, etc., are mainly grown as an export crop and then importance to the country in general and to the cultivator in particular, is unique, inasmuch as it brings money from outside and is described as a cash crop. About 28 per cent. of the total area under oilseeds is in Madras, 14 per cent. in Burma, 13 per cent. in Central Provinces, 12 per cent. in Bihar & Orissa, 11 per cent. in Bombay, 7 per cent. in Bengal, 6 per cent. each in Punjab and the United Provinces and 3 per cent. in other provinces. The following table gives the total area of the different oilseeds in 1934-35:—

	(1,000 Acres)
Linseed	2,128
Sesamum	3,393
Rape and Mustard	2,855
Groundnut	4,044
Cocoanut	665
Castor	422
Others	1,036

Cotton and jute are the main fibre crops which occupied about 17.6 million acres in 1934-35, or 6.8 per cent. of the total area sown. The cultivation of cotton extends to

all parts of India, which is the second largest grower of cotton in the world. The total area sown in 1935-36 under cotton was estimated by Government forecast at 25,138,000 acres and the yield at 57,28,000 bales. More than half of the cotton production is exported, while the indigenous cotton mill industry absorbs about 40 per cent. Bombay is the main centre of the cotton trade and large transactions in cotton are carried on in the City both in the futures and ready markets.

The cultivation of jute is a monopoly enjoyed by India and is mainly confined to the Province of Bengal, though Bihar and Assam also grow the same fibre to a comparatively small extent. The total area under jute in 1935-36, according to the Government forecast, amounted to 2,181,000 acres and the production to 72,40,000 bales, but the Government figures have usually been underestimated. There is a big industry in jute spinning and weaving situated in and around Calcutta and which supplies a considerable part of the world's demand with jute manufactures. About 60 per cent. of the jute production is absorbed by the industry, while 40 per cent. is exported. Calcutta is the centre of the jute trade, not only for India, but to the world in general.

Sugarcane occupies only 1.4 per cent. of the total area sown, but its importance to India is immense. Ten years ago, India was importing sugar to the tune of Rs. 15 crores annually. But today, sugar manufacture is one of the most important industries in India. With the growth of the industry, the cultivation of cane also developed and India now occupies a proud first place among the sugarcane growers of the world. In 1934-35, the total area sown amounted to 3.5 million acres, yielding raw sugar of 5 million tons approximately. The United Provinces, Bihar and Orissa are the chief producers of the crop, though the cultivation extends to all other provinces.

The cultivation of fruits and vegetables has not gained much importance in India. The chief impediments in the way of any development in this sphere are the lack of transport facilities, prohibitive railway freights and lack of cold storage facilities. The total area under fruits and vegetables in 1934-35 was estimated at 4.8 million acres against 4.85 million in the previous year. There is vast scope for development in this industry in India and it is hoped that the recent flotation of several joint-stock companies to build cold storages vaults in all important towns in Northern India should go a long way to assist the progress of fruit

culture. Yet, cheap railway freight and transport facilities are, without doubt, the most vital needs of the trade.

Under drugs and narcotics, the total area sown in 1934-35 amounted to 2,409,000 acres distributed as follows:—

	(1,000 Acres)
Opium	9
Coffee	96
Tea	783
Tobacco	1,257
Other drugs and narcotics	264
	<u>2,409</u>

Fodder crops include oats, field vetch, guinea grass, lucerne, fodder *jowar* and *carob* or locust tree and the total area under this head amounted to 10,308,000 acres in 1934-35.

The normal outturn of the various crops in India depends mainly on the timely monsoon rains. But in recent years, irrigation has been resorted to on an extensive scale in tracts where rainfall is most precarious and the Government of India have been devoting more attention for the development of irrigation facilities. In lower Burma, Assam, East Bengal and Malabar Coast, where the rainfall is ordinarily heavy, the crops hardly need any irrigation, unless an unusual scarcity of rain occurs. The total area irrigated in 1934-35 amounted to 50,534,000 acres. Of this about 22.4 million acres were irrigated from Government canals, 3.7 million acres from private canals, 12.5 million acres from wells, 6.2 million acres from tanks and 5.7 million acres from other sources. Of the total area irrigated in India, the Punjab accounts for 29 per cent., U. P. 21 per cent. Madras Presidency 18 per cent., Bombay 10 per cent., Bihar & Orissa 10 per cent. and other Provinces 12 per cent. In the Punjab, of the total sown area 54 per cent. is served by irrigation, 44 per cent. in the N. W. F. Province, 38 per cent. in Ajmer-Merwara and 30 per cent. in the United Provinces.

A substantial portion of the revenue of the Government of India is derived from the land. There is a general complaint that the peasant is heavily taxed and that it is out of all proportion to his income.

Land revenue is assessed in British India under three heads *viz.*, (1) raiyatwari; (2) zamindari or village communities (temporarily settled) and; (3) zamindari (permanently settled). When the revenue is assessed by the State on individuals who are actual occupants or are accepted as representing the occupants, of smaller holdings, the tenure is known as raiyatwari. Under this system,

there may be rent-paying sub-tenants. In the second category, *i.e.*, zamindari or village community, the revenue is assessed on an individual or community owning an estate and occupying a position identical with or analogous to that of a landlord. The tenure may be either temporarily settled *i.e.*, land revenue is fixed for a limited number of years only, or permanently settled, and if the latter is the case, it falls under the third category, zamindari (permanently settled). The total area assessed in 1934-35, as per the latest available Government statistics was 667,451,000 acres, of which 334,836,000 acres were assessed under raiyatwari system, 121,377,000 acres under zamindari or village community (temporarily settled) and 198,379,000 acres under zamindari (permanently settled). It will be noticed that 50 per cent. of the total area is held by raiyatwari proprietors, 30 per cent. by temporarily settled proprietors and 19 per cent. by permanently settled zamindars. The total land revenue realised by the Government in 1934-35 amounted to Rs. 38,24,13,000 and the total population under assessment was 265,691,000 with the assessment per head amounting to Rs. 1-7.

Agricultural products hold a predominant position in the export trade of the country inasmuch as they constitute more than 60 per cent. of the total value of exports from India. The following table would be illuminating in this connection:—

	(In Thousand Rupees)
	(1936-37)
Cotton, Raw and Waste	45,17,43
Tea	20,03,81
Seeds	18,46,93
Grain, Pulses and Flour	15,38,87
Jute, raw	14,77,10
Oilcakes of all kinds	2,26,93
Wood and Timber	1,75,79
Fruits and Vegetables	1,69,88
Rubber, Raw or Crude	1,04,03
Fodder, Bran and Pollard	95,74
Tobacco	92,51
Coffee	83,67
Oils—Vegetable, Mineral and Animal	69,97
Dying and Tanning Substances	64,43
Spices	55,41
Provisions and Oilman Stores	28,38
	<u>Rs. 125,50,88</u>
Total Exports of Indian Merchandise	Rs. 196,12,99

The above review relates only to the conditions in British India and information with regard to the conditions in the Indian States is unreliable inasmuch as existing statistics are incomplete and inadequate. But taking a general view of things one can boldly say that agriculture in most of the Indian States is not in any way better in comparison with the conditions prevailing in the British Provinces. Though in recent years some of the progressive states like Mysore, Cochin, Travancore, Baroda etc., are pursuing a vigorous policy towards improving the conditions of their agricultural population, their success, no doubt, depends to a great extent on the general policy of the Government of India, because the economic nexus between both is intimate.

The total area covered by Indian States and the specially administered areas of the North-West Frontier Provinces and Baluchistan amount to about 476 million acres, with a population of about 78 million. The agricultural statistics of these States are defective and incorrect, as their administrations

are not maintaining any statistics at all. The States supplying information to the Government of India's statistical Department number only 77, comprising about 55 per cent. of the total area. The surveyed area in all the reporting states exceeds 145 million acres. Out of this, the net area sown in a year amounts to only 50 per cent. Of the net area sown 75 per cent. are covered by food-grains, 10 per cent. by oilseeds, 10 per cent. by fibres and 4 per cent. by fodder crops, the remainder being under miscellaneous crops. Almost all the crops produced in British India are grown in Indian States.

The foregoing survey is in no sense a comprehensive survey of India's agriculture or the problems thereof. The latter hardly admit of any useful treatment in the course of a short article. The aim, therefore, is rather to show the relative importance of the principal crops and to enable an appreciation of the extent to which the prosperity of India's agriculture is dependent on the internal conditions. The division between food-crops and money-crops will also, we trust, be apparent at every stage.

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 dried. 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	8'80	2'44	2'18
Rape and mustard	2'96	2'01	2'42	1'07
Sesamum	0'65	0'48	0'20	0'84
Linseed	0'88	0'27	0'19	0'16
Other Oil Seeds	0'09	0'10	0'06	0'94
Cotton	0'87	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	Wholesale price per Md.	Market value 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	8.78	81.88
		Bales			
Cotton	20,980	8,837	0.88	28.80	25.04
Jute ...	8,114	8,299	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 of 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 crore Rs.)
1919-29 ...	4.70 mds.	Rs. 9-6-0	44.06
1930-34 ...	4.19 "	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 in taking any immediate measures. At last, the Bengal Legislative Council appointed a Jute Enquiry Committee, 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 and 1936-37 seasons, Government stuck to the same policy and started voluntary restriction propaganda. But the increased production of jute during the two seasons proved voluntary restriction to be a disastrous failure; and had it not been for the crisis of unrestricted production in the industry, jute would not have improved from the low level.

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 seven 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 ...	3,062,300	9,966,000*	238,000	670,000†	185,800	595,000	3,485,600	11,281,000
1931 ...	1,613,700	5,002,700*	143,800	367,200†	99,800	196,600	1,861,800	5,565,500
1932 ...	1,845,700	6,218,500*	170,000	518,500†	12,400	340,100	2,143,100	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	303,900	2,670,100	8,525,400
1935 ..	1,917,500	6,588,000*	145,600	389,000†	117,800	312,600	2,180,900	7,239,600
1936 ...	2,180,800	7,774,500*	224,500	543,800†	140,800	412,500	2,545,600	8,785,800

* 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 always proved to be more reliable. The following table shows the actual production of jute for the past four seasons:—

Season	Calcutta Imports	Exports from Chittagong	Total Crop.
1933-34 ...	86.45	3.01	89.44
1934-35 ...	94.92	3.01	97.91
1935-36 ...	79.92	1.58	81.49
1936-37 ...	104.53	2.47	106.97

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 kutcha 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.

In 1936, the Government of India sanctioned the appointment of an Indian Central Jute Committee, which has begun to function from the beginning of this year. The work of the Committee is said to include the improvement of the crop forecasting and statistics, production, testing and distribution of seeds, banking and transport facilities and improvement of marketing of jute. The personnel of the committee includes all interests belonging to the jute trade.

COTTON

India is the largest producer of cotton in the world next to the United States of America. Though the total area sown under cotton amounts to only less than a third of that under rice, its importance may, in one view, be said to be even greater than that of rice, inasmuch as it is a money crop. Besides supplying the raw material for a staple industry, cotton forms a valuable item of India's export trade. More than 50 per cent. of the total production is exported to foreign countries, Japan being the chief customer, while about 40 per cent. of the

crop is absorbed by the mills in India and the remaining few lakhs of bales utilised by the cottage industry of handspinning and weaving.

In spite of the fact that more than half the total production of Indian cotton finds an export outlet, it does not figure as much in the international trade as the American or Egyptian cotton. For, with the exception of Japan, whose takings alone amount to more than half of the total exports, there is no large single customer for Indian cotton.

This drawback of Indian cotton is due mainly to its inferior quality as compared with the American or Egyptian product. Though several successful experiments have been carried out by the Government in the past few years and the growth of improved cotton has been encouraged, a good deal remains to be done before the Indian variety attains the standard of the foreign growths.

Apart from the question of quality, another important factor which goes to reduce the competitive ability of Indian cotton in the world trade is the backwardness of cultivation. That cotton growing in this country is still, like the rest of our agriculture, on primitive lines, is clearly evident from the extremely low yield per acre of Indian cotton. While in Egypt, the average yield per acre is about 400 lbs., and in the United States 170 to 200 lbs., in India it is only about 80 lbs. per acre, which is slightly more than half of the world average of 150 lbs. The low yield per acre in India is not confined to cotton alone but it is a general complaint in all the other commodities grown in India, though one has to admit that in the case of cotton it is unreasonably low. Cotton cultivation thus offers not a little scope for the activities of the Imperial Council of Agricultural Research and the Indian Central Cotton Committee. Another

important aspect of cotton in India is that its production is well spread over nearly all parts of the country and that measures for improving its position and prospects will shower their benefits on all 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 significant that the cotton textile industry in India is not merely on a large scale and capitalist lines, but it also embraces a handloom 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 spinning in the *Charka* and *Khaddar* making, which said to be a part time household occupation of the poor agriculturists, is now being revived and encouraged by the India National Congress. 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 already mentioned America is the world's largest producer of cotton and together with India she accounts for about 60 to 75 per cent. of the world's total production. The following table gives the figures of production for the various cotton producing countries of 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	1935-36
United States—	Lint ...	14,825	13,932	17,096	13,002	13,047	9,686	10,688
	Linters ...	1,241	986	1,067	912	982	975	1,000
	Total ...	16,066	14,918	18,163	13,914	14,029	10,611	11,688
Mexico	...	240	174	208	99	255	288	285
Brazil	...	564	471	575	438	958	1,309	1,539
Peru	...	266	263	228	287	278	386	370
Argentina	...	188	186	165	146	206	258	295
Other South American	...	66	57	46	39	76	70	100
India*	...	5,243	5,226	4,007	4,657	5,108	4,858	5,728
China	...	2,055	2,886	1,733	2,195	2,652	3,030	2,809
Japan and Korea	...	187	147	99	138	197	224	239
East Indies, etc.	...	18	18	15	18	14	20	20
U. S. S. R.	...	1,279	1,589	1,346	1,776	1,917	1,744	2,493
Persia	...	78	64	107	79	181	200	200
Iraq, Ceylon, etc.	...	4	3	1	†	†	2	4
Asia Minor etc.	...	143	120	131	63	191	258	345
Egypt ...	...	1,706	1,655	1,271	991	1,715	1,511	1,707
Sudan ...	...	127	96	188	110	126	237	193
East Africa (British)	...	181	166	182	269	274	278	322
South Africa (British)	...	14	8	8	2	8	3	4
West Africa (British)	...	85	15	5	20	28	47	52
Non-British Africa	...	121	125	96	121	156	192	190
West Indies (British)	...	4	4	2	2	3	4	4
West Indies (Others)	...	25	21	31	26	23	30	28
Australia, etc.	...	12	10	4	11	18	14	16
World's Total	...	28,467	27,674	29,102	25,345	28,403	25,481	28,026
World's (excl. U. S. A.)	...	12,401	12,753	10,939	11,431	14,374	14,370	16,888
Percentage of Total	...	43.0	46.0	37.5	45.1	50.7	56.5	59.6

*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 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 still planning for further expansion of 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 raw cotton at a certain level without reference to world prices. This artificial raising of prices was attained by the American Government by granting loans of 12 cents per lb. of cotton to farmers, thus strengthening their holding power, and by purchasing large quantities of cotton at a fixed minimum. This had, no doubt, helped to maintain the price of American cotton at a high level in the beginning. But ever since the decision of the American Supreme Court in 1935 declaring the N. R. A. unconstitutional and later the Agricultural Adjustment Act and the Bankhead Cotton Control Act, the whole structure of President Roosevelt's Recovery Plan was

upset. The disposal of the enormous holdings of Cotton in the hands of the American Government became a problem. The high artificial price of American cotton was taken advantage of by foreign growers who steadily increased their output, which consequently reduced the export demand of American cotton. The terms of the loan were modified in 1936 and a ten cent loan with a subsidy of 2 cents per lb. was announced. But the absence of any effective control increased the production of cotton to above 12 million bales in 1936 and this year the production has further increased to exceed 16 million bales. This big increase in the American cotton output and a further reduction of the Government loan to 9 cents per lb. with a subsidy of 3 cents caused a disastrous landslide in the price of cotton in the second and third quarters of 1937.

It will be noticed that the production of Indian cotton, too, has been increasing during the past few years, while at the same time the favourable parity of Indian cotton prices helped to increase our exports. The following table gives the volume and value of our cotton exports during the last six years and the prewar average:—

EXPORTS OF RAW COTTON

(Quantity in Thousands of Bales of 400 lbs.) (Value in Lakhs of Rupees)

Country to which Exported	Pre-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	Pre-War Average	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom	122	168	168	342	347	456	601	172	1,54	161	3,37	3,42	4,5	6,81
Other parts of British Empire	80	8	2	8	8	8	4	41	5	8	...	8	5	5
Japan	1,012	1,080	1,085	1,105	2,058	1,759	25,99	14,51	11,05	11,12	11,88	21,58	17,94	25,41
Italy	238	184	151	261	278	155	165	8,18	1,62	1,44	2,89	2,55	1,42	1,70
France	109	81	123	161	143	165	155	1,51	79	1,17	1,53	1,35	1,6	1,58
China (exclusive of Hongkong, etc.)	81	486	134	345	142	109	72	48	4,52	1,33	3,80	1,29	1,05	72
Belgium	277	121	123	144	153	2,25	316	3,68	1,18	1,30	14	1,49	2,20	3,25
Spain	50	45	50	55	60	68	27	78	42	49	63	55	64	25
Germany	351	166	151	246	153	253	213	4,45	143	1,33	2,09	1,37	2,61	2,23
Other Countries...	192	85	71	159	153	199	166	266	80	55	1,40	1,40	1,73	2,92
Total British Empire	152	171	170	345	350	459	605	213	1,59	1,64	3,37	3,45	4,56	6,86
Total Foreign Countries	2,355	2,108	1,893	2,476	3,140	2,933	3,663	31,15	21,36	13,73	23,22	31,05	3,321	33,05
GRAND TOTAL	2,407	2,369	2,043	2,321	3,490	3,392	4,268	33,28	23,45	20,37	26,59	34,95	33,77	44,41

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.

This pact with Japan was again renewed at its expiry in March 1937. According to the new Pact Japan is allowed to import 283 million yards of cotton piecegoods in return for her taking one million bales of raw cotton every year; and the maximum import of piecegoods has been limited to 358 million yards in exchange for $1\frac{1}{2}$ million bales of cotton.

Next to Japan, the principal market for Indian cotton is the United Kingdom. But this position was gained by her only since 1933 as a result of the Mody-Lees Pact, which contemplated the pursuit of propaganda in Lancashire for increased consumption of the long-staple qualities of Indian cotton. Thus, it will be found that the greater portion of India's total exports of cotton is absorbed by Japan and the United Kingdom. Other Continental customers could not be relied upon as their takings have been very irregular and comparatively lower.

Though a considerable part of the production finds an export outlet, it must not be forgotten that India has a large cotton mill industry of her own, which has been expanding with rapid strides during the last few years. The annual consumption of Indian cotton by mills in India amounts to about 2,500,000 bales.

As has been already pointed out the production is spread over the whole of India.

Bombay Presidency, and the Punjab are the two largest producing centres. The following table gives the distribution of the acreage of cotton in India:—

	Season 1936-37	
	Area in 1,000 Acres	Yield in 1,000 Bales
Bombay	5,894	1,145
C. P. & Berar	3,969	810
Punjab	3,692	1,920
Madras	2,578	535
United Provinces	695	174
Burma	982	518
Sind	511	113
Hyderabad	3,080	499
Central India	1,407	202
Baroda	871	137
Gwalior	714	106
Rajputna	534	73
Mysore	85	12
Other Provinces		
Total	25,219	6,307

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 Central 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 regu-

lated 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	28,812	5,224
1931-32	28,522	4,064
1932-33	22,433	4,657
1933-34	24,187	5,108
1934-35	28,972	4,858
1935-36	25,999	5,988
1936-37	25,219	6,807

It will be seen that, though the production in 1934-35 was only 4.8 million bales, in 1936-37 the production of cotton improved substantially to 6.3 million bales. The Indian Central Cotton Committee has 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. It is the staple food of millions all over the country. 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.

The main zones of rice cultivation are Bengal, Bihar, Orissa, Madras and Burma. It is generally regarded as a winter crop, being harvested in December and January while the sowing season extends from May to August. Two other less important crops are also raised in most provinces in autumn and summer. The table on the next page gives the area and production of the three rice crops in the various provinces.

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 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 position in the export markets has proved to be more vulnerable than one would have suspected a few years ago. In fact, she has practically lost all her European customers. 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:—

Rice Forecast

PROVINCES AND STATES	AREA IN 1,000 ACRES			YIELD IN 1,000 TONS		
	1934-35	1935-36	1936-37	1934-35	1935-36	1936-37
Bengal :—						
Autumn crop ...	5,572	5,851	5,757	1,842	2,015	2,141
Winter ,, ...	14,760	14,837	15,803	6,222	5,003	8,307
Summer ,, ...	408	404	400	209	189	190
Burma ,, ...	12,688	12,503	12,691	4,582	4,998	4,709
Madras ,, ...	11,056	9,796	9,796	4,981	4,741	4,716
Bihar :—						
Autumn crop ...	8,381	2,416	2,804	924	611	663
Winter ,, ...	10,818	7,248	7,688	3,751	1,836	2,692
Summer ,, ...	40	12	18	18	3	5
Orissa :—						
Autumn crop ...	...	1,132	1,128	...	229	381
Winter ,, ...	...	4,059	4,085	...	1,059	1,292
Summer ,, ...	...	27	27	...	8	9
Assam :—						
Autumn crop ...	901	1,065	1,014	219	279	228
Winter ,, ...	3,676	4,024	3,904	1,235	1,804	1,405
Summer ,, ...	193	197	191	87	80	84
Bombay :—						
Autumn crop ...	3,524	2,898	2,414	1,587	1,027	827
Spring ,, ...	18	17	17	8	7	7
United Provinces						
...	6,489	6,672	6,123	1,946	1,955	1,859
C. P. and Berar						
...	6,762	6,672	6,123	2,059	1,865	2,381
Sind						
...	...	11,80	1,070	...	387	479
Coorg						
...	83	83	85	38	54	55
Hyderabad						
...	1,184	1,064	919	355	336	322
Mysore						
...	680	741	723	173	222	227
Baroda						
...	228	206	179	67	52	28
Bhopal (Central India)						
...	24	28	29	8	9	10
Total	81,980	88,556	88,556	30,261	28,269	32,962

PRODUCTION OF RICE.

(In Quintals 000's omitted)

	1929-30	1933-34	1934-35	1935-36
British India	474,949	471,516	461,810	425,672
Japan	107,708	181,457	96,214	106,688
Dutch East Indies	54,792	58,144	57,588	57,476
Siam	89,058	50,077	45,978	47,270
Korea	24,778	83,765	81,027	83,198
Formosa	11,720	15,121	16,869	16,928
Madagascar	6,150	7,228	6,689	6,800
U. S. A.	8,288	7,685	7,970	7,917
Italy	6,787	6,915	6,780	7,852
Asia	805,810	850,000	795,000	786,000
Africa	16,980	20,800	20,000	22,000
Europe (excluding U.S.S.R.)	10,215	11,171	11,586	12,418
S. America	18,660	15,200	16,900	15,000
World	856,000	909,000	856,000	848,000

India thus produces nearly half the total world output. But while, during this period, of six years, India's production has fallen from 475 million quintals to 426 million quintals, there has been a progressive increase in the production of other countries. Siam increased her production from 39 million quintals to 47 millions, Korea from 24 million quintals to 33 millions, Formosa from 12 million to 17 million and Africa from 17 million to 22 million.

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. In pre-War days about 47 per cent. of the total rice exports from India went to European countries, 42 per cent. to Asiatic countries and the rest were distributed among Africa, the West Indies and South America. In recent years not only the total exports reveal a marked decline but a clearly discernible change of direction is also noticeable. The changes in India's export trade in rice may be epitomised in the following table:—

RICE NOT IN HUSK

(In Tons)

Exported to	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
United Kingdom	89,587	57,876	181,088	75,210	71,415	88,875	50,122	189,904
Germany	270,821	162,288	226,676	228,106	246,118	157,934	79,209	55,471
Netherlands	124,989	100,864	112,412	95,641	80,885	62,408	69,799	87,769
Ceylon	426,845	444,237	409,869	894,814	408,829	391,501	428,706	427,591
Straits Settlements	229,057	265,885	289,757	156,479	158,971	135,436	138,418	161,495
Sumatra	184,291	129,807	95,848	62,491	69,805	70,018	74,744	47,210
China	260,049	467,246	416,809	288,828	170,613	178,425	71,747	16,585
Egypt	44,819	21,921	111,502	86,285	24,102	29,883	18,706	12,187
Cuba	88,871	91,892	70,178	89,048	46,190	16,715	25,449	82,020
Other countries	679,950	518,868	487,201	506,804	466,086	466,847	446,715	527,048
Total	2,298,229	2,258,784	2,801,415	1,828,196	1,782,589	1,592,517	1,898,615	1,458,225

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.

Though this has helped to reduce the enormous quantity of exports, India is still importing rice, the total value of imports in 1936-37 amounting to more than Rs. 55 lakhs.

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.

But, so far as India proper is concerned, she has always been a net importer of rice. Though Bengal and South India had been exporting superior quality rice, their exports in recent years have been reduced to an insignificant quantity; and today about 85 per cent. of the exports goes to the share

of Burma. But what is worse, is the fact that the position of the rice trade in India has become precarious on account of the upward trend of Burmese rice imports. All the surplus production of Burma is dumped into the Indian market at extremely cheap prices, with the inevitable result of depressing the internal market. This is all the more unfortunate when it is realised that India is capable of producing all her requirements of rice. It is, therefore, an absolute necessity to control the imports of Burmese rice and thus endeavour to stabilise the rice trade in this country. Such a course would be necessary for all efforts at an expansion of internal wealth by means of reclaiming more lands for rice cultivation would not be a success in the face of cutthroat competition from the Burmese product.

Under the Ottawa Agreement the United Kingdom and some other British colonies have granted to Indian rice a preference to the extent of 1d. per lb. But the results of the past years have shown little encouragement to think that the preference is of any real benefit. It has been said that Indian rice is not sufficiently polished or well-finished to attract the British consumer, though its intrinsic quality is in no way inferior to that of the Spanish or American product, which are in good demand in Great Britain. Moreover, the rice trade in India is not well-organised and the majority of traders are guilty of negligence in meeting the needs of the foreign consumer. If an organised attempt is made in the direction it would not be indeed a difficult task for Indian rice to regain its lost reputation in the foreign markets.

SUGARCANE

With the rapid development of the sugar industry in India during the past decade and a half, 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 less than a crore of rupees in 1936-37, but helped at the same time, the growth of sugarcane cultivation. And, to-day, India occupies the first place amount the producers of cane 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	Acre-age under improved varieties 1,000 acres	Calculated production of sugar cane in 1,000 tons
1925-26	2,806	...	34,882
1931-32	3,076	1,170	48,816
1932-33	3,485	1,846	51,129
1933-34	3,438	2,205	52,455
1934-35	3,602	2,446	54,846
1935-36	4,020	3,071	61,202
1936-37*	4,431	3,500	67,822

*Estimate

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.		
	1936-37	1935-36	1934-35	1936-37	1935-36	1934-35	1936-37	1935-36	1934-35
United Provinces (a) ...	2,519	2,249	1,840	3,894	3,886	2,758	3,468	3,323	3,350
Punjab ...	551	474	462	434	360	326	1,764	1,701	1,581
Bihar and Orissa ...	490	478	445	724	686	673	3,473	3,433	3,388
Bengal ...	855	825	276	654	560	492	4,127	3,860	3,098
Madras ...	122	119	122	889	329	321	6,224	6,198	5,894
Bombay (b) ...	126	122	114	314	326	266	5,231	5,141	5,227
N. W. F. Province ...	72	59	43	78	63	41	2,427	2,302	2,186
Assam ...	38	37	35	38	37	34	2,240	2,240	2,176
C. P. and Berar ...	30	30	29	48	48	47	3,584	3,584	3,680
Delhi ...	5	8	8	4	8	8	1,792	2,240	2,240
Mysore ...	52	51	46	57	53	43	2,455	2,323	2,094
Hyderabad ...	58	59	51	124	99	93	4,789	3,759	4,085
Baroda ...	3	3	2	4	3	3	2,987	2,240	3,360
Bhopal ...	6	5	4	5	5	4	1,867	1,867	2,240
Total ...	4,431	4,020	3,479	6,717	5,905	5,109	3,396	3,292	3,291

(a) Including Rampur State.

(b) Including Sind and Indian States.

It will be seen from the above table that Madras, with 6,224 lbs. per acre, leads in respect of yield per acre and Bombay with 5,231 lbs., comes second, but the United Provinces, whose production amounts to about 60 per cent. of the total yield, with her yield per acre at 3,463 lbs. is far behind many other Provinces.

Out of the above total area, about 79 per cent. was under improved varieties as compared with only 38 per cent. in 1931-32. The credit of the increased planting of the improved varieties of cane goes to the Imperial Council of Agricultural Research, who 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 Coimba-

tore on cane-breeding technique has been of immense benefit to cultivators. The Sugar Committee of the Imperial Council recommended, 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	U. P.	Bihar	Bombay	India	India Maximum	Java
1931-32 ...	8'59	9'06	..	8'89	10	11'92
1932-33 ...	8'55	8'60	10'00	8'66	10	11'16
1933-34 ...	9'08	8'82	10'00	8'80	10	12'64
1934-35 ...	8'56	8'79	10'37	8'66	11'10	12'35
1935-36 ...	9'60	8'93	10'47	9'29	11'84	...

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 of India and the authorities in the various provinces to fix a standard for sugarcane and the introduction of improved methods of cultivation in future would 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 con-

fronted 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.

Though the sugar industry in India has grown enormously in the past decade, it must not be, however, understood that the whole or even a large part of the cane grown in the country is consumed by the sugar factories. As a matter of fact, the sugar factories in India crushed only about 16 per cent. of the total production of cane in 1935-36, while about 70 per cent. was absorbed for *Gur* manufacture.

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	1934-35	1935-36	1936-37*
India ...	18,100	81,800	86,000	40,900
Cuba ...	46,900	24,600	24,769	28,250
Formosa ...	4,999	9,657	9,010	9,865
Hawaii ...	6,680	8,897	9,860	9,090
Philippines ...	5,510	7,235	10,291	12,000
Australia ...	5,263	6,118	6,175	7,425
Brazil ...	9,040	11,550	11,710	10,000
Java ...	19,416	5,097	5,924	18,000
Puerto Rico ...	5,140	6,630	7,950	8,080
South Africa ...	2,176	8,254	8,786	4,049
World ...	150,200	147,200	163,000	182,400

*Estimates

Europe, North America and Russia are all producers of beet sugar. The total production of beet sugar in the world in 1936-37 was estimated at about 93,500,000 quintals (1 quintal=415.248 lbs.). Of this, Europe produced about 60,400 quintals, Russia 20,000 and the United States of America 11,900 quintals. In Europe, Germany is the chief producer her share exceeding 16,000 quintals in 1936-37.

WHEAT

Wheat is one of the few agricultural commodities in which India has no large international importance. India is one of the largest producers of the commodity in the world, but nearly the whole of her output is consumed within the country. During recent years her exports had dwindled to practically nothing; in fact India even figured as a positive importer of wheat from Australia, which forced the Government of India to impose a duty on wheat imports. But the result of last year's trading showed very encouraging signs of a revival in our wheat exports. Our total export of wheat in 1936-37 amounted to 231,505 tons which was a record for several years. The big increase in our exports has been mainly due to the great shortage of wheat supplies in the world, and the low parity of Indian wheat prices as compared with those of foreign growths. Owing to the successive failures of the U.S.A., Argentine and Canadian crops for the last three years, the world's exportable stocks of wheat declined from 625 million bushels in 1932-33 to about 120 million bushels at the end of July,

1937. The rapid decrease in supplies fortunately coincided with a sudden expansion in demand owing to the wars in Abyssinia and Spain, and also the warlike preparations of the European nations. These factors created a boom in all commodity markets, and wheat being one of the staple commodities, prices registered a rapid rise. The scarcity of supplies in other important centres in the world directed the attention of European buyers to Indian wheat, the quality of which was found to be equal to Argentine or Manitoba wheat. The Indian exporter at Karachi was alert in seizing the opportunity and made enough amends for his past mistakes by taking particular care to despatch good quality wheat. It is a matter for gratification that a good part of the export in Karachi has been captured by Indian export houses. The developments during the past year promise a bright future for India's export trade in wheat, and it seems that very shortly India will have to be counted as a prominent exporter in the international wheat trade.

The following table shows the output of wheat in the principal producing countries of the world:—

PRODUCTION OF WHEAT

(In Quintals 000's omitted)

Countries	1925-29	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
British India	87,213	94,558	91,668	95,914	95,204	98,851	95,772
U. S. A.	223,855	253,718	202,508	143,966	143,263	170,466	170,498
Canada	117,220	87,452	120,588	76,720	75,075	76,781	62,384
Argentina	66,142	59,792	65,560	77,870	65,500	88,880	67,450
Australia	87,015	51,877	53,222	48,264	86,305	88,809	40,709
U. S. S. R.	215,240	205,000	202,500	277,800	304,100	308,300	
France	70,295	71,882	90,771	98,611	92,129	77,552	68,979
Germany	82,595	42,883	50,031	56,043	45,327	46,672	44,269
Roumania	28,721	36,828	15,115	32,406	20,885	26,247	35,031
Europe	386,677	419,469	424,191	501,693	448,567	454,266	441,069
(Excluding U. S. S. R.)							
Asia	115,820	127,100	118,330	128,980	123,660	181,880	125,100
(Excluding U. S. S. R.)							
World	997,500	1,054,100	1,049,800	1,040,200	953,200	969,600	959,900
(Excluding U. S. S. R.)							

It will be seen from the above table that Canada and United States of America have considerably restricted their production in the world depression period. The large accumulation of stocks in Canada was responsible for the unprecedentedly low level touched by wheat prices during the depression years. The disposal of the large surplus of stocks was a problem; and for this purpose the Canadian Government created a Grain Marketing Board, which was entrusted with wide powers to regulate the production and marketing of the surplus stocks. Canada, the Argentine and Australia figure as the prominent exporters of wheat. It is remarkable that Russia has

enormously increased her production in the past few years.

The production of wheat in India has been on the increase of late. The total production of wheat in 1935-36 was estimated by the Government at 94 lakhs tons, as compared with 97 lakhs tons and 94 lakhs tons in the two preceding years. The Punjab is the prominent producer among the various provinces, her share amounting to more than 35 per cent. of the total production. The United Provinces are a good second, her share amounting to about 25 per cent. The following table gives the area and the output of wheat in the various provinces:—

Provinces and States	Area in thousand acres.					Yield in thousand tons.				
	1931-32	1932-33	1933-34	1934-35	1935-36	1931-32	1932-33	1933-34	1934-35	1935-36
Punjab (a)	10,892	9,927	11,292	10,468	10,711	3,152	3,255	3,253	3,498	3,496
United Provinces (a)	7,864	7,789	8,580	7,671	7,175	2,633	2,744	2,572	2,554	2,529
Central Provinces and Berar (a)	3,628	3,553	3,541	3,717	3,464	693	670	735	780	650
Bombay (b)	2,836	3,161	3,744	3,380	3,316	592	782	844	711	769
Bihar and Orissa	1,221	1,285	1,222	1,197	1,148	469	492	476	505	416
N.W.F. Province	1,014	1,012	1,041	997	1,080	250	287	289	288	264
Bengal	145	145	145	155	127	34	41	41	51	33
Delhi	41	42	46	40	38	9	11	18	13	12
Ajmer Merwara	31	22	29	30	28	9	6	7	9	9
Central India	2,189	2,068	2,082	2,319	2,071	389	340	407	419	360
Gwalior	1,492	1,394	1,507	1,646	1,631	297	319	302	394	348
Rajputana	1,508	1,268	1,488	1,520	1,375	64	355	353	333	339
Hyderabad	1,367	1,301	1,201	1,259	1,247	361	163	149	156	140
Baroda	72	74	72	74	73	131	31	17	17	23
Mysore	3	3	2	2	2	1	1	...		
Total	83,803	82,992	85,992	84,490	83,631	9,024	9,452	9,414	9,728	9,435

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

TOBACCO

Before the sixteenth century the tobacco plant was practically unknown in India and the Portuguese are credited with having conveyed the plant in 1508. The use of tobacco spread within the space of a century, and by the year 1617 smoking became so general that the Emperor Jehangir, so the story goes, had to prohibit the practice. But it must be admitted that a century and a half ago tobacco was an article of comparative unimportance, as smoking was forbidden by religion to the majority of people. The advent of European civilization has, however, gradually reversed the position, and today smoking has become the fashion of the time and cigarette an indispensable item for society. A large number of the Indian population also use tobacco for chewing and in the form of snuff.

Two main species of tobacco are cultivated in India *viz.* *Nicotiana tabacum* and *Nico-*

tiana rustica, of which the former is more common. Next to the United States of America, India is the largest producer of tobacco in the world, the annual area under the crop exceeding 1.4 million acres. The tobacco plant is grown in practically every district in India, but the important zones lie in Bengal, Madras, Bihar, Orissa, Bombay and Burma. The *Bhengi*, *Naokhol* and *Hingli* varieties are commonly cultivated in Bengal, Bihar and Orissa and the *Bilaite* or *Motihari* variety of *N. rustica* to a lesser extent. Guntur is the most important tobacco-growing centre in Madras, while Sivapuri of South Arcot and Meenampalayan of Coimbatore are famous for their aroma and are mainly used for chewing. The Burmese tobacco is largely used for the manufacture of cheroots.

The following table gives the area under tobacco in the various provinces of India:—

(In thousand acres)

	Pre-war Average	1919-20	1933-34	1934-35	1935-36
Madras ...	205	228	248	292	280
Bombay* ...	92	107	144	185	168
Bengal ...	318	342	286	308	307
United Provinces ...	87	82	82	102	84
Punjab ...	59	54	48	88	78
Bihar and Orissa ...	113	120	140	133	140
Burma ...	90	126	103	106	104
C. P. and Berar ...	28	23	13	15	14
Assam ...	8	10	14	13	12
N. W. F. P. ...	8	8	6	14	17
Delhi ...	1	1	1	1	1
Hyderabad ...	...	116	71	74	72
Mysore ...	14	20	25	23	23
Baroda ...	...	24	44	59	55
Other States ...	34	35	41	48	2†
Total ...	1,057	1,296	1,266	1,461	1,357†

*Including Sind.

†Figures incomplete.

Although the cultivation is extensive, the quality of Indian tobacco is generally said to be inferior to that of foreign growths; and this has prevented India from getting a proportional share in the international trade in the commodity. Efforts have been made by the Imperial Institute of Agriculture, Pusa, to grow the high grade American varieties of Adcock and White Burley, but without much success so far. So, the main problem of tobacco improvement at present is the production of a quality tobacco for the pipe and to meet the requirements of cigarette factories in India and so to replace the present large imports of Virginian leaf.

Tobacco is a money crop to the cultivator and is generally harvested between January and April. The cultivation of high grade

varieties would prove very profitable as will be seen from the following estimates of the Pusa Institute for growing one acre of Adcock tobacco:—

First grade leaf sold at As. 9 per lbs.	
513 lbs. ...	287 15
Second grade sold at As. 6 per lb.	
349 lbs. ...	130 14
862 lbs. gross return	418 13
Less cost of cultivation Rs. 80; plus cost of flue-curing 862 lbs. at As. 2 per lb. Rs. 110	190 0
Net profit per acre	228 13

To this, a sum of Rs. 20 realized from the sale of tobacco leaf stalks may be added as additional profit.

The bulk of the tobacco grown in India is consumed locally. There is, however, a good

export trade in the commodity as will be seen from the following table:—

		(In thousand lbs.)				
		1929-30	1931-32	1933-34	1935-36	1936-37
Unmanufactured:—						
United Kingdom	...	10,558	10,626	13,299	11,702	13,298
Aden and Dependencies	...	4,195	4,427	5,398	7,315	8,336
Straits Settlements	...	3,958	1,555	1,167	1,072	1,113
F. M. S.	...	1,662	736	512	677	776
Netherlands	...	1,166	945	3,512	1,231	1,121
Japan	...	3,176	3,699	3,313	5,623	3,000
Other Countries	...	1,257	3,439	2,005	1,123	882
Total	...	25,972	25,427	29,206	28,743	28,526
Manufactured:—						
Cigars	...	281	118	64	73	60
Cigarettes	...	293	313	258	329	272

The low quality of Indian tobacco has necessitated imports of high grade tobacco from U. S. A. and other foreign countries. In 1936-37, for instance, imports of manufactured tobacco into India amounted to about Rs. 45 lakhs, while those of cigars, cigarettes and other manufactured tobacco amounted to about Rs. 36 lakhs. Since

1930-31, there has been a big fall in imports of manufactured tobacco. This was due to various factors such as the boycott of foreign goods, the development of an Indian tobacco industry and the establishment of cigarette manufacturing factories within the country by foreign manufacturers. The following table gives the imports of tobacco into India:—

		(In thousand lbs.)				
		1929-30	1931-32	1933-34	1935-36	1936-37
Unmanufactured		4,552	2,845	4,187	1,921	3,283
Manufactured:—						
Cigars	...	40	21	17	13	14
Cigarettes	...	5,283	1,436	593	831	919
Tobacco for pipes and cigarettes	...	223	129	50	51	58
Other sorts	...	33	46	47	43	33
Total	...	10,131	4,477	4,894	2,859	4,307

Imports of foreign tobacco into India are liable to the following duties:—Tobacco, manufactured, not otherwise specified Rs. 3-12 per lb.; Cigars 112½ per cent. *ad valorem*; Cigarettes, 25 per cent. *ad valorem* and addition either Rs. 8-12 per thousand or Rs. 3-4 per lb., whichever is

higher; Tobacco, unmanufactured Rs. 3-4 per lb., preferential rate Rs. 2-12 per lb. Tobacco leaf for the manufacture of cigars, when proved to have been imported for use in a cigar factory, is liable to duty at Rs. 2 per lb. (standard) and Rs. 1-8 per lb. (preferential).

COFFEE

The growing of the coffee plant is entirely confined to Southern India the important zones of cultivation being the States of Mysore, Travancore and Cochin, Coorg and certain tracts in the Madras Presidency. The Coffee industry provides employment to more than 100,000 persons on the average. In 1935-36 the number of plantations amounted to 6,823, covering a total area of 335,115 acres. Of these, 3,122 were smaller plantations between five to ten acres, covering a total area of 20,909 acres. Mysore alone accounted for 55 per cent. of the total acreage, Madras 23 per cent., Coorg 21 per cent. and Cochin and Travancore together 1 per

cent. But the area actually under coffee in the above reporting plantations in 1935-36 was 188,035 acres as compared with 185,581 acres in the preceding year. The total reported production of cured coffee in 1935-36 amounted to about 41 million lbs., as compared with 32.8 million lbs. in the preceding year. The yield per acre of plucked area varies widely in the various parts from year to year. It was 333 lbs. (126 lbs.) in Cochin, 318 lbs. (201 lbs.) in Madras, 278 lbs. (241 lbs.) in Coorg, 251 lbs. (167 lbs.) in Travancore and 192 lbs. (187 lbs.) in Mysore in 1935-36, the figures in parenthesis being the preceding year's.

Coffee is generally sown and transplanted in the rainy season and the harvesting is done between October and January. During the past decade and a half the acreage and production of coffee in India have increased by nearly 48 per cent. and 90 per cent. respectively. Whereas the average acreage and production for the quinquennium ended 1923-24 was 126,802 acres and 21,774,290 lbs. respectively, the acreage in 1935-36 was 188,035 acres and the production 41,162,079 lbs. The following table gives the area and production of coffee in 1935-36:—

	Area in Acres	Production of Cured Coffee in Pounds.
Mysore	108,008	16,987,874
Madras	48,276	12,867,257
Coorg	88,721	10,476,802
Cochin	2,006	689,482
Travancore	1,029	191,214
Total	188,035	41,162,079

India occupies only an insignificant place among the world coffee-producing countries. Brazil, in this respect, is acknowledged to be by far the largest producer of coffee in the world. In recent years, the disposal of her increasing production of coffee has been a great problem to Brazil and a big percentage of her total production has been destroyed every year in order to keep up the prices. A recent Press message states that the growers have decided to destroy thirty per cent. of the 1937-38 crop in order to keep up the price to six pence a pound in the United States. Millions of bags of coffee have been burnt and dumped into the ocean or made into bricks. Even an offer of the German Government to purchase all the surplus coffee is said to have been rejected. The following table gives the world production of coffee for the past four years:—

	(In thousand quintals)			
	1933-34	1934-35	1935-36	1936-37
Brazil	17,766	16,525	10,515	18,024
Colombia	2,804	2,101	2,518	2,235
Africa	970	1,100	1,180	1,200
Caribbean	2,540	2,550	8,100	8,190
Venezuela	481	568	686	716
Neth. Indies	1,064	1,180	1,109	...
India	157	149	...	...
WORLD*	25,760	24,700	19,710	22,100

* Estimate.

The fall in the price of coffee during the depression period owing to the enormous production has victimised the Indian planter too. It was all the more severe in the case of India, for, almost the entire production has to find a market outside India as the internal consumption in the country is inelastic and confined to the South Indian population only. The plight of the planters, therefore, naturally drove them to seek Government help and the result was the passing of the Indian Coffee Cess Act, 1935. The Act provided for the creation of a fund to be expended by a Committee specially constituted for the promotion of the cultivation, manufacture and sale of Indian Coffee. The Act extends to the whole of British India except Burma and provides for the levy of a custom duty on all coffee produced in India and exported therefrom to any place beyond the limits of British India or to Burma at the rate of one rupee per cwt., or such lower rate as the Governor-General in Council may, on the recommendation of the Coffee Cess Committee lay down. The rate of cess now leviable is 8 annas per cwt.

As an article of export, the position of coffee is by no means insignificant, inasmuch as our annual exports of coffee amounts to wellnigh a crore of rupees. Nearly half of the total production is exported to foreign countries, of which France stands out as our biggest customer. The following table gives the quantity of coffee exported from India for the last three years:—

Exported to	1934-35	1935-36	1936-37
United Kingdom	86,005	78,071	84,998
Norway	15,898	16,721	88,962
France	52,995	82,804	86,745
Germany	6,685	10,059	7,196
Netherlands	1,876	1,456	5,689
Belgium	8,187	12,677	19,997
Italy	5,951	6,589	8,089
Iraq	2,085	1,456	7,511
Australia	5,996	5,862	6,060
Other Countries	6,442	5,806	5,887
Total	140,968	215,951	210,629

RUBBER

Unlike other agricultural commodities, Rubber can claim only a short history. Half a century ago rubber was unknown to the European countries. In the decade prior to the Great War, rubber was a semi-precious commodity which was quoting even as high as 12s. 9d. per pound and was never below 2s. per lb. The plantation industry was just then born and the output of plantation rubber in 1904 was not more than 50 tons. Today, it occupies a pre-eminent position as a commodity of international importance used in a wide range of industries all over the world. The annual production and consumption of rubber at present exceeds a million lbs. But even in the short period of its history rubber has had a romantic career. Booms and slumps in rubber, alternating frequently have made and unmade many a fortune; and the panic created in the world by the last unprecedented crash towards the end of 1931, when sellers in Mincing Lane were praying for the appearance of a buyer at below 2d. per lb. is still fresh in our memory.

The principal countries cultivating rubber, in the order of their importance, are British Malaya, the Netherlands East Indies, Ceylon, Siam, Sarawak, Indo-China, North Borneo, South America, India, Burma, Africa, the Philippines, and Oceania. Of these, Malaya and the Netherlands East Indies alone together produce about 85 per cent. of the world's annual output. Ceylon occupies the

place of a poor third.

The production of rubber since 1934 is regulated in most of the above countries by the International Rubber Regulation Committee, by fixing up quotas of the exportable quantity for each country. The quota for 1937 was raised from 75 per cent. in January to 90 per cent. of the standard production in July. The basic quotas fixed up

by the Committee for 1937 for the various countries are as follows:—

	Tons.
Malaya	589,000
Netherland East Indies ...	520,000
Ceylon	81,000
India	12,500
Burma	9,000
N. Borneo	15,500
Sarawak	31,500
Siam	40,000

It will be seen from the above that India and Burma are only minor producers of rubber compared with other countries. The cultivation is confined to the south-western corner of the country. The total area under rubber in 1935 amounted to 228,800 acres; while the production was estimated at about 48 million lbs. The average yield per acre varies every year according to the conditions of the trees. For instance, the yield per acre in 1935 was as high as 213 lbs., while in 1932 and 1933 it was only 36 lbs. and 58 lbs. respectively.

The following table gives the acreage and yield of rubber in India and Burma in 1935:—

	Area in Acres	Yield of Dry Rubber in lbs.
Burma ...	106,200	20,991,300
Coorg ...	3,330	273,800
Mysore ...	600	...
Madras ...	12,400	2,113,700
Cochin ...	9,500	2,228,600
Travancore ...	96,800	22,937,600
Total ...	228,800	48,545,000

India's production of rubber, however meagre it may be compared with the output of other countries does not call for any large increase, considering the state of the international rubber market. But with the development of Indian economy, there is no doubt that India's consumption of rubber would and should show a steep increase.

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 ex-

port 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 discussion on the Ottawa Pact. 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)

	1933-34	1934-35	1935-36	1936-37
British India ...	4,125	3,821	4,267	3,902
Argentina ...	15,900	20,250	14,250	18,500
U. S. S. R. ...	7,800	6,900	7,400	...
U. S. A. ...	1,754	1,488	3,680	1,501
Asia ...	4,800	4,160	4,580	4,820
Canada ...	168	242	482	464
S. America ...	16,640	21,180	15,080	19,760
World ...	81,700	*85,600	83,500	*28,700

* 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)

	1933-34	1934-35	1935-36	1936-37
C. P. & Berar ...	1,061	1,125	1,261	1,261
United Provinces ...	806	862	845	865
Bihar and Orissa (a) ...	631	599	549	559
Bombay (a) ...	180	184	119	107
Bengal ...	124	126	98	181
Punjab ...	82	26	28	81
Hyderabad ...	867	899	416	468
Kotah (Rajputana) ...	78	92	94	94
Bhopal ...	87	47	47	45
Total ...	8,261	8,410	8,457	8,504

(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 excepting United Provinces, Bihar and other provinces 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.

From the point of view of outturn per acre, Bengal holds the first place, her yield per acre amounting to 427 lbs. in 1936-37. The outturn per acre in the United Provinces and Bihar compare favourably with Bengal at 369 lbs. and 342 lbs. respectively, while that of Central Provinces, which has the largest area was only 158 lbs. per acre. The following table gives the yield per acre in the various provinces and also the total yield for the past two seasons:—

PROVINCES AND STATES	Yield (1,000 tons)		Yield per acre (lbs.)	
	1935-36	1936-37	1935-36	1936-37
Central Provinces and Berar (a) ...	85	89	151	158
United Provinces ...	147	148	390	369
Bihar and Orissa ...	76	85	311	342
Bombay (a) ...	18	9	245	187
Bengal ...	16	25	366	428
Punjab ...	2	3	160	217
Hyderabad ...	83	44	178	211
Kotah (Rajputana) ...	11	10	262	288
Bhopal ...	5	5	288	249
Total	388	418	251	261

(a) Including Indian States

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 and only 367,000 tons fell to the share of India. Since then, 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, which still further decreased in the following year, against 85 per cent. of Argentina. But latterly, during the last four 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 for three seasons successively from 1932-33. And, one cannot, therefore be certain that India has acquired an increase in competitive capacity. Though India's export of linseed last year amounted to more than 296,000 tons, it is believed to be only due to the unusually large demand and the low world stocks. 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	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
U. Kingdom ...	57,605	14,038	14,270	176,425	108,784	90,144	197,755
Germany ...	10,649	9,844	9,480	10,816	5,421	8,410	13,504
France ...	24,980	83,733	21,611	42,603	18,714	7,580	6,514
Italy ...	82,929	14,619	10,578	21,690	10,118	6,696	750
Australia ...	10,970	10,088	9,413	11,958	21,442	9,780	18,232
Other countries ...	119,666	88,011	6,796	114,886	83,886	41,188	89,229
Total ...	256,799	120,238	72,190	378,868	298,865	164,743	296,034

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 customers 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 Argentine crop and the great shortage of supplies in the world than to the effect of the 10 per cent. preference in the British market.

It is gratifying to note that with the increase in the production of linseed there has been a gradual expansion in the internal consumption of the commodity. This is borne out by the fact that India has gradually increased her export of linseed cake and

linseed oil during the past few years. The following table gives the value of India's export of linseed cakes during the past three years:—

EXPORTS OF LINSEED 'CAKES

Volume in Tons.

Name of countries	1934-35	1935-36	1936-37
U. Kingdom ...	83,627	69,419	44,990
Netherlands ...	2,205	1,850	1,568
Belgium ...	3,610	826	674
Egypt ...	...	...	2,102
Other countries ...	1,090	179	860
Total ...	40,532	71,774	50,194

Value in Thousand.

Name of countries	1934-35	1935-36	1936-37
U. Kingdom ...	2,305	4,247	3,057
Netherlands ...	160	79	118
Belgium ...	267	59	51
Egypt ...	...	...	170
Other countries ...	7	13	60
Total ...	2,804	48,94	3,451

The following table gives the quantity and value of Linseed oil exported from India during the last three years.

(000's omitted)

	1934-35		1935-36		1936-37	
	Gals.	Rs.	Gals.	Rs.	Gals.	Rs.
Ceylon ...	10	16	15	24	17	26
Straits Settlements ...	28	44	85	56	59	68
Other Countries ...	25	43	27	46	79	133
Total ...	64	104	78	127	135	223

GROUNDNUT

Although India occupies the first place among the producers of groundnuts in the world, the cultivation of the crop on a commercial scale began only about three decades ago. The appearance of the Indian groundnut in Europe dates from about 1840, but then it failed to receive any great attention from European consumers. Till the beginning of the present century India's export of groundnuts was insignificant, amounting to about 1,500 tons per year on an average or a little more than 1 per cent.

of the aggregate imports into France. In 1895-96 the area under the crop in Madras and Bombay was 243,000 and 164,000 acres respectively. The demand for Indian groundnuts in Europe was very small until the successful cultivation of the disease-resisting seeds with higher oil contents introduced from Senegal and Mozambique, in the first decade of this century ; and this marked a new era for Indian groundnuts. The cultivation and export of Indian nuts increased at a rapid pace since then and

in 1913-14, the total acreage exceeded 2,000,000 and the exports amounted to about 277,900 tons.

To-day India accounts for about half of the total world production. In 1935-36, the total production in India amounted to about 22,900 quintals, out of the world production

of 54,000 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.

(In thousand quintals of unshelled nuts).

Countries.	1925-26	1932-33	1933-34	1934-35	1935-36
India ...	19,000	32,200	33,834	19,142	22,942
United States ...	3,168	4,723	4,389	5,094	5,909
French West Africa ...	5,800	6,900	7,700	7,000	8,000
Nigeria* ...	1,847	2,731	2,970	3,555	2,671
China* ...	4,192	3,708	2,799	2,977	4,285
Java & Madura ...	1,938	2,309	2,299	2,135	2,053
World ...	46,000	59,100	61,300	47,400	53,900

*Exports.

More than half of the total production of groundnuts in India is confined to the Southern Presidency. In 1936-37, according to the final forecast of the Government, out of the total acreage of 7,211,000, Madras Presidency alone has sown about 4,581,000

acres, while the area in Bombay amounted to about 1,752,000 acres. The following table shows the acreage, 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.)		
	1934-35	1935-36	1936-37	1934-35	1935-36	1936-37	1934-35	1935-36	1936-37
Madras ...	2,851	2,520	8,427	920	1,202	1,652	877	1,068	1,080
Bombay* ...	1,516	1,297	1,752	530	562	611	783	971	781
Burma ...	625	660	729	144	144	142	516	489	486
C. P. & Berar ...	149	184	149	88	85	46	571	585	692
Hyderabad ...	962	1,059	954	214	277	316	522	607	742
Mysore ...	168	187	200	27	28	86	371	385	408
Total ...	5,766	5,857	7,211	1,888	2,258	2,808	782	864	871

The greater portion of our production is consumed in India and only a fourth of the crop is exported from British India. France is the most important customer for Indian groundnuts. The Netherlands, Germany, Italy and the United Kingdom are other important customers. The French port,

Pondicherry, is also exporting large quantities of groundnuts from India and if these were included in the statistics, our exports to France would make a better showing. The following table gives the total exports of groundnuts from British India for the official year, 1936-37, together with previous comparisons:—

Countries	(Quantity in 1,000 Tons)					(Value in lakhs of Rupees)				
	1929-30	1933-34	1934-35	1935-36	1936-37	1929-30	1933-34	1934-35	1935-36	1936-37
U. K. ...	53	58	184	62	98	124	67	170	100	160
France ...	211	188	99	141	187	485	288	117	229	311
Netherlands ...	154	101	115	95	110	351	122	127	154	181
Germany ...	210	97	65	71	90	480	118	78	112	147
Italy ...	55	72	54	18	108	123	84	59	80	188
Belgium ...	8	18	14	9	56	18	14	15	14	91
Other Countries ...	28	22	29	16	91	57	26	32	25	155
Total ...	714	547	511	418	789	16.89	6.68	5.98	6.65	12.29

In pre-war years and the years following the termination of the Great War, the predominance of France in the groundnut trade was very marked; but in recent years conditions have changed, other countries like Netherlands, Germany and Italy taking a fair share in our exports. During the War the trade suffered a severe set-back owing to the dislocation of the labour market in Marseilles and the closing down of several French mills and in 1918-19 our exports totalled only 17,000 tons. A rapid improvement followed in the post-war period, until the peak was reached in 1929-30, when our exports totalled 172,000 tons. The trade in groundnut cake has also developed alongside the growth of cultivation of the crop and the bulk of the cake exported is absorbed by the United Kingdom.

total exports amounted to about 714,000 tons. The last world trade depression caused a severe contraction in our exports and in 1935-36 the lowest level was touched, our exports totalling to about 413,000 tons. A sharp increase in our exports resulted last year, groundnuts also shared the boom in the commodity markets. The increase in our exports last year was very marked both in volume and value. But, though the volume has exceeded the 1929-30 level at 739,000 tons, the total value was about Rs. 4 crores behind.

In India, the greater part of the cake output is used as fodder and manure. The following table gives the quantity and value of our exports of groundnut cakes:—

Countries	(Quantity in 1,000 tons)					(Value in Lakhs of Rupees)				
	1929-30	1933-34	1934-35	1935-36	1936-37	1929-30	1933-34	1934-35	1935-36	1936-37
U. K. ...	77	110	171	148	147	78	56	90	87	108
Germany ...	28	25	32	15	31	36	15	20	9	24
Netherlands ...	26	27	11	6	12	85	20	7	4	8
Belgium ...	18	11	21	16	24	18	8	14	11	15
Ceylon ...	25	10	9	6	8	27	6	6	4	5
Other Countries ...	4	6	16	8	15	4	8	7	2	11
Total ...	172	190	226	194	288	1,97	1,08	1,44	1,16	1,64

SESAMUM

Sesamum is one of the most important oilseeds grown in India and it ranks next to groundnuts in respect of acreage sown. While being an article of large consumption within the country, it occupies an important place in our export trade in oilseeds.

It is mainly a *kharij* (autumn) crop generally sown between May and July and harvested from October to December. A *rabi* or summer variety is also grown in certain tracts. This is sown in January and February and harvested between May and July. The crop is raised in almost all provinces in India, but the more important zones lie in Burma, Madras, Bombay and Central Provinces. There are five well-known varieties grown, viz. White, Black, Mixed, Yellow and Red. The White quality is superior to all others as it contains the highest percentage of oil.

The acreage under sesamum does not show any appreciable change from year to year. The peak year in recent years was in 1932-33 when the total area under the crop was estimated at 6,256,000 acres, yielding 551,000

tons. The average for the quinquennium, 1895-96 to 1899-1900, was 4,019,000 acres and 348,000 tons, which rose to 5,122,000 acres and 467,000 tons in the post-war quinquennium, 1920-21 to 1924-25. The following table gives the total acreage and outturn of the crop in the various provinces during the 1936-37 season:—

Provinces and States	(000's omitted)	
	Area (acres)	Yield (tons)
Burma ...	1,466	40
United Provinces ...	1,068	109
Madras ...	788	98
Bombay* ...	521	68
C. P. & Berar ...	485	36
Bengal ...	184	41
Bihar ...	115	17
Punjab ...	98	8
Orissa ...	110	18
Sind* ...	22	2
Ajmer-Merwara ...	21	1
Hyderabad ...	547	41
Bhopal ...	81	7
Baroda ...	53	2
Kotah ...	89	4
Total ...	5,548	482

* Including Indian States.

The export trade in sesamum has been gradually dwindling since the War. During the pre-war period more than 25 per cent. of the total production of sesamum in India was shipped to foreign countries, but the percentage has fallen to an insignificant level in 1930-31. Since then, although there has been a recovery, the former level would, perhaps, never be reached, for sesamum has been displaced in the world markets by other vegetable oils such as groundnut and coconut. The most significant feature in our export trade during the past several years is the loss of our foreign markets. While in the pre-war period France, Belgium, Austria and Italy have been our important customers, our trade with these countries has now been entirely lost. The distribution of our exports of sesamum is shown in the following table:—

	(In hundreds of tons)				
	Averages				
	Pre-War	War	Post-War	1935-36	1936-37
France	43.1	15.7	7.6	...	...
Italy	18.0	4.1	8.7	...	...
Belgium	26.2	1.1	2.1	...	...
Austria	20.2	8	8	...	...
Ceylon	...	...	...	2	1.7
Arabia	...	...	...	4	6
Other countries	16.8	10.9	8.4	7	11.9
Total	119.8	82.6	27.6	1.8	14.2

Our foreign customers in sesamum have been constantly changing. Towards the close of the last century. France was the principal buyer, but during the pre-war period Belgium and Austria-Hungary shared more or less equally with France. Italy and U. S. A. emerged as the chief buyers in the immediate post-war years and to-day we have not a single foreign customer, so to speak.

It is, however, satisfactory to note that, although our exports of sesamum seeds have declined since the war, there has been a progressive improvement in our export of sesamum oil as will be seen from the following table:—

Exports of Sesamum (til or jinjili) oil

	(In gallons)		
	1926-27	1927-28	1928-29
1926-27	61,971
1927-28	98,596
1929-30	160,588
1931-32	95,642
1933-34	104,101
1935-36	150,025
1936-37	281,449

COTTON SEED

By virtue of her position as the second largest producer of raw cotton, India has a large annual production of cottonseed. But the bulk of the commodity is consumed within the country as an important cattle food and only a small percentage is exported to foreign countries.

Indian cotton seed is inferior in quality to most foreign growths. Whereas the Egyptian and Russian cottonseeds contain 23 per cent. and 20 per cent. of oil, the percentage of oil content in the Indian variety is only about 18½. There are five important varieties of Indian cottonseed *viz.* Bombay, American, Delhi-Cawnpore, Comilla and Rangoon. Of these only the first two are considered to be of superior quality. Bombay is the main port of cotton seed export. Russia and Egypt are the chief competitors of India in the United Kingdom market.

Till the beginning of the present century there was practically no export trade in this commodity. In 1900, the scarcity of other vegetable oils led to inquiry from United Kingdom for Indian cotton seed and since then the export of the seed increased gradu-

ally every year, until it reached about 153,000 tons. The depression years saw a precipitous fall in our exports of cotton seed, which fell out of all proportion to 2,389 tons in 1932-33. Since then, our export trade has not recovered. Our export of cotton-seed in 1936-37 amounted to about 9,000 tons, against 730 tons and 636 tons in the two preceding years respectively and the pre-war average of 240,000 tons.

The following table gives the world production of cotton seed:—

	(In thousand quintals)			
	1931-32	1932-33	1934-35	1936-37
U. S. A.	68,690	52,450	38,850	49,950
India	16,900	19,700	20,500	26,700
China	9,000	11,400	15,800	19,800
Africa	8,260	7,210	10,390	12,770
S. America	4,790	4,110	10,060	11,900
U.S.S.R.	8,500	8,400	7,700	15,500
World	119,300	105,400	107,000	142,200

It will be seen from the above table that the production in the United States of America considerably declined in 1934-35, which was due to the restricted production

of cotton in America. It is significant that, while the production in America has declined, other countries have been gradually increasing their production.

CASTER SEED

In the cultivation of castor seed India occupies a unique position in the world. She is responsible for about 80 per cent. of the world's annual production of castor seed and it is mainly grown as an export crop. The medical importance of the seed is greatly appreciated in all countries.

The sowing season extends from May to July and the crop is harvested in January and February. A late variety is also grown which is generally sown in September and harvested in March and April. There are four main qualities of this seed—generally recognised in the market. The Bombay and Madras small seeds contain a very high percentage of oil and meet with a keen demand in the market. The other two varieties are Calcutta and Cawnpore, which are noted for their boldness. The crop takes about 8 to 12 months to mature and its average yield varies from 300 lbs. to 400 lbs. per acre. In 1935-36 the area under castor seed was estimated at 1,447,000 acres and the outturn at 119,000 tons. The peak year of production was in 1932-33, when the total area sown and the outturn amounted to 1,617,000 acres and 151,000 tons respectively. The average pro-

duction for the quinquennium ended 1924-25 amounted to 114,000 tons from a sown area of 1,505,000 acres. The following table gives the provincial acreage and production in 1936-37:—

Provinces and States.	Area (acres)	Yield (tons)
Madras	240,000	24,000
Bombay*	92,000	12,000
Bihar	88,000	5,000
C. P. & Berar	80,000	6,000
Orissa	21,000	2,000
United Provinces	9,000	3,000
Hyderabad	781,000	66,000
Baroda	68,000	2,000
Mysore	108,000	6,000
Total	1,877,000	126,000

*Including Sind

Castor seed is cultivated in India mainly as an export crop. She occupies a predominant position in the world as an exporter of castor seed, her annual exports exceeding 90 per cent. of the total production. The principal customers are the United States of America, United Kingdom, France, Italy and Belgium. The following table gives the distribution of our exports:—

Export of Castor seed from India in tons

	Pre-war average	1929-30	1931-32	1933-34	1935-36	1936-37
U. S. A.	11,800	51,000	84,743	21,200	4,008	1,707
U. K.	58,900	23,200	28,287	15,902	22,409	20,516
France	15,700	16,500	20,280	11,996	14,578	6,611
Italy	11,000	6,100	12,104	7,890	6,698	1,456
Belgium	18,700	8,500	4,069	800	...	...
Others	7,500	4,600	9,541	24,271	12,285	12,799
Total	118,600	180,400	108,974	81,559	59,968	48,089

Since 1929-30 Indian exports of castor seed showed a gradual decline which is attributed to the general world trade depression. But the danger of the fast increasing production in Manchuria, Russia and Brazil is viewed with apprehension. The outside growths have already captured a portion of the export market, and unless efforts are made to recapture the lost markets, it would only strengthen the hands of the competitors.

Although our exports of the seeds has been gradually declining, there has been a steady increase in our exports of castor oil. During the last decade, the United Kingdom, our important customer, has increased her

takings by about 120 per cent. The following table gives the progressive increase:—

Export of Castor Oil from India

Year.	In Thousand Gallons.
1926-27	647
1928-29	589
1931-32	982
1932-33	1,125
1933-34	1,335
1934-35	1,218
1935-36	1,408
1936-37	1,515

Castor cake also forms an article of export Ceylon being the largest customer. During 1936-37 our total export of castor cake amounted to 1,698 tons valued at Rs. 82,777, of which 1,688 tons were taken by Ceylon.

TRANSPORT SECTION:

RAILWAY AND RAILWAY FINANCE

I. GENERAL

Railways in India fall under two main categories:—

A. Those that are owned and managed by the State.

B. Those that are owned by the State but managed by private companies under contract with the Secretary of State for India.

The second-class companies of 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 the Government of India. The surplus profits of these Railways are divided between the working agents and the Government in the ratio of their respective capital.

Both the classes of railways mentioned above are financed in the same way through the Government programme or from loans forming part of the Public Debt of India or by the issue of Debentures by the working companies.

In addition to the above two classes, there are also branch line companies formed before the introduction of the present policy of financing branch lines. 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 $8\frac{1}{2}$ 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.

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 credit) from banks or from the Managing Agents of the lines; and
- (4) by temporary advances from Government.

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 to guarantee the Government of India against the loss involved in the working of such lines.

II. SEPARATION CONVENTION

Until September 1924, the Railway finances formed part and parcel of the General finances of India. 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.

The main features of the convention are the following:—

1. The general revenues shall receive a definite arrival contribution from Railways which shall be a sum equal to 1 per cent on the capital at charge of commercial lines (excluding capital contributed by companies and Indian State) at the end of the penultimate financial year plus one-fifth of any surplus profits that might remain after payment of this fixed return.
2. This shall be the first charge on the net receipts of railways provided that, if in any year, railways are insufficient to provide for this contribution, the deficiency

shall be made good from the surplus profits of the next or subsequent years.

8. 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.

4. 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.

5. 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.

III. CONTRIBUTION TO GENERAL REVENUES

So long as Railway finance formed part and parcel of the General finances of India, the surplus profits of the railways were absorbed in the general revenues of the country and were available for affording relief to the general taxpayer. It has always been a point of discussion as to whether the profits of railways that are State-owned should be utilised for reduction of taxation or in building up railway reserves. The convention that was entered into in 1924 was more or less in the nature of a compromise between those two schools of thought. It allowed a moiety of the net gain being utilised for relief of general taxation and another in building up a reserve so as to strengthen the credit of the Railways.

It will be seen from the figures given below that the railways were in a position to pay the required contribution to General Revenue up to the year 1930-31, and the contributions were held up from 1931-32 to 1936-37. It is only in the budget of 1937-38 that a small sum of Rs. 15 lakhs has been provided for as contribution to the General Revenues in the hope that the tendency towards increased earnings and better trade conditions in the country so unmistakably noticeable towards the end

of 1936-37 would, doubtless, enable the Railways to resume their contributions:

	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
1937-38 (Budget)	15

It has been decided to write off the arrear contributions due to the General Revenues during the years from 1931-32 to 1936-37 and to start with a clean slate from 1937-38.

IV. THE RESERVE FUND

The creation of a Reserve Fund was one of the direct results of separation-convention of 1924. As has already been seen, any surplus remaining after the payment to General Revenues was transferred to a Reserve Fund. Up to the year 1928-29, the Railways were able to build up a Reserve Fund of Rs. 18.81 crores but the entire fund had to be wiped out in meeting the contributions due to the General Revenues during the two lean years 1929-30 and 1930-31 and in meeting the deficit of 1931-32 as shown below:

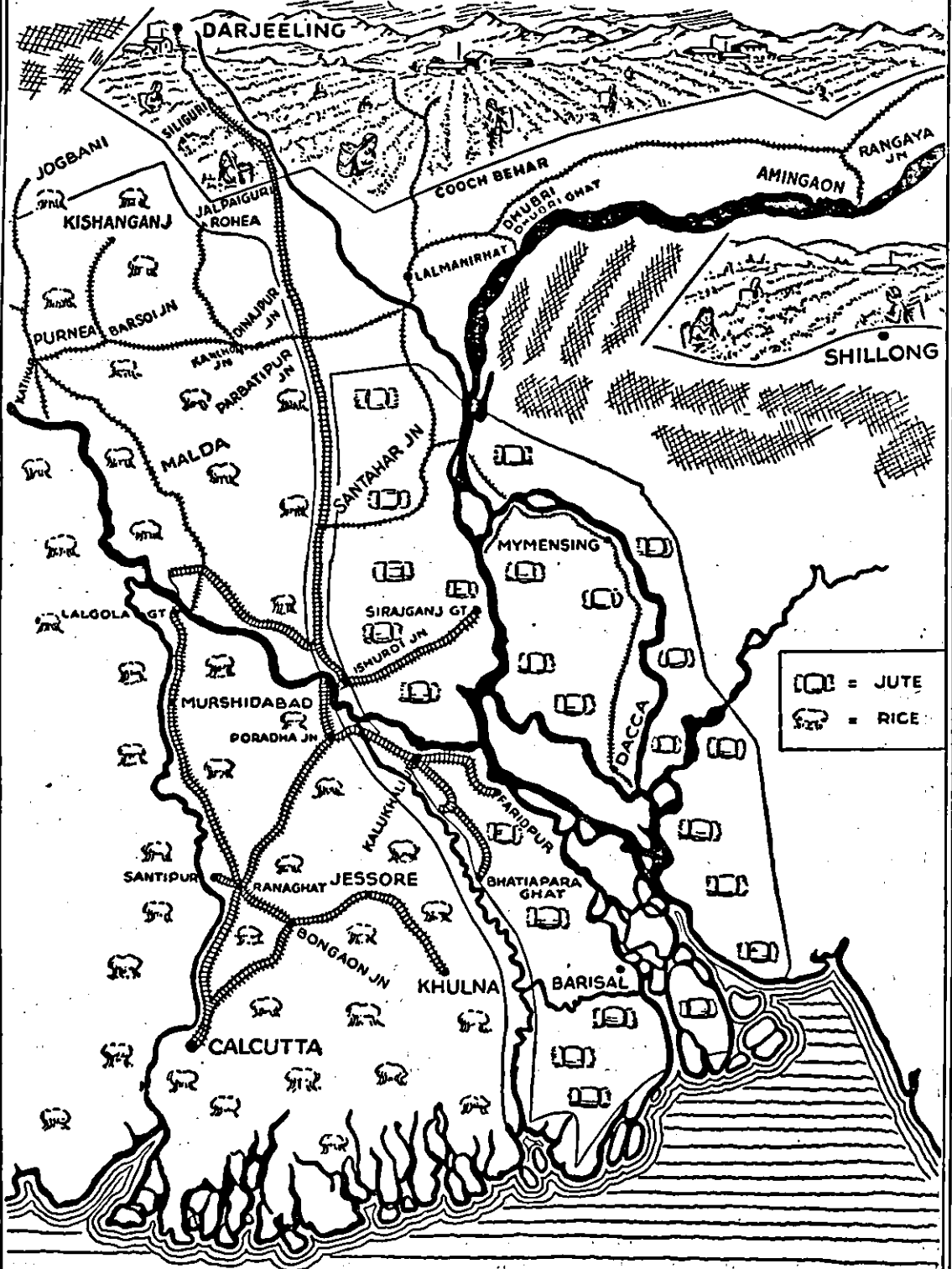
	Crores, Rs.
1924-25	6.88
1925-26	3.79
1926-27	1.49
1927-28	4.57
1928-29	2.58
1929-30	-2.08
1930-31	-10.92
1931-32	-4.95

V. THE DEPRECIATION FUND

A Depreciation Reserve Fund was also created since the separation convention to provide for renewals and replacements of all wasting assets.

Prior 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

TRAVEL IN COMFORT BY



Eastern Bengal Railway
 & VISIT DARJEELING, SHILLONG, & TEA JUTE & RICE DISTRICTS.

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.

The actual balance under Depreciation Fund each year from 1924-25 is given below. Temporary loans had to be taken from this Fund to meet the deficits during the years from 1981-82 to 1986-87.

Year	Credit to Fund	Debit to Fund	Nominal Balance	Temp. loans	Actual Balance
1924-25	10'85	7'29	8'06	...	8'06
1925-26	10'67	7'99	5'74	...	5'74
1926-27	10'89	8'05	8'58	...	8'58
1927-28	11'88	10'95	9'01	...	9'01
1928-29	12'00	9'60	11'41	...	11'41
1929-30	12'59	11'76	12'24	...	12'24
1930-31	18'07	11'89	18'92	...	18'92
1931-32	18'46	8'26	19'12	4'25	14'87
1932-33	18'77	6'85	26'54	10'23	12'06
1933-34	18'56	8'07	32'08	8'05	9'50
1934-35	18'72	8'66	37'09	5'06	9'50
1935-36	18'25	9'16	41'18	8'99	9'60
1936-37	18'15	7'50	(a)45'22	-'15	18'79
(Reserved)					
1937-38	12'59	6'00	51'81	...	20'88

(a) Excludes Rs. 1.61 crores balance for Burma Railways.

Thus the Railways will have a balance of Rs. 20 crores in the Depreciation Reserve Fund at the end of 1937-38.

VI. CONTRIBUTION TO THE DEPRECIATION FUND

The method of contribution to the Depreciation Fund has recently undergone a slight change. Formerly the life of each wasting asset (such as locomotives,

carriages, buildings, bridge-work, etc.) was fixed and a contribution equal to the total capital expenditure on an asset divided by the assumed normal life of that asset was met from Revenue and credited to the Depreciation Fund irrespective of when the asset was actually condemned and replaced. That is to say, the contribution to the Depreciation Fund on account of every asset would go on throughout the assumed life of that asset even though it might have been prematurely gone out of use and replaced by a fresh asset. This procedure has, however, been recently changed and a fixed contribution of one-sixtieth of the capital at charge is met from Revenue and credit to Depreciation Fund every year. Thus the contribution to the Fund would not go on throughout the assumed life of the asset but would cease as soon as the asset is condemned and written off the capital account.

VII. EXPENDITURE FROM DEPRECIATION FUND

Before the Depreciation Fund was introduced, the rules of allocation between Capital and Revenue were 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 lines were not allowed to lead to over-capitalisation, the original costs were covered 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 rules were, however, continued to be followed in the company-managed railways. But on the State-managed railways the rules were altered with the creation of the Depreciation Fund and charges were admitted to capital on the simple basis of cost. That is to say, when an asset is replaced, the Depreciation Fund had to bear only to the extent of the original cost of the replaced asset and the balance was borne by capital irrespectively of whether there was any improvement in service on

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	1936-37 Revised Estimate	1937-38 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	31,819	31,782	31,732	29,724
	Worked Lines	7,622	7,484	7,517	7,654	6,640	6,806	6,808	6,907	6,634	4,864	4,578	4,897	4,084
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cross Traffic Receipts	State-owned	98,94	98,42	1,03,48	1,03,78	1,02,79	95,10	86,83	84,43	86,63	90,20	90,65	95,00	90,75
	Worked Lines	7,12	6,77	7,18	7,27	6,47	4,99	5,07	4,86	5,13	5,23	5,87	5,45	5,35
Operating Expenses	State-owned	52,99	52,89	53,06	54,22	55,59	54,89	49,31	49,03	49,50	50,27	50,87	50,75	48,75
	Worked Lines	8,57	8,38	8,58	8,63	8,30	2,66	2,63	2,49	2,60	2,68	2,68	2,64	2,61
Depreciation Fund		10,67	10,89	11,88	12,00	12,59	13,07	13,46	13,77	13,56	13,72	13,25	13,15	12,59
Daymen's to Worked Lines		8,55	8,44	8,65	8,64	8,17	2,83	2,44	2,87	2,53	2,62	2,69	2,81	2,74
Net Traffic Receipts (State Lines)		35,23	34,64	33,99	37,51	34,52	27,64	23,86	21,56	23,57	26,21	26,53	31,10	29,41
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	87	-12	10
Net Revenue		34,09	33,37	33,12	37,14	34,50	27,53	23,87	22,68	24,62	26,74	27,40	30,98	29,51
Interest Charges		24,81	25,37	27,27	29,33	30,46	32,72	33,07	32,91	32,53	31,80	31,89	30,83	29,86
Surplus		9,28	7,80	10,85	7,81	4,04	-5,19	-9,20	-10,23	-7,96	-5,06	-4,99	15	15
Paid as contribution to General Revenues		5,49	6,01	6,28	5,23	6,12	5,74	...	...	...	...	...	...	15
Transferred to Railway Reserve		79	1,49	4,57	2,53	-2,03	-10,93	-4,95	...	...	...	...	...	...

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. From 1936-37 they are taken as reduction of expenditure met from Depreciation Fund.

account of the new asset. Thus the intermediate effect of this change in rules of allocation was to lead to over-capitalisation on State-managed railways.

This inherent defect in the rules of allocation introduced along with the institution of the Depreciation Fund was recognised as time went on and was freely commented upon in Sir P. R. Rau's review of the appropriation rules of 1935-36 with effect from April 1, 1936, the old rules that were in force prior to 1924 have virtually been reintroduced. Nothing is now chargeable to capital in respect of a new asset unless there is a definite improvement over the old one and even then only to the extent of that improvement. Depreciation Fund has to bear either the original cost of the old asset or the present-day cost of replacement by an identical asset, whichever is greater. Thus the chances of over-capitalisation that were inherent in the old rules have been entirely eliminated.

VIII. DEPRECIATION FUND BALANCES

The question has often been discussed whether the balance in the Depreciation Fund is not abnormally high and the contributions hitherto made to the Fund have not been on an extravagant basis. It must, however, be remembered in this connection that 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 assets that were existing at that time.

Apart from this aspect also, the balances do not form a very high percentage of the capital at charge though they form an increasingly heavier percentage as may be noticed from the following figures:

Year	Capital at charge (In crores of Rupees)	Depreciation fund balance	percentage
1927-28	7.14	9.01	1.3%
1928-29	7.39	11.40	1.5%
1929-30	7.70	12.24	1.6%
1930-31	7.88	13.92	1.8%
1931-32	7.90	19.12	2.4%
1932-33	7.90	26.54	3.4%
1933-34	7.90	32.08	4.2%
1934-35	7.87	37.09	4.7%
1935-36	7.89	41.10	5.2%
1936-37 (Revised)	7.90	45.22	5.7%

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.

With the introduction of the new method of appropriation to the Depreciation Fund, namely one-sixtieth of the capital at charge of the previous financial year, this tendency towards an increasing percentage will ere long be checked.

IX. THE RETURN ON CAPITAL

The rates of return on the capital at charge of all State-owned Railways are given below:

Year	Percentage of net profit on Capital Charge	
	Before deducting interest	After deducting interest
1924-25	5.8	2.0
1925-26	5.2	1.4
1926-27	4.9	1.1
1927-28	5.8	1.5
1928-29	5.0	1.0
1929-30	4.5	0.5
1930-31	3.5	-0.7
1931-32	3.0	-1.2
1932-33	2.9	-1.8
1933-34	3.1	-1.0
1934-35	3.4	-0.64
1935-36	3.5	-0.51
1936-37	4.0	+0.02

It would be interesting to find out the percentage of net revenue receipt on capital at charge of State-managed railways and Company-managed railways separately and the percentage of net earnings on the capital at charge of the State-managed railways and some of the Company-managed railways individually

with a view to see how the working of the State-managed railways compare with that

of the Company-managed ones. The figures are given below:

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	1935-36
1. On Capital at charge, State Rys. ...	4.54%	4.40%	4.81%	4.59%	8.81%	2.85%	2.64%	2.57%	2.88%	3.04%	3.14%
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%	3.79%
In Lakhs of Rupees											
Net gain or loss to Govt., State Rys.	367	368	497	260	-80	-658	-765	-776	-622	-412	-19
Net gain or loss to Govt., Coy. Rys.	516	378	508	388	325	32	-215	-237	-174	-94	+20
Total gain or loss ..	869	721	1,015	659	254	-624	-980	-1,068	-796	-506	-899

STATE RAILWAYS

Percentage of net earnings on total capital at charge

STATE MANAGED	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Eastern Bengal ...	5.28	4.29	4.19	2.29	1.62	1.56	1.45	1.48	1.45
East Indian ...	6.18	5.79	5.08	4.22	4.12	4.18	4.11	4.85	4.65
Great Indian ...	5.49	4.66	4.09	2.68	2.41	2.57	2.64	3.05	3.04
North Western (Commercial) ...	4.78	4.79	3.78	3.23	2.95	2.77	2.88	3.28	4.08
Burma ...	...	...	...	3.09	2.48	2.18	2.01	2.51	2.20
COMPANY-MANAGED	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
Assam-Bengal ...	4.67	4.49	3.18	3.05	2.69	1.89	0.88	1.81	.29
Bombay-Baroda ...	6.16	7.21	6.36	5.19	5.68	5.99	5.20	5.51	5.99
M. & S. M. ...	6.37	3.22	7.28	6.00	6.19	5.58	4.68	4.22	3.64
South Indian ...	6.79	6.87	6.68	5.43	5.11	5.11	3.68	3.82	3.17

Individual figures in the above table are not strictly comparable since the State-managed railways set aside for depreciation fund more than what the Company-managed lines spend on renewals and replacements. But the general tendency for economical management is more apparent in the Company-managed lines than in the State-managed. This is somewhat remarkable in view of the fact that, in accordance with the rules of allocation between capital and revenue hitherto adopted on the State-managed railways, much of what the Company-managed railways meet from capital on the State-managed ones.

X. PURCHASE OF RAILWAY STORES

According to the convention of 1934, Government was committed to the undertaking 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.

XI. 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

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 ...	1.83	0.47	0.57	1.04	0.29	3.29	6.44	8.91
Tools and Stores ...	8.11	0.18	1.42	1.55	1.56	8.74	5.68	7.14
Permanent Way ...	2.07	0.88	0.12	0.15	1.92	3.68	4.05	5.56
Electric Plant ...	0.68	0.14	0.48	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	0.82	0.63
Workshop Machinery ...	0.25	0.07	0.18	0.25	...	0.26	0.46	0.66
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.

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 WEDGEWOOD COMMITTEE

An enquiry committee consisting of (1) Sir Ralph Wedgwood, the Chief General Manager of the London and North Eastern Railway; (2) Mr. W. A. Stanier, the Chief Mechanical Engineer of the London Midland and Scottish Railway and (3) Mr. H. Cheadle, the Chief Traffic Manager of South African Railways, was appointed in October 1936 "to examine the position of Indian State-owned railways and to suggest such measures as may secure an improvement in net earnings, due regard being paid to the question of establishing such effective co-ordination between road and rail transport as will safeguard public investment in railways

while providing adequate services by both means of transport and place Railway finances on a sound and remunerative basis." The committee published its report in June 1937. The principal recommendations and observations of the committee are given below:—

1. The railways should no longer be looked to as a possible source of revenue for the relief of general taxation and every endeavour should be directed towards enabling the railways to maintain full solvency.

2. Looking to the future the railways after providing for depreciation are not likely over a period of years to earn more net revenue than will serve to meet their interest charges.

3. The importance of keeping an adequate Depreciation Fund and a general reserve fund was strongly emphasised.

4. The abandonment of fencing at places where it is unnecessary, the reconditioning of fishplates, the use of welding for repairing bridge guiders, points and crossings and for reducing the number of rail joints so far as Engineering Departments is concerned.

5. Better use of rolling stock; reduction in the stock of locomotives and carriages, scrapping and writing off of uneconomical units of rolling stock; a better standard of supervision and training by European supervisory staff, so far as the mechanical engineering department is concerned.

6. Acceleration of passing trains, improved operation by reduction of loads, closing of unremunerative branch lines and withdrawing unremunerative services.

7. All railways should examine the possibility of engaging in road services and place their proposals for the Provincial Governments.

8. The institution of a railway information office to maintain adequate contact with the press.

9. Closer contact between the agents and the trading public.

To all appearances, the recommendations of the committee look commonplace and there is no recommendation that has not already engaged the attention of the Railway Board previously on some occasion or other. No observation of the committee has perhaps evoked public indignation so much as their reference to the need for further Europeanising of the services on the Railways. The remark that the railways should no longer be looked to as a possible source of revenue for the relief of general taxation has equally met with severe criticism in the hands of the public. Except the technical recommendations on which there can possibly be no two opinions the rest have *in toto* been rejected by the Assembly.

FEDERAL RAILWAY AUTHORITY

This chapter on Railway Finance would be incomplete without a reference to what would be the organisation of the railways under the Indian Federation in accordance with the Government of India Act of 1935. The executive authority of the Federation in respect of all matters concerning the railways shall be exercised by a Federal Railway Authority. The Authority shall consist of seven members, to be appointed by the Governor-General, with experience in commerce, industry, agriculture, finance of administration, and the Authority shall be guided in the discharge of their functions by such instructions on matters of policy as may be given to them by the Federal Government. The authority shall maintain their own accounts and any surplus on revenue account shown in the accounts of the Authority shall be apportioned between the Federation and the Authority in accordance with a scheme to be prepared by the Federal Government or until such a scheme has been prepared in accordance with the principles which exist at present.

Thus with the establishment of the Federal Railway authority, the political interference which has been one of the long-standing complaints of the Railways, will have been removed. The Federation will get a fixed contribution as in vogue

at present or as may be laid down by mutual agreement at the time of the establishment of the Authority. The accounts of the Authority will be subject to the audit of the Auditor-General.

THE FUTURE OF THE RAILWAYS

The year 1936-37 may well be said to be the turning point in the history of the finances of our railways. The depression set in the year 1931-32 when the balance in the Reserve Fund of the Railways, was completely wiped out to meet the deficit. It may be said that the period of deficit years started from 1930-31 but a contribution of Rs. 574 lakhs could have been made to the General Revenues in that year out of the balance in the Reserve Fund. The year 1931-32 however, could see no possibility of even this, for in that year the net revenue was insufficient to meet even the interest charges, and there was no balance left in the Reserve Fund either. The depression which started in 1931-32 continued up to 1935-36. Owing to improvement in trade and commerce and in the political condition of the country, the year 1936-37, has definitely been a year of small surplus which, according to the revised estimate of 1936-37, was expected to amount to Rs. 15 lakhs. How much it was actually will be known when the budget estimates for 1937-38 is presented to the Assembly.

The question that is in everybody's lips is "Will the year 1936-37 prove to be really the harbinger of a bright period for the Railways?" Much as we disagree with the view of the Wedgwood Committee that "the Railways shall no longer be looked to as possible sources of revenues" the need for the Railways themselves to bring about a reorientation of their outlook in all matters cannot be too strongly emphasised, if they are to retain their hold on the public support. An effective coordination with other means of transport, chiefly the buses which are mostly private-owned, greater consideration for the convenience and comfort of the lower class passengers, greater civility on the part of the Railway servants—these may perhaps be said to be some of the reforms which would be necessary for the attainment by the railways of anything like the period of prosperity in the pre-depression days. It should be remembered that the railways are the greatest asset of the country and two-thirds of the public debt of India are sunk in our railways. No effort will therefore be too great to place the Railways on a sound financial footing.

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 grew 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 job 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 founded 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 Marwaris 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 1936, amounted to Rs. 11,31,799, and the total amount of bonuses declared came to Rs. 9,20,200 at Rs. 4,350 per share. During the above period, the Association collected subscriptions amounting to Rs. 3,07,400, entrance fees to Rs. 5,44,700, and fees for investigation, etc., by the Committee, amounting to Rs. 91,300. Interest secured on investments aggregated Rs. 3,59,000; the total rent collected from members accounted for Rs. 3,29,000; and the profits from the publication of quotation lists totalled Rs. 64,400. On the expenditure side, the

Association spent Rs. 2,70,600 for rent and taxes and Rs. 2,03,700 for establishment; other expenditure totalled Rs. 2,26,000.

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	...	...	1%
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.
2½% New Loan (1948-52)	Rs. 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 0-48)	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
8% U.P. Loan 1961-66	97.8
8% U.P. Loan 1952	99.4
8% Punjab Loan 1952	99.4
8% C.P. Loan 1952	99.8

Another section, which 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. But the troubles of the jute industry have resulted in gross over-production which have been reflected in lower profits. Jute shares have lost, therefore, their attraction and under the present uncertain outlook there is no change of a rise in prices.

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	10	47½	70
Kamarhatty	100	12	465	655
National	10	5	20	26.8
Anglo-India	100	5	294	445
Bally	100	4	165	225
Fort Gloster	100	4	425	600
Gourepore	100	7½	557	700
Kelvin	100	7½	460	600
Reliance	10	18½	59	81

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 was in a sorry plight due to over-production and fall in demand; and profits have considerably 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. During the port one year there has been an improving tendency in evidence and with the shortage in production and the increase in demand there has been a spurt in prices. The immediate outlook is very satisfactory. 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 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. But before the introduction of Restriction the industry was in doldrums. Only during the last three years the provision can be considered satisfactory. The outlook is bright. But tea shares are difficult to be marketable and therefore only popular shares can be bought.

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 is invested in this industry. Prominent among the sugar shares in the Calcutta market are, Cawnpores, Balarampurs, Punjab, Nawabgunj, Basti, Carew and Co., New Savan and Champaran. Owing to the disappointing results for the last season sugar shares have remained depressed.

Besides, a large number of other industrial shares is 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.

The important development during the year has been the formation of the Bengal Share and Stock Exchange Association Limited. Intended to be conducted on the lines of the Bombay Stock Exchange the newly formed Association has come in for a lot of criticism as disturbing the equilibrium of the Calcutta market. This Association provides facilities for ready and forward transaction. The forward transactions are completed in fortnightly settlements. In the Calcutta Stock Exchange Association Limited, transactions take place for delivery after the second working day and no business is done for forward positions.

The share capital of the Association is Rs. 5 lakhs divided in 500 shares of Rs. 1,000 each with power for the Association to increase and reduce the capital, to divide the shares in the capital for the time being into several classes, with or without any preferential, deferred, qualified or special rights privileges or conditions, but so that where shares are issued with any preferential or special rights attached thereto, such rights shall not (except when the term of issue otherwise provide) be alterable, otherwise than pursuant to the provisions contained in the accompanying Articles of Association. Up till now, 240 shares have been issued of which 110 shares have been subscribed for at a premium of Rs. 250 per share. The amount of premium and Rs. 250 per share as application money have been paid.

The number of shares on the forward list is 31 in all, 7 being in the miscellaneous section, 9 in the coal section, 9 in the jute section, 1 in the cotton section and 3½ per cent. Paper among Government securities.

BOMBAY STOCK EXCHANGE

The honour of being the pioneer in stock and share transactions in India goes to Bombay, which celebrated, last 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 an 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.

The Morrison Committee appointed during the year to enquire into the causes of the occurrence of frequent crises and suggest methods for checking unhealthy speculation submitted its report in March this year. While recognising the inevitability and utility of speculation as the adjunct of a free market the main recommendations aim at setting up a high standard. Most of the recommendations are designed to protect the investing public. The Committee's suggestions that the governing body should exercise certain special powers after reference to Government or that Government should intervene, have been subjected to violent attack and Bombay brokers as a gesture stopped business for a day. The recommendations of the Committee have not been given effect to owing to the opposition they have met from the members of the Stock Exchanges. The Committee itself has drafted proposals designed to give effect

to the recommendations to a certain extent. There were proposals during the year about the formation of another Stock Exchange in Bombay but it has not yet come into being.

As jute shares are in Calcutta, cotton mill 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	885	820-10
Bombay Dyeing ...	250	10	1022	997-8
Century ...	100	Nil	255	886-4
Gokak ...	100	7½	211	288-12
Lakshmi ...	250	5	585	825
Morarjee ...	1,000	Nil	810	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. 263, Deferred Rs. 1,280, First Preference Rs. 201 and Second Preference Rs. 166. Tata Hydro-electric Ordinary quote Rs. 151, while Tata Power Ordinary stands at Rs. 1,450.

Bombay is the home of the cement industry. Only last year was the cement merger carried out. A company by name the Associated Cement Companies has been formed, and ten companies have joined the merger. The cement industry has come into prominence by co-ordination and rationalisation and there is no doubt that the future will be good. There are fears about over-production as a result of the flotation of numerous new companies but the A. C. C. will withstand the competition. Only recently was the share of the company placed on the forward list.

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

The revival of the Madras Stock Exchange in August 1937 is an outstanding development of the past year. Business in stocks and shares in the year 1935 and 1936 had developed to such an extent that serious difficulty arose from the lack of a regular organisation controlling the activities of the brokers who had continued to do business even after the first Stock Exchange went out of existence in 1923. Industrial development within the province and the rapid growth of investment business with markets like Bombay and Calcutta rendered it necessary for Madras brokers to have a definite organisation with specified rules of business instead of individual firms putting forth their rules of business, based usually on the Bombay model. Industrial enterprise and a striking advance in company flotation also made Madras brokers increasingly conscious of the handicap imposed by the lack of a Stock Exchange on the lines of Bombay or Calcutta.

While many of the Madras enterprises are as sound as any in India, the leading stocks did not receive sufficient attention on merits and it was realised that the functioning of a Stock Exchange would help to interest other markets in Madras stocks. There was a time when it looked as if the internal jealousies rampant would prevent the organisation of a regular share market, and for a month, a rival association functioned competition with the larger organisation created by the leading brokers but good sense prevailed and both combined. The leading brokers are associated in the Madras Stock Exchange Association, Limited. Membership is open to members of broking firms on payment of Rs. 5,000 and a deposit of Rs. 5,000 is also furnished as

security. The rules of business are similar to Bombay and the quotations issued to the Press in connection with daily transactions derive their authority from the Committee, and the old complaint that the prices of Madras scrips were made by interested brokers may be said to lack foundation now. Since Huson, Tod & Co.'s affairs were taken notice of by the courts, both brokers and public were pressing for a *pukka* exchange. Another compelling motive was to show other markets that Madras was not deficient in investment support as well as speculative enterprises and business in inter-market scrips has been stimulated considerably by the working of the Stock Exchange.

The settlement is for monthly account but Madras has a strong cash section. The forward list of 18 contains about 8 textiles and 4 planting shares and the transactions permitted in this group are in specified lots according to the face value of the share. The first President elected by the Association is Mr. C. M. Kothari with Mr. W. L. Knopp as Vice-President. The compromise arrived at with the rival associations has left the Stock Exchange Committee in control and the first few months of working have been wholly favourable.

Shares of about 90 limited companies, apart from Government Securities are dealt in Madras by the brokers. There are a 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 are reflected in the establishment of an organised Madras Stock Exchange.

The following are some of the important shares dealt in the Madras market, with their current quotations and last dividend declared:—

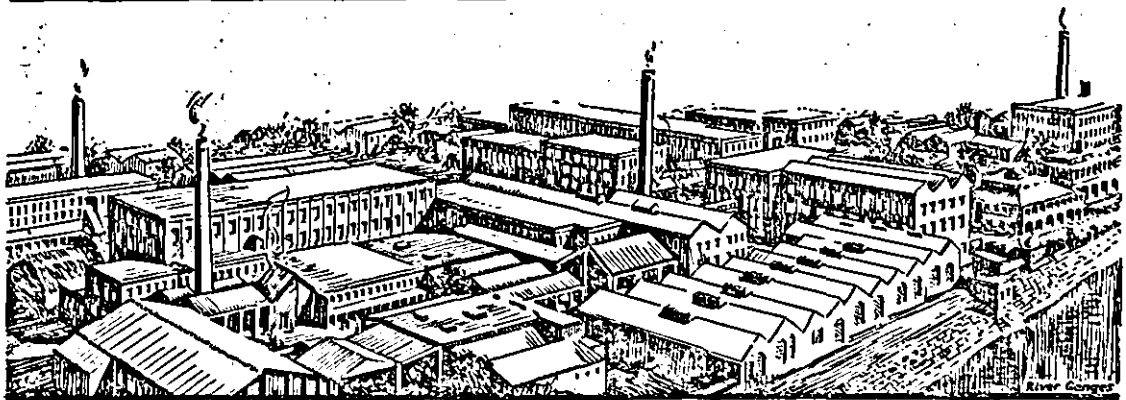
Indian Bank ...	50	12	125	Trichy-Sri-rangam	100	12	197
" " "	10	12	25	Bangalore			
Bank of Mysore	109	14	287	Woolen	100	8	171
Travancore				Buckingham & Carnatic	100	7½	200
National	25	9	26½	Kaleeswarar Mills	100	20	287
Indo-Commercial Bank 'A'	100	6	112	Madura Mill Co.	15	10	81½
Madras Telephone Co.	10	9	18½	Highland Produce Tea	10	20	23
Vellore Electric Supply	10	6½	12 ¹ / ₁₀	Peermade Tea	10	15	23½
				Malankara Rubbers	80	12½	21
				Mysore Sugars	10	10	21½
				Deccan Sugars	180	20	200

FOR EVERYTHING IN LEATHER



● For more than 50 years the Cooper Allen factories at Cawnpore have supplied all kinds of leather goods used by Civil and Military departments in India, and have established a reputation second to none in the East.

● Our products already known and acclaimed throughout India are now finding large markets in Western Countries also, and with our long manufacturing experience and fine mechanical equipment of more than 1,100 modern machines we are exceptionally fitted to handle contracts of any size.



THE GREATEST ORGANIZATION OF ITS KIND IN THE EAST

Our specialities include Army and Police Pattern Boots and Shoes, Civilian Footwear, Travelling Requisites, Harness and Saddlery, Sole Leathers, Chrome Leathers, Fancy Leathers, Leather Belting and Leather Equipment of every description.

COOPER ALLEN & CO.
ARMY BOOT & EQUIPMENT FACTORY, CAWNPORÉ

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 widow, invalid, orphan 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 a 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 366. Out of it 217 companies are constituted in India. 161 companies are established in Bombay, 41 in Bengal, 37 in Madras, 29 in the Punjab 10, in Delhi 10, in the U. P., 4 in Bihar, 5 in C. P., 3 in Ajmer-Merwara and 1 each in Burma, Assam and N. W. F. Province. Of the 147 non-Indian companies, 67 are constituted in the U. K., 30 in the British Dominions and colonies, 20 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 has been fairly steady, especially during recent years. The total business transacted by the Indian companies has risen from Rs. 31 crores in 1920 to Rs. 132 crores in 1934. In other words there has been a rise of over 4 times in the course of 15 years. The following are the figures relating to the new business transacted and the total business remaining in force between 1920 and 1934.

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
1934	28	132

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. 215 crores in 1934.

	(In crores of Rupees)						
	1928	1929	1930	1931	1932	1933	1934
Total Business in force	124	142	154	168	178	188	215
Share of Indian companies	58	60	69	70	76	79	182
Share of non-Indian companies	71	82	85	98	102	114	88

The number of policies in force in India has risen from 564,000 in 1928 to 987,000 in 1934. Of this the share of the Indian Companies in 1928 was 412,000 and 1934, 742,250. The premium income of all the life offices amounted in 1934 to Rs. 10.8 crores, the share of the Indian companies being Rs. 6.06 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.

(In thousands of Rs.)

1929	...	7,582	1,48,41	64,474	18,02,47	68,17	8,64,44
1930	...	8,894	1,49,56	71,479	14,17,81	69,86	4,02,80
1931	...	9,710	1,50,88	79,058	15,82,85	76,05	4,46,46
1932	..	6,484	98,15	88,165	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	88,48	5,98,78

The Life Fund of the Indian life offices has increased from Rs. 5.83 crores in 1913 to Rs. 31.87 crores in 1934. 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
1934	...	31.87

The total assets of the Indian life offices amounted in 1934 to Rs. 40.4 crores. Of this, stock exchange securities account for Rs. 27.7 crores, mortgages and loans on policies and on stocks and shares Rs. 5½ crores, land and house property Rs. 2.2 crores, cash and stamps Rs. 1½ crores, agents' balances and other outstanding items Rs. 2 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
1934	...	...	5.08

The total assets held in India, by non-Indian companies amounted in 1934 to Rs. 44 crores. Out of that Rs. 37 crores represents the Indian assets held by the companies constituted in the U.K., 6½ crores of companies constituted in the Dominions and Colonies. The Indian assets of American companies amount to Rs. 2 lakhs, and of the Japanese to Rs. 10 lakhs. Out of the total amount of Rs. 44 crores, 39.6 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 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 were a few of the problems that had to be solved if progress was to proceed on right lines.

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	28,75,000
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	4,28,000
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 1934 amounted to only Rs. 54 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. 89 lakhs in 1934 from their operations in the foreign field. The total premium income inclusive of foreign revenue, was Rs. 88.64 lakhs. During 1934 and 1935 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 underwrite in a year is small in comparison with their capitalisation. A much larger business can be handled by them with the resources at their command.

The distribution of the income amongst companies constituted in different countries is shown below:

(In lakhs of Rupees)

	Fire	Marine	Misc.	Total
U. K.	71.27	12.28	44. 9	12.84
Dominions and Colonies	15.44	20.24	4. 8	40.8
U, S. A.	10.5	2.19	..	12.86
Europe	7.02	1.48	.66	9.1
Japan	97	69	.11	1.77
Others	42	25	.6	78

Indian companies do a considerable amount of business abroad and obtained a net premium income of Rs. 89 lakhs in 1934.

The total premium income from Indian and non-Indian business amounted to

Rs. 142.73 lakhs. If the figures relating to 1934 reflect little improvement the reports and accounts of many Indian companies for the years 1935 and 1936 go far to show that there has been a striking advance. Even the new-comers to this highly competitive field have done well, and the reviews in this section will indicate the rapid growth. Under the reformed act progress should continue, though the clauses militating against Managing Agents and chief agents may reduce the interest of the principal business-getters in the Indian companies. The provisions relating to rebates will reduce the expense ratio and foster a steady growth of the additional reserves. The general financial position will be strengthened thereby and the reputation of Indian companies will be enhanced.

INSURANCE SECTION:

REVIEWS OF BALANCE SHEETS

INDIAN INSURANCE COMPANIES

ARYASTHAN INSURANCE COMPANY

(Established 1934)

Head Office: Calcutta.

The Aryasthan Insurance Company, founded early in 1934, has pursued in recent years a sound and cautious policy and has striven to secure business of adequate quality at a reasonable cost. In avoiding the mistake of many infant companies and seeking to build up a solid structure on sound foundations, the Company has been helped by the efficient management and the strong Board headed by Acharya Sir P. C. Ray. In reviewing the first year's report and accounts we were compelled to comment on the high expense ratio and the fact that appreciation in the value of securities was taken into account as income, but mentioned that a start had been made with the Life Fund and a small part of the organisation expenses had been written off, though a considerable amount was shown as part of the Assets.

The report for the year ended March 31, 1935 testifies to a steady increase in new business. Out of 845 proposals received 660 resulted in the issue of policies to the total value of Rs. 10. 26 lakhs. Premium revenue improved substantially from Rs. 89,014 in 1934-35 to Rs. 60,129 in the last year. The expense ratio was reduced to 64 per cent. of the premium income, and the two claims received accounted for a disbursement of Rs. 7,000 while the annuity payment took Rs. 210. Total expenses of management amounted to Rs. 88,500 and the Life Fund was raised at the end of the year to Rs. 26,489 from Rs. 4,129 at the beginning.

In the balance sheet the principal change is the increase in the paid-up capital to Rs. 67,885 from Rs. 68,885 at the end of 1934-35. There is a small Investment Reserve of Rs. 618 and liabilities incurred for expenses are shown at Rs. 8,656. On

the assets side, the main item is the security deposit of Government Paper to the face value of Rs. 48,000. Cash balances are fairly high, amounting to Rs. 11,879; advances to agents are shown at Rs. 5,746 and Premiums due amount to Rs. 11,477. But Rs. 29,674 has yet to be written off the preliminary organisation expenses as per the latest balance sheet and the dead stock, less depreciation, is shown at Rs. 8,098.

Life Account.

(In Thousands of Rs.)

	1934-35	1935-36	1936-37
New Business:—			
Number of policies	4.78	601	660
Amount Assured	7,62	908	10,26
Total premiums	28	89	60
Claims	1	1	7
Expenses	22	34	39
Life fund at the end of year	1	4	26
Expense ratio	96%	87%	64%

Balance Sheet

Liabilities:—	48	68	68
Paid-up-capital	48	68	68
Life fund	1	4	26
Other liabilities	5	5	12
Total	54	77	106

Fire Account.

(In thousands of Rupees)

	1935	1906
Premiums	3,84	8,26
Claims	90	86
Commission and Expenses	1,81	1,68
Fire fund	2,50	2,44
Ratio of Expenses to Premium	54.1%	51.5%
Ratio of claims to Premium	27.0%	28.8%

Accident Account

Premiums	72	89
Claims	48	72
Commission and Expenses	28	84
Reserve	54	45
Ratio of Expenses to Premium	88.8%	40.4%
Ratio of Claims to Premium	66.6%	80.9

Balance Sheet

Liabilities—				
Capital	800	800
Fire fund	250	244
Marine fund	7	12
Accident fund	54	45
Reserve fund	80	150
Other items	228	280
Total	914	1081
Assets—				
Government Securities	4,48	504
Other Investments	85	42
Sundry Debtors	2,56	285
Cash	61	75
Other items	1,14	173
Total	9,14	1081

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:

	1934	1935	1936
Number of proposals	5,220	5,831	6,288
Number of policies issued	3,098	4,829	4,772
Face value of proposals	82,60,720	97,80,275	90,02,195
Amount assured	61,08,920	76,43,220	71,44,720
Total premium income	1,11,689	13,48,137	15,19,393
Total business in force	2,18,05,187	2,53,08,418	2,97,42,882
Life Fund	34,02,333	42,68,820	40,68,065

In 1936; the company underwrote new business to the valued of Rs. 71.45 lakhs which compares well with Rs. 76.43 lakhs in 1935, and at the end of the year the Life Fund stood at Rs. 49.68 lakhs. Against total assets of Rs. 56.83 lakhs the company had invested, Rs. 13.7 lakhs in gilt-edge securities and Rs. 14.5 lakhs in bonds and shares: Rs. 7.98 lakhs in loans on policies and Rs. 8.79 lakhs on mortgages and loans, while Rs. 5.39 lakhs laid out on house property. On the whole investments of the company are well distributed and carefully selected. The house property item is protected by a sinking fund, created in 1934, to make provision for depreciation at a rate that would cover the full cost in 48 years. The rise under claims to Rs. 4.1 lakhs is more than offset by the rise in premium

income to Rs. 15.19 lakhs. The rise in the expense ratio is obviously small and against an increase of Rs. 7 lakhs in total assets and a rise in both premium income and interest receipts, the increase of Rs. 60,000 appears quite normal. The tables below summarise the results for the last three years and indicate the satisfactory progress of the company.

Life Account.

(In thousands of Rs.)

	1934	1935	1936
New Business—			
Number	39,90	48,29	47,66
Amount	61,64	76,43	71,45
Premiums on New Business	8,80	8,87	8,48
Total Premiums	11,17	18,48	15,19
Claims	2,61	3,62	4,10
Expenses	4,41	5,11	5,71
Life fund at the beginning of the year	28,66	34,02	42,99
Life fund at the end of the year	34,02	5,11	49,68
Ratio of expenses to premium	39.8%		37.9%

Balance Sheet.

Liabilities—				
Capital	...	2,04	2,04	2,04
Life fund	...	84,02	42,99	49,68
Reserve funds	...	78	1,02	1,03
Other items	...	2,60	8,00	4,08
Total	...	89,44	49,05	56,88
Assets—				
Giltedge securities	...	11,57	11,57	18,72
Bonds and Preference shares	...	5,10	8,57	14,55
Loans on life policies	...	5,25	6,88	7,98
Other loans and Mortgages	...	7,88	9,76	6,79
House Property	...	6,16	6,18	,89
Other items	...	3,87	6,09	5,22
Total	...	89,44	49,05	56,88

THE ASIATIC GOVERNMENT SECURITY LIFE ASSURANCE CO., LTD.

(Established 1913—Life Dept. 1922)

Head Office:—BANGALORE.

Among the smaller companies engaged in insurance business the Asiatic Life Assurance Company of Bangalore (incorporated in Mysore) enjoys a reputation second to none. Sustained progress in recent years has enabled the Company to build up a sound position, and the report for 1936 discloses a

striking increase in new business, the number of new policies issued being 2,648 as against 2,158 in 1935. The total sum assured by new policies was Rs. 25.46 lakhs comparing favourably with Rs. 21.10 lakhs in the previous year. The revenue account shows premium receipts of Rs. 3.76 lakhs to which first premiums contributed Rs. 1.34 lakhs. Interest and dividends, less tax, provided Rs. 35,553-10-5 and miscellaneous receipts yielded Rs. 235-4. The total revenue for the year was Rs. 4.24 lakhs compared with Rs. 3.63 lakhs in 1935. The claims experience was distinctly favourable as payments in respect of death took Rs. 32,160 and matured policies accounted for payments totalling Rs. 6,915. The expenses of management (including commissions) amounted to Rs. 1.77 lakhs. The increase in the ratio of renewal expenses to 23.34 per cent. from 21.25 per cent. in 1935 is attributed to the increase in new business and the opening of branch offices at Bombay and Madras. The revenue account shows that after meeting taxes, refunds, depreciation and other items, the excess of receipts has been used to raise the Life Fund from Rs. 7.53 lakhs to Rs. 9.38 lakhs. The addition to the Fund is substantial and the increase on the preceding year points to the pursuit of a wise and conservative policy by the Board.

The balance sheet discloses a sound position. Against total liabilities of Rs. 12.27 lakhs, of which over Rs. 2-1 lakhs is made up of capital and reserves, there are stock exchange securities valued at Rs. 4.15 lakhs inclusive of Rs. 75,000 deposited with the Mysore Government Treasury. The market value exceeds the book value of securities by over Rs. 20,000. Mortgages on property amount to Rs 1.27 lakhs and loans to policyholders are shown at Rs. 1.44 lakhs. Over Rs. 2.76 lakhs have been laid in the purchase of house and landed property. Outstanding premiums amount to over Rs. 79,000 and cash with banks and in hand totals Rs. 64,860-2. The writing off of bad and doubtful debts from the reserve is a feature of the accounts that deserves mention.

New Business—	1934	1935	1936
Policies ...	1,428	1,861	2,648
Sum Assured ...	1,555	21,11	28,17
Premiums ...	246	2,87	8,77
Claims ...	49	86	89
Expenses (management) ...	97	1,20	1,77
Life Assurance Fund at the beginning of the year ...	5,22	684	758

Life Assurance Fund at the end of the year ...			
...	6,84	753	938
Net increase ...	1,12	119	185
Ratio of expenses to Premium ...	39.5%	41.8%	47.0%

Liabilities— Balance Sheet			
Capital ...	1,69	1,69	1,69
Life Assurance fund ...	6,84	7,53	9,88
Reserves ...	58	46	42
Outstanding claims ...	88	26	20
Other items ...	48	44	49
Total ...	9,87	10,88	12,27

Assets—			
Giltedged Securities and bonds ...	8,01	8,26	8,41
Loans on policies ...	76	85	1,11
Other mortgages and loans ...	1,00	98	1,61
Fixed Deposits ...	95	95	75
House Property ...	1,84	2,18	250
Cash ..	1,08	74	65
Other items ...	1,28	147	2,24
Total ...	9,87	10,88	12,27

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 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. 1.36 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 37.2 per cent. in the year 1935. The premium income has advanced by Rs. 4.21 lakhs to 26.76 lakhs while the total income at 30.1 lakhs shows an increase of more than Rs. 4 lakhs, and the life fund at 82.69 lakhs represents an increase of Rs. 12.3 lakhs.

During the year ending December 31, 1936, the Company received 8,809 proposals to the face value of Rs. 1.68 crores

of which 7,510 proposals assuming a sum of Rs. 1.23 crores resulted into policies, as against 6,634 policies assuring a sum of Rs. 1.23 crores in the previous year. The total premium income amounted to Rs. 26.76 lakhs and interest income to Rs. 3.34 lakhs. On the disbursements side, claims by death and maturity absorbed Rs. 5.92 lakhs as against Rs. 5.75 lakhs in 1935. Surrenders including bonuses paid in cash took Rs. 44,097 and management expenses including commission amounted to Rs. 9.85 lakhs, working out to an expense ratio of 37.2 per cent. as against 37.7 per cent. of the year preceding. The Life Fund has been increased by the substantial sum of Rs. 10 lakhs to Rs. 82.89 lakhs.

The balance sheet shows, on the liabilities side, a paid-up capital of Rs. 1.35 lakhs, a Life Fund of Rs. 82.69. Reserve Fund amounting to Rs. 15,309-6, Depreciation Fund of Rs. 1.31 lakhs, Outstanding Claims amounting to Rs. 3.91 lakhs and other miscellaneous assets totaling Rs. 4.16 lakhs. On the assets side, Rs. 60.67 lakhs or nearly 65 per cent. of the total assets amounting to Rs. 93.97 lakhs is invested in stock exchange securities, the major portion of which is gilt-edged. A major portion of the reserve has been used to strengthen the valuation reserves but the securities in the Fund are shown at both value and some at market value as on 31-12-33. Mortgages on properties account for Rs. 5.06 lakhs, loans on policies amount to Rs. 8.22 lakhs, household properties owned by the Company amount to Rs. 9.73 lakhs, cash in hand and with bankers Rs. 5.37 lakhs and other miscellaneous assets Rs. 4.85 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 Mr. K. M. Munshi and of Mr. J. L. Mehta, the Manager of the Company.

New Business—	(In thousands of Rs.)		
	1934.	1935.	1936.
Number of Policies ...	5,589	6,884	7,510
Amount ...	1,04.84	1,23.29	1,86.00
New Premiums ...	4.99	6.51	7.81
Total Premiums ...	18.86	22.55	26.76
Claims ...	4.89	5.75	5.92
Expenses and commissions ...	7.62	8.50	9.85
Life fund at the beginning of the year ...	49.98	58.08	69.89
Life fund at the end of the year ...	58.08	68.02	82.69
Net increase ...	8.05	9.99	12.80
Ratio of expenses to premium ...	40.0%	37.7%	37.2%

Balance Sheet.

	(In thousands of Rs.)		
	1934.	1935.	1936.
Liabilities—			
Capital ...	1.82	1.85	1.85
Life Fund ...	58.08	68.02	82.69
Reserve Fund ...	1.87	2.19	2.74
Outstanding claims ...	3.12	4.24	3.91
Other Items ...	4.71	4.87	3.29
Total ...	69.05	80.67	98.98
Assets—			
Giltedge securities ...	44.58	26.49	16.61
Debentures and other Shares ...	2.84	25.99	44.06
Mortgages and Loans ...	8.67	18.70	13.28
Agents' Balances ...	86	1.87	88
Cash ...	2.58	2.50	5.87
Other items ...	9.62	10.62	18.88
Total ...	69.05	80.67	98.98

THE BOMBAY MUTUAL LIFE ASSURANCE SOCIETY LTD.

(Established 1871).

Head Office :—Bombay.

The Bombay Mutual Life Assurance Society reports a good year and the accounts and balance-sheet for 1936 indicate that the progress of recent years has been fully maintained. New business to the value of over Rs. 201 lakhs providing an income of over Rs. 10.87 lakhs shows an increase of over Rs. 15 lakhs in the value and Rs. 1.92 lakhs in the premium revenue on the previous year, the figures indicating that the company has held its own fully in a year, which proved satisfactory to many other concerns. The expansion in business was accompanied by a rise in the total premium income from Rs. 26.68 lakhs to Rs. 36.54 lakhs, equal to an increase of 27.37 per cent. Out of this nearly Rs. 10 lakhs was derived from first year's premium payments. Claims by maturity account for a payment of over Rs. 76,278 and those arising from death and disabilities absorbed about Rs. 478,492. Claims outstanding at the end of the year amounted to over Rs. 3.05 lakhs according to the balance-sheet out of which claims to the value of over Rs. 1.57 lakhs have been paid since according to the report. The total value of life assurance in force at the end of the year was over Rs. 7 crores, out of which about Rs. 15.31 lakhs was subject to reinsurance. The substantial increase of over Rs. 20 lakhs in the Life Assurance Fund at

Rs. 75.99 lakhs against Rs. 55.93 lakhs at the end of 1935 is perhaps the most significant indication of the Society's prosperity. The report mentions that the total value of investments of the Society, including sums spent on land and buildings, at the end of the year amounted to over Rs. 79.64 lakhs yielding an income of nearly Rs. 4.02 lakhs. Satisfactory as the figures relating to premiums and funds are, the expense ratio remains rather high. The revenue account shows that at nearly Rs. 13 lakhs expenses were higher than the Rs. 11.49 lakhs shown last year, but the percentage is just over 36 per cent. compared with 40.4 per cent. in the previous year.

The balance-sheet shows investments in Stock Exchange securities at market value to the extent of over Rs. 48.75 lakhs and a depreciation reserve of over Rs. 3.89 lakhs. Loans on mortgages and the security of policies are shown at over Rs. 19.10 lakhs, and the value of land and buildings at cost, is stated to be over Rs. 11.77 lakhs.

(In thousands of Rs.)

New Business—	1934	1935	1936
Number ...	10,097	12,290	18,979
Amount ...	1,56.07	1,86.14	2,01.46
New Premiums ...	7.85	8.95	10.88
Total ..	21.78	28.69	86.54
Claims ...	8.82	4.88	5.55
Expenses and Commission ...	9.88	11.49	12.09
Life fund at the beginning of the year ...	38.51	42.12	55.94
Life fund at the end of the year ...	42.12	55.94	75.99
Net increase ...	8.61	18.82	20.05
Ratio of Expenses to Premium ...	48.1%	40.4%	85.5%

Balance Sheet.

Liabilities—			
Life Fund ...	42.12	55.94	75.99
Reserve Fund ...	1.67	2.29	8.95
Outstanding claims ...	2.86	3.40	8.90
Other items ...	1.92	2.42	2.88
Total Rs. ...	48.57	64.05	86.72
Assets—			
Gilt edge and other stock exchange securities ...	28.81	38.15	48.7
Loans and Mortgages ...	6.88	18.75	19.16
Lands and Buildings ...	9.10	11.72	11.71
Cash ...	1.78	1.72	2.65
Other items ...	2.55	3.71	4.42
Total Rs. ...	48.57	64.05	86.72

THE EAST AND WEST LIFE INSURANCE CO., LTD.

(Established 1913).

Head Office:—Bombay.

Like its older rivals, the East and West has shared fully in the prosperity reflected in Indian insurance company reports, and business in 1936 underwent considerable expansion. New business secured by the company resulted in the issue of 2,222 policies assuring over Rs. 36 lakhs. The net premium revenue resulting from new business was over Rs. 1.76 lakhs. The total premium revenue amounted to over Rs. 6.04 lakhs as against Rs. 5.29 lakhs in 1936. The income from investments totalled over Rs. 60,000. Disbursements in regard to claims by death totalled over Rs. 48,000 and claims by maturity took about Rs. 9,300. Out of the total of Rs. 58,174-6 for which claims were lodged, claims for over Rs. 21,800 remained unpaid for lack of evidence at the end of 1936, but more than half of the sum had been paid since then. The company's expenses continued to remain high, and apart from Rs. 1.24 lakhs given in commissions, over Rs. 1.68 lakhs was taken up in other expenses. After meeting payments in respect of surrenders and making appropriations to tax and depreciation, bad debts etc. there is a surplus of over Rs. 2.5 lakhs, to be added to the Life Fund, which from being Rs. 10.42 lakhs at the end of 1935, is raised to Rs. 13.94 lakhs.

Further additions to the Building Depreciation Fund and Leasehold and Property Sinking Fund indicate that the company, which has invested over Rs. 4 lakhs in land and house property in India, continues to exercise due care, and the Special Fund is shown in the balance sheet at over Rs. 37,700. The company's investment policy appears to have been fairly profitable, for the average yield on the funds was 5.05 per cent. after deduction of tax.

Changes in the balance sheet call for little comment. Capital is Rs. 1,00,815 and the building depreciation fund adverted to above is the only provision against alterations in the value of investments. The shareholders' dividend reserve fund, after meeting tax, stands at about Rs. 18,000. Due provision is made in respect of claims outstanding, and liabilities to the secretaries and agents and auditors are shown at about Rs. 47,330. The principal item among liabilities is the Life Fund of about Rs. 13.94 lakhs to balance which there are various

assets. Investments in Government securities, including a deposit of G. P. notes of the face value of Rs. 1.92 lakhs with the Government, amount to about Rs. 4.5 lakhs. Investments in joint stock company debentures and bank shares are shown at about Rs. 1 lakh. The company's holdings of real property, both freehold and leasehold, are shown at Rs. 4.2 lakhs. Loans on mortgages of real property to the value of Rs. 2.65 lakhs, and advances on the security of the company's policies amounting to Rs. 1.15 lakhs are important items in the assets column. The company's cash balances in hand and with banks total over Rs. 1.1 lakhs, and the dead stock is valued at about Rs. 13,000 after providing for depreciation.

Two years ago, the company's balance sheet showed assets of Rs. 11,18 lakhs, but the progress made in the years 1935 and 1936 has raised the total value of assets to Rs. 16.51 lakhs at the end of 1936. This increase of over Rs. 5 lakhs is responsible for the raising of the Life Fund to Rs. 13.94 lakhs at the end of 1936 from Rs. 8.4 lakhs at the end of 1934. The Board's policy of strengthening the Life Fund, while endeavouring to secure a larger share of new business has contributed to this welcome increase.

Assets—				
Giltedge	...	8,14	1,98	4,18
Debentures	...	52	1,87	51
Other investments	...	2	1	59
Loans on policies and otherwise	...	1,51	1,61	3,80
Cash	...	56	78	1,11
Other items	...	5,48	5,81	5,85
Total Rs.	...	11,18	18,50	16,29

EMPIRE OF INDIA LIFE

Established 1897

Head Office: Bombay.

The Empire of India should have reason to look back on the past year with satisfaction, for the increase in business and premium revenue and the favourable claim experience provided encouraging features. According to the report presented by the Directors, the last year witnessed a record increase in new business in the Company's history and the balance sheet as at February 28, 1937, indicates a rise in Funds and reserves indicating a very healthy position. Mr. Rustum Cama, presiding over the 40th annual meeting of the Empire of India Assurance Co., referred with satisfaction to the results obtained during 1936, and drew attention to the considerable increase in new business resulting in the issue of policies totalling 11,915 for a sum of over Rs. 1.86 crores, which constituted a record in the history of the company. The fact that policies issued were usually for modest sums has not, as the Chairman observed with satisfaction, affected the steady and uninterrupted expansion of business. Claims by maturity during the year amounted to Rs. 25.14 lakhs and claims on account of deaths amounting to Rs. 11.51 lakhs were lower than in 1935, when the Quetta disaster increased the number of claims. The Life Assurance Fund was strengthened by Rs. 22.8 lakhs, after placing Rs. 1,25,000 to Leasehold Property Account, and the total was raised to over Rs. 4.68 crores. The expense ratio working out at 24.9 per cent of the premium income is not unfavourable, having regard to the marked increase in new business, bringing the total of policies issued by the Company to 70,233 assuring over Rs. 12.82 crores. The total premium revenue of over Rs. 58 lakhs, added to a net revenue of nearly Rs. 21.54 lakhs obtained from investments, raised the total income to over Rs. 79.8 lakhs. Outgoings in respect of claims took Rs. 36.7

(In thousands of Rs.)

New Business—	1934	1935	1936
No. of Policies	1,787	2,071	2,222
Sum Assured	27,69	35,04	36,18
Premiums on new business	1,50	1,77	1,77
Assurances in force	86,99	1,05,21	...
Total Premiums	4,15	5,29	6,05
Claims by death	58	72	48
Claims by maturity	81	28	10
Commissions and Expenses	2,39	2,68	2,98
Life Fund at beginning of the year	7,64	8,40	10,42
Life Fund at year end	8,40	10,42	18,94
Increase	76	2,02	8,52
Ratio of Expenses to Premiums	57.6%	45.5%	48.4%

Balance Sheet.

Liabilities—	1934	1935	1936
Capital	1,00	1,00	1,01
Life Fund	8,40	10,42	18,94
Other Reserves	92	1,02	64
Claims outstanding	68	50	22
Other items	28	56	48
Total Rs.	11,18	18,50	16,29

EMPIRE OF INDIA

LIFE ASSURANCE CO., LTD.

ESTABLISHED 1897

Assets approach : : : Rs. 5 crores

Policies in force approach : Rs. 13 crores

Claims Paid : : : : Rs. 5 crores

D. M. DAS & SONS, LTD.

Chief Agents :

BENGAL, BIHAR, ORISSA AND ASSAM

28, Dalhousie Square - CALCUTTA

lakhs, and management expenses absorbing Rs. 14.47 lakhs, payments in respect of surrenders, taxes and Leasehold Property Account left the total to the credit of the Life Assurance Fund at over Rs. 4.32 crores. Reserves bringing the total up to well above Rs. 4.68 crores permit a rise of more than Rs. 16 lakhs in the total value of assets compared with 1935, and they are shown at Rs. 4.8 crores as on February 28, 1937. Except for Rs. 65.65 lakhs advanced to policyholders and about Rs. 25 lakhs itemised under cash, branch balances, house property and interest accrued, the assets are distributed in the Company's traditional manner in first class Government Municipal and Port Trust stocks.

The revenue account in the Fidelity Guarantee branch shows that premiums received amounted to Rs. 7,996-8 and payments for claims took up Rs. 1,218-13-8, while expenses of management absorbed Rs. 3,305-2-9. After transfer of Rs. 34,116-14-6 to Profit and Loss account and the provision for various reserves, the Guarantee Assurance Fund at Rs. 103,000 is lower in comparison with the Fund at the end of the previous year. There is, therefore, nothing surprising in the decision to concentrate on life business.

Life Account.

(In Thousand of Rupees.)

New Business—	1934-35	1935-36	1936-37
Number (actual) ...	8,511	9,916	11,915
Amount ...	1,47,53	1,57,09	1,86,69
Premium on Business	6,86	7,87	8,55
Total Premium ...	5,165	54,00	58,08
Claims by Death ...	11,67	14,29	11,56
Claims by Maturity ...	26,85	26,00	25,15
Life Fund at the beginning of the year ...	8,62,26	8,95,89	4,09,75
Life Fund at the end of the year ...	8,95,89	4,09,75	4,82,65
Ratio of expenses to premium ...	22.8%	28.7%	24.9%

Balance Sheet

Liabilities—

Capital ...	8,09	4,12	4,12
Life fund ...	8,95,89	4,09,75	4,82,56
Other Reserve Funds	87,04	86,10	87,84
Outstanding claims	12,64	12,79	12,60
Other items ...	1,87	1,81	25
Total ...	4,50,08	4,64,07	4,87,27

Assets—

Giltedge Securities ...	2,56,27	2,72,48	8,00,50
Debentures ...	95,22	95,22	88,68
Loans on Life Policies	65,00	65,00	65,66
House Property ...	9,00	9,19	9,19
Other Assets ...	24,54	22,28	25,29
Total ...	4,50,08	4,64,07	4,87,27

THE GENERAL ASSURANCE SOCIETY, LTD.

(Established 1907)

Head Office: AJMER.

In its thirtieth year of working, the General Assurance Society (Ajmer) secured 3,269 proposals leading to the issue of policies for a total sum of Rs. 51.26 lakhs, the increase in new business over 1935 being Rs. 5.27 lakhs. The premiums from new business brought in Rs. 2.07 lakhs, which added to renewal premiums, provided about Rs. 15.65 lakhs, the advance in revenue being over Rs. 1.32 lakhs. The revenue account for the year shows receipts of Rs. 18.69 lakhs. On the expenditure side, claims by death and maturity took Rs. 5.97 lakhs. Payments in respect of bonuses and surrender values figure in the account taking up over Rs. 1 lakh. The shareholder's dividend absorbed Rs. 20,385 and income tax accounted for Rs. 58,386. Among expenses, commissions form the largest item being Rs. 2,11,125. The total outgo is Rs. 13.29 lakhs and the excess of receipts is used to strengthen the Life Fund. Investment income is shown at Rs. 2.63 lakhs, but a fresh item in the revenue account is the sum of Rs. 5.51 lakhs arising from the appreciation of the Society's holdings of securities, credit being taken for this sum on the advice of the consulting actuary to enable him to make the valuation for the period ended December 31, 1936, on the basis of a lower rate of interest. The further addition of Rs. 5.51 lakhs to the Life Fund raises it from Rs. 60.7 lakhs at the beginning of the year to Rs. 71.62 lakhs at the end. It is stated that the purpose of the transfer of the sum is to increase the Life Fund and only trading profits will be available to policyholders and shareholders. The average rate of interest earned by the Society's funds was 4.06 per cent. per annum.

The expansion in business and the increase in the Life Fund indicate that the General maintained its popularity and benefited from the expansion in life insurance business shown in other company reports. The balance sheet of the Society as on December 31, 1936, reflects a comfortable position built up by careful management. Besides the Life Fund of Rs. 71.61 lakhs, there are sundry reserves totalling nearly Rs. 73,000. The Society's debt to the Imperial Bank of India, incurred for the purchase of its Bombay

YOUR BEST INVESTMENT

"There is" in the words of a great authority, "no finer form of Investment nor is there a surer way of saving than Life Assurance."

To-day more than ever before an Endowment Assurance in a First Class Life Office has no equal among high class securities as a safe and convenient means of accumulating capital.

You have your life insured during the currency of the Policy. You have not to face the risk of depreciation of Capital, the trouble incidental to the selection of suitable investment for small sums every year. The investment increases in value every year. Judged by every test, A POLICY IN

THE GUARDIAN OF INDIA INSURANCE COMPANY, LIMITED

WILL BE

YOUR BEST INVESTMENT

Head Office:
ESPLANADE, MADRAS
(Post Box No. 89)

N. NARAYANAN
Manager

THE OFFICIAL TRUSTEE TO THE GOVERNMENT OF MADRAS

IS THE

TRUSTEE OF THE POLICYHOLDERS' TRUST FUND

OF THE

UNITED INDIA LIFE ASSURANCE CO., LTD.

THUS MAKING

ASSURANCE DOUBLY SURE

A post card will bring you full particulars of the Special Schemes

Head Office:

"UNITED INDIA LIFE BUILDING"

SEMBUDOSS STREET

G. T., MADRAS

Also Offices Throughout India, Burma and Ceylon

building, has been reduced to Rs. 1 lakh by the repayment of Rs. 5 lakhs. Claims outstanding appear to be rather large at Rs. 4.69 lakhs. On the assets side, investments in trustee securities at cost are shown at about Rs. 53.47 lakhs, while their market value as on December 31, 1936, is stated to be over Rs. 58.48 lakhs. Loans to policyholders total over Rs. 7.78 lakhs and buildings at cost, less depreciation at 2½ per cent., are valued at Rs. 9.91 lakhs. Investments in real estate at Bangalore and Calcutta are shown at Rs. 79,883. Besides premiums due, shown at Rs. 1.57 lakhs, the Society has nearly Rs. 90,000 due in respect of interest and rent, accrued and outstanding. Cash items total over Rs. 92,000. The Society now carries over Rs. 3 crores' worth of business on its books in respect of over 19,143 policies in force and the substantial rise in premium revenue to over Rs. 15 lakhs during the past year reflects the stable position achieved by the Society, thanks to the successful and single-minded management of Mr. Bhargava.

GUARDIAN OF INDIA INSURANCE COMPANY, LIMITED

Head Office: Madras

Established just two years ago, the Guardian of India Insurance Company of Madras has, during its very brief existence, achieved notable success in the underwriting of life assurance business. Its phenomenal all-round growth during this short period is so striking that it is no exaggeration to say that the accounts and balance-sheet of the company for the year ended December 31, 1936 can easily stand comparison with those of many of the much more longstanding Indian Insurance companies. It is gratifying to note that amidst the too numerous insufficiently capitalised and badly-managed mushroom insurance companies that are being floated nowadays, there are a few really good concerns backed by sound and able management and administration. The extraordinarily short time within which the company has released its accounts to the public is noteworthy. We have not known of any Indian Insurance company bringing out its accounts and balance-sheet within 2 months of the closing of the year and for the year 1936 this is the first insurance balance-sheet that has come out so far. Again the extremely neat and natty way in which the accounts are presented to the public deserves the attention and emulation of even some of the well-established and long standing companies.

During the year 1936 the company received 3,839 proposals for assurances amounting to Rs. 46,67,875 of which 3,004 resulted in policies assuring a sum of Rs. 36,53,875 as against 2,340 policies, assuring Rs. 33,52,500 issued during the company's previous working period of 15 months. This represents an increase of 35 per cent. over the figures for the 12 months of the year 1935. The total assurances in force amount to 4,095 policies assuring a sum of Rs. 51,20,875. The lapse ratio of the company during these 2 years at 27 per cent., though a little bit high, compares favourably with those of many new offices, and some old ones. The total net premium income during the year was Rs. 2,36,767 as against Rs. 1,46,949 in the previous year representing an increase of over 60 per cent. Interest and other miscellaneous income fetched Rs. 13,386. On the disbursements side claims by death took Rs. 13,459 and management expenses including commission absorbed Rs. 1,50,009 working out to an expense ratio of 63.3 per

Life Account.

Number of Policies ...	8,854	8,040	8,269
Amount Assured ...	5,218	45,99	51,26
Premiums on New Business ...	2,48	2,28	2,58
Total Premiums ...	18,18	14,15	15,44
Claims ...	5,04	5,62	5,97
Expenses ...	4,29	4,28	4,71
Life Fund at the beginning of year	51,42	55,92	60,70
Life Fund at year end ...	55,92	60,70	71,62
Ratio of expenses to Premium ...	82.7%	29.9%	80.5%

Balance Sheet.

Liabilities—			
Capital ...	1,88	1,88	...
Life Fund ...	55,92	60,70	1,88
Outstanding Liabilities of Life Fund ...	2,70	8,72	71,62
Other items ...	4,07	4,18	4,64
Total ...	64,01	69,88	81,04
Assets—			
Giltedge Securities ...	46,48	49,05	58,95
Other Securities and Debentures ...	5,68	5,81	4,58
Fixed Deposits ...	14	12	12
Loans on Life Policies ...	5,62	6,75	7,78
Lands and Buildings ...	1,76	2,41	10,71
Other items ...	4,88	5,74	8,95
Total ...	64,01	69,88	81,04

cent. It is creditable that the expense ratio has been brought down by more than 20 per cent. during the year. It is also noteworthy that the company has provided a sum of Rs. 22,145 for writing off organisation expenses and a sum of Rs. 3,827 for writing off the preliminary expenses. Even with these generous provisions, the life fund has been increased by the big sum of Rs. 59,640 to Rs. 75,259.

Life Account.

(In thousands of Rupees.)

	1935	1936
New Business—		
Number of Policies ...	28,40	30,04
Amount Assured ...	38,52	36,54
Total Premiums ...	1,47	287
Claims ...	8	18
Expenses ...	1,26	150
Life fund at the end of the year ...	16	75
Expense ratio ...	85.7%	68.8%

Balance Sheet.

Liabilities—			
Paid-up Capital ...	101	122	
Life Fund ...	16	75	
Other Liabilities ...	25	48	
Total ...	141	240	
Assets—			
Giltedge Securities ...	44	76	
Preliminary Organisation Expenses ...	20	29	
Cash on hand and at bank ...	43	40	
Other Assets ...	26	95	
Total ...	141	240	

HERCULES INSURANCE COMPANY

Head Office: Calcutta

Like its namesake the Greek hero, the Hercules Insurance Company has developed strength from its very birth and the infant's strength is fully reflected in the Directors' report for 1936 which covers the first full twelvemonth period of working since the company started business in 1935. In spite of the strong competition of older companies, foreign and Indian, the new Indian venture has made a very promising start, and the confidence of its promoters and managing agents is fully justified by the favourable experience of the previous year. The company secured additional capital through the issue of 1,900 shares at a premium of Rs. 10 per share of Rs. 50 paid-up, and the premium realised has been used to increase the general reserve by

Rs. 19,000. In May, 1936, the company entered the field of marine insurance and re-insurance, but as this branch was established late, the revenue account appears rather disappointing. The company was largely engaged in developing business and the branches at Bombay, Madras and Karachi are now said to be well established. The Board of the company is contemplating extension of the operations to include life business and an investigation into conditions and prospects is to be made.

The Profit and Loss account shows receipts of Rs. 49,868-9-8 from interest and dividends. Transfers from the Fire and Accident branches increase the total to Rs. 59,705-6-2. The company's expenses, not shown in the revenue accounts, amount to Rs. 8,436-0-4 to which Directors' and Managing agents' remuneration amounting to Rs. 33,000 has been added. The profit for the year is shown at Rs. 18,269-5-10 which added to the sum of Rs. 1,962-12-10 brought down from the 1935 accounts and the share premium of Rs. 19,000 is used thus. An appropriation of Rs. 29,000 is made to General Reserve and the balance of Rs. 10,232-2-8 is carried forward.

While the revenue accounts indicate a very promising beginning without any out-

HERCULES INSURANCE COMPANY LIMITED

(Incorporated in India)

Head Office:

16, HARE STREET, CALCUTTA

Branches:

BOMBAY, MADRAS, KARACHI

FIRE

ACCIDENT

MARINE

Managing Agents:

RALLI BROTHERS LTD.

standing features, the balance-sheet gives a clearer notion of the exceptional strength and resources of the new company. There is a paid-up capital of Rs. 7,82,500 and a General Reserve of Rs. 1,50,000. The Branch Funds are on an impeccable basis. Dues to other insurance companies and for investments purchased amount to over Rs. 182,000 and the advance payment of Rs. 2,94,819-0-4 in respect of premiums by its clients is ample testimony to the confidence placed in the new company. The company's assets consist of over Rs. 10.56 lakhs in stock exchange securities, nearly two-thirds being in giltedge, while the remained is distributed between preference and ordinary shares. The success of this infant prodigy's investment policy is best indicated by the fact that there was a margin of Rs. 43,000 between the cost and market value of securities at the end of 1936. Interest accrued is shown at Rs 8,750-11-3 and the dues from other insurance companies amount to Rs. 71,299-14-6 while cash balances are generous enough at Rs. 3,62,865-2-9. The merits of the company's policy can be judged from the striking success which has attended the first full year's working. The company owes much of its success to the very influential connections of Messrs. Ralli Bros., and enjoying as it does the services of a board of very distinguished and experienced businessmen it can be trusted to do better in the years to come and more than fulfil the promise shown in the last report and accounts.

Fire Account.

Premium	...	...	2.05
Claims	...	...	27
Expenses	...	...	109
Reserves	...	...	72
Ratio of claims to premiums	...	...	18.2%
Ratio of expenses to premium	...	...	58.4%
Ratio of reserves to premium	...	...	85.8%

Accident Account.

Premium	...	...	54
Claims	...	...	7
Expenses	...	...	25
Reserves	...	...	27
Ratio of claims to premium	...	...	18%
Ratio of expenses to premium	...	...	46.8%
Ratio of reserves to premium	...	...	50%

Marine Account.

Premium	...	...	4
Expenses	...	...	8
Reserve	...	...	1
Ratio of expenses to premium	...	...	75%
Ratio of reserve to premium	...	...	25%

Balance Sheet.

Liabilities—			
Capital	...	...	7,88
Reserve	...	...	1,50
Fire Fund	...	...	72
Accident Fund	...	...	27
Marine Fund	...	...	2
Other items	...	...	488
Total			15,22
Assets—			
Giltedge Securities	...	...	4,88
Debentures and Preference Shares	...	...	890
Equity Shares	...	...	227
Other items	...	...	108
Cash	...	...	864
Total			15,22

HINDUSTHAN CO-OPERATIVE INSURANCE COMPANY, LTD.

The Hindustan Co-operative Insurance Society is one of the first fruits of Swadeshi enterprise in Bengal. It has, in fact, been Swadeshi not only in the broad national sense of the term, it has also been the leading Indian insurance company in purely Bengalee ownership and control. It must be said, to the credit of its management, that, in spite of the numerous troubles and difficulties that it had to encounter during its early stages, and in spite of the vigorous campaign of severe criticism and vilification to which it has been subjected during the past few years, the Society has been able to maintain a steady and alround progress year after year. The accounts and report of the Society's working for the year ending April 30, 1936, bear ample testimony to this steady progress. The current report shows a further appreciable change for the better. Stock exchange securities in total have increased from Rs. 19.55 lakhs to Rs. 42.27 lakhs, while giltedged securities have increased from Rs. 10.78 lakhs to Rs. 24.26 lakhs; municipal and other debentures have appreciated from Rs. 5.91 lakhs to Rs. 10.81 lakhs and ordinary shares have risen from Rs. 2.86 lakhs to Rs. 7.20 lakhs. The over-all expense ratio at 33.3 per cent. shows a further reduction of more than 2 per cent. Other notable achievements of the Society during the year under review are the increase of the total premium income from Rs. 46.83 lakhs to Rs. 52.42 lakhs; an addition of Rs. 1.37 crores to the total business in force which now stands at Rs. 12 crores; and an appreciation of Rs. 24 lakhs in the

life fund which has nearly reached the Rs. 2 crore mark.

Coming to the details of the accounts, we find that during the year 1935-36 the Society received 19,175 proposals for assurances aggregating to Rs. 3.01 crores, of which 15,040 resulted into policies assuring a sum of Rs. 2.35 crores, as against 16,871 policies assuring a sum of Rs. 2.52 crores issued in the previous year. The slight decrease in the new business is, we understand, due to the undue and severe campaign of criticism and vilification which the Society was subjected to during the year; and the fact that the Society was able successfully to weather this storm affords ample testimony to its able management. The total business in force at the end of the year was 73,134 policies assuring a sum of Rs. 12 crores. The total premium income of the year amounted to Rs. 52.42 lakhs, while interest, dividend and rent realised Rs. 9.10 lakhs, working out to an yield of 5 per cent. in the very next year after the removal of the 6 per cent. guarantee in the Articles of Association. On the disbursements side, claims by death amounted to Rs. 9.75 lakhs and those by maturity to Rs. 6.70 lakhs. It may be mentioned here that the Society has paid more than Rs. $\frac{1}{2}$ crores by way of claims etc., to its policy holders since its inception. Management expenses absorbed Rs. 17.46 lakhs working out to an expense ratio of 33.3 per cent. as against 35.4 per cent. in the previous year. Though this reduction in the overall expense ratio is satisfactory, we do not understand how the Society's renewal expense ratio (calculated after providing 90 per cent. of the new premiums for such business) has increased to 16.8 per cent. from 15.1 per cent. in the previous year. For a company of its age 16.8 per cent. renewal expense ratio is very high and should be brought down to the level of 12 or 13 per cent. The life fund has been increased by the substantial sum of Rs. 24.2 lakhs to Rs. 1,98.3 lakhs.

The balance sheet of the Society as on 30th April, 1936, shows on the liabilities side a life fund of Rs. 3.2 lakhs, outstanding claims amounting to Rs. 10.7 lakhs, a paid up capital of Rs. 3.74 lakhs and other miscellaneous liabilities amounting to Rs. 5.6 lakhs. On the assets sides, it is noteworthy that the Society has considerably increased its holdings in stocks exchange securities, particularly in gilt-edged securities. This portfolio has in-

creased to Rs. 42 $\frac{1}{2}$ lakhs from Rs. 19 $\frac{1}{2}$ lakhs in the previous year.

Among the other assets, loans on policies have increased from Rs. 18.8 lakhs to Rs. 20.2 lakhs, while mortgage loans at Rs. 66.45 lakhs register a slight decline of Rs. 1 $\frac{1}{2}$ lakhs. House and landed properties have increased by more than Rs. 5 lakhs to Rs. 52.8

Life Account.

		(In thousands of Rs.)		
New Business—		1933-34.	1934-35.	1935-36
Number ...	...	16,913	1,68,71	1,91,75
Amount ...	...	2,53,79	2,52,39	8,01,48
Total Premiums ...	...	38,87	47,51	53,70
Claims by death ...	...	8,23	8,31	6,74
Claims by Maturity ...	...	5,93	1,85	6,69
Expenses ...	...	15,19	16,57	17,46
Life fund at the beginning of year ...	...	1,83,29	1,50,37	1,74,06
Life fund at the end of year ...	...	1,50,37	1,74,06	1,98,27
Net increase in the life fund ...	...	17,08	23,69	24,21
Ratio of expenses to Premium ...	...	38.8	37.0	4.88
Balance Sheet.				
Capital ...	...	4,37	4,37	4,88
Life fund ...	...	1,50,37	1,74,06	1,98,2
Outstanding claims ...	...	4,97	5,68	10,8
Other items ...	...	13,18	14,50	8,2
Total ...	...	1,73,49	1,98,61	2,21,78
Gilt-edge securities ...	...	9,60	10,78	24,25
Debentures ...	...	5,10	5,91	10,88
Ordinary shares ...	...	2,72	2,86	20,24
Loans on life policies	...	17,25	18,82	72,45
Loans on mortgages of real properties ..	...	68,08	67,87	54,16
House and landed properties ...	...	42,30	47,48	8,49
Cash ...	...	7,96	16,87	81,81
Other items ...	...	20,48	28,22	
Total ...	...	1,73,49	1,98,61	2,21,78

THE INDIAN MERCANTILE INSURANCE CO., LTD.

(Established 1907)

Head Office: 11, Bank Street, Bombay.

One of the few old general insurance companies, the Indian Mercantile, is growing with the years from strength to strength. The report and revenue accounts for the year 1936, which we have just received, fully reflect the general improvement in insurance business in India and the steady growth of the leading institutions.

A glance at the fire account reveals the rapid progress in the fire branch. The fire

fund at the beginning of the year was Rs. 2,40,000 and at the end of the year it was higher at Rs. 2,55,000 showing an increase of Rs. 15,000. The net premium income, after deducting all reinsurances, amounted to Rs. 1,20,618 against Rs. 1,07,495-0-4 in the previous year. Fire losses, paid and outstanding, amounted to Rs. 2,803 only and the balance Rs. 28,999-13-8 is carried to the General Revenue Account. The strong basis on which the Fund is maintained is a feature calling for special mention.

The Life account shows a net premium income of Rs. 1,62,250 after deducting re-insurance charges, to which premiums on new business contributed Rs. 81,788. The value of business in force rose to over Rs. 43 lakhs and the rapid progress of this branch since 1933, can be noticed from the table appearing herewith while expenses amount to Rs. 1,01,193 a slightly heavier sum.

Period	Sum Assured	Premium Income	Life Fund.
			Rs. A. P
1933	5,01,000 0 0	20,512 10 0	580 9 7
1934	11,39,000 0 0	69,448 5 0	5,249 4 10
1935	11,11,000 0 0	94,885 12 0	24,872 18 9
1936	16,81,000 0 0	1,62,520 8 9	...

This is fully justified when we consider the striking increase in the new life business to the value of over Rs. 16 lakhs. The heavy growth of premium income in this branch during the past four years of its working, accompanied as it is by a steady rise in the Fund, can be taken as the most welcome feature of the report. The life fund has risen from Rs. 580-9-7 in 1933 to Rs. 24,372-12-9 in 1935; it stands at Rs. 74,663 at the end of 1936 and the premium income which during the first year of its working was only Rs. 20,512 has increased eightfold in 1936.

Similar improvement is apparent from the balance sheet which disclose a sound position as before. Against liabilities to the extent of Rs. 15,77,915 there are investments amounting to nearly Rs. 5 lakhs, the greater part being in giltedge securities. There is a substantial difference between the cost and the market value of the securities for which no credit is taken.

Conservative by disposition, the Indian Mercantile has never sought to join in the scramble for new business. But public appreciation of its inherent soundness has brought an increasing volume of business in recent years which is only a just tribute to

the efficient organisation and the very influential board in charge of the company's affairs.

Fire Account.

(In thousands of Rs.)			
	1934.	1935.	1936.
Premiums (Net) ...	1,21	1,12	1,07
Claims ...	8	34	6
Expenses ...	78	64	68
Reserves ...	2,55	2,80	2,40
Ratio of claims Premium ...	2.5%	80.8%	5.6%
Ratio of expenses to Premium ...	60.9%	57.1%	58.9%
Ratio of reserves to Premium ...	212.5%	205.3%	222.4%

Life Account.

(In thousands of Rs.)			
No. of policies ...	7,87	6,56	7,28
Amount assured ...	18,40	11,89	12,45
Premiums ...	163	69	95
Claims ...	15	14	6
Expenses ...	1,01	54	74
Life fund at the end of the year ...	75		24

Balance Sheet.

(In thousands of Rs.)			
	1934.	1935.	1936.
Liabilities—			
Capital ...	4,28	4,28	4,28
Fire Fund ...	2,55	2,80	2,40
Reserve Funds ...	6,15	5,10	5,47
Outstanding liabilities of Life Assurance Fund ...	1,15	1,27	1,17
Other liabilities ...	1,70	2,86	1,92
Total ...	15,78	15,81	15,19
Assets—			
Giltedge securities ...	4,98	9,43	5,56
Property ...	5,50	8,78	5,50
Outstanding Premiums and rents ...	51	62	86
Cash ...	1,28	27	1,28
Other Assets ...	8,15	1,26	1,82
Total ...	15,78	15,81	15,19

THE INDIAN LIFE ASSURANCE CO., LTD.

(Established in 1892)

Head Office:—Karachi.

The Indian Life Assurance Company of Karachi is one of the soundest Indian life offices and though it has been in existence for the past forty-four years, it is comparatively unknown in provinces other than that of its origin. It had all along been

content to serve the people of its native province, and even there to concentrate its business on one particular class of community. There can be no denying the fact that its management has all along been on the most scientific, economic and sound lines and that its progress has been one of steady growth from strength to strength. It should, at the same time, be admitted that it has been extremely conservative in the expansion of its business. Its new business seems never to have exceeded Rs. 10 lakhs, though its total business in force has been built up to Rs. 2 crores nearly. Its total premium income has been round about the same figure of Rs. lakhs during the past few years; its life fund is being increased gradually and stood at Rs. 81 lakhs on May 31, 1936. We understand that the Indian Life has only recently begun to pursue a policy of expansion, and we have no hesitation preceding a very successful career for a company of its strength, soundness and economic management.

The fortyfourth annual accounts and report of the Company for the year ending May 31, 1936, afford satisfactory reading and show clear signs of the Company's expansion policy. The new business of the Company has increased from 321 policies in 1935 to 569 policies during the year under review, the amounts assured having been increased to Rs. 9,69,000 from Rs. 5,21,000. The total premium income derived during the year amounted to Rs. 7,06,000 as against Rs. 7,03,000 in the previous year. The total business in force was 7,857 policies assuring a sum of Rs. 1,77,70,000; interest, dividends and rents fetched a sum of Rs. 4,83,000, of which only a sum of Rs. 2,74,000 is given credit in the Revenue Account according to their Articles of Association, 3½ per cent. On the disbursements side, claims by death and by maturity took a sum of Rs. 5,06,000 and management expenses absorbed a sum of Rs. 1,06,000, of which only Rs. 80,564 is debited in the Revenue Account according to their Articles of Association (at 50 per cent. on the new premiums received and 10 per cent. on the renewal premiums received). The over all expense ratio works out to 15 per cent., which is perhaps the lowest among Indian life offices and this is due to the very small ratio of the Company's new business to its total business in force. The life fund at the end of the year has been increased by Rs. 3,06,000 to Rs. 81,10,000.

The balance sheet of the Company as on May 31, 1936, shows, on the liabilities side, a paid-up capital of Rs. 1,45,000, a life fund of Rs. 81,10,000, an investment reserve fund of Rs. 7,38,000, a shareholders' reserve fund of Rs. 9,14,000, outstanding claims of Rs. 2,26,000 and other miscellaneous liabilities amounting Rs. 71,28,000. On the assets side, more than 90 per cent. of the total assets (Rs. 1,18,61,000) amounting to Rs. 1,02 lakhs, is invested in purely government securities. Of the balance, policy loans amount to Rs. 5.11 lakhs, mortgage loans amount to Rs. 2.30 lakhs, house properties amount to Rs. 5.81 lakhs and other miscellaneous assets amount to Rs. 3.39 lakhs. The government securities are all taken credit for at par values and there should considerable appreciation in their market values which will serve as an additional inner reserve besides the fairly large amount of investment reserve fund provided by the Company. It will be thus seen that the financial strength of the Company is, beyond all doubts, great. But we must observe that its investment policy is conservative and it should seek wider channels of investment, particularly at the present moment when the yield on giltedged securities is so long as to make investment in this class for life assurance business purposes, scientifically unsound.

(In thousands of Rs.)			
New Business—	1934	1935	1936
No. of Policies ...	5,69	4,74	8,21
Sum Assured ...	9,96	8,16	5,21
Premium income ...	44	89	26
Total premiums ...	6,29	7,08	7,08
Life Fund at the beginning of the year ..	78,80	71,89	75,87
Life Fund at the end of the year ...	81,10	75,87	78,80
Net increase ...	2,80	8,98	8,07
Claims ...	5,06	8,82	5,17
Expenses ...	81	94	1,01
Ratio of expenses to Premiums ...	12.9%	18.4%	14.8%
Balance Sheet.			
Liabilities—			
Capital ...	1,45	1,45	1,45
Life Assurance Fund	81,10	57,87	78,80
Shareholders' Reserve Fund ...	9,14	8,48	8,64
Claims outstanding ...	2,26	1,94	2,20
Other items ...	24,66	86,78	27,92
Total ...	1,18,61	1,28,97	1,18,61

Assets—			
Giltedged securities and bonds ...	1,02,80	1,10,66	1,02,80
Loans on Policies ...	5,11	8,82	4,44
Other Mortgages and Loans ...	2,42	95	8,07
Property ...	5,81	6,19	5,99
Cash ...	62	55	25
Other items ...	1,85	1,80	1,96
Total ...	1,18,61	1,28,97	1,18,51

INDUSTRIAL AND PRUDENTIAL ASSURANCE CO., LTD.

The Industrial and Prudential Assurance Company continues to make steady and unostentatious progress and the report for the year ending December 31, 1936 indicates that, even if there is no striking feature, the company has shared in the general improvement noticed in insurance business in India as elsewhere. New business secured during the year 1936 resulted in the issue of 4,916 policies out of 5,621 proposals received and the value of new business, namely, Rs. 91.8 lakhs was about Rs. 2 lakhs higher than in the previous year. While the ordinary branch shows satisfactory growth, the industrial branch, intended to interest the wage-earner by the issue of policies for the sum of Rs. 250, proved rather disappointing, and new business for Rs. 3,500 on the 14 policies issued may be regarded as negligible. The total value of business carried on the books of the company at the end of 1936 on 20,228 policies issued was over Rs. 4.2 crores, out of which Rs. 10.6 lakhs was subject to reinsurance. Premium income in the year amounted to Rs. 22.3 lakhs out of which Rs. 60,196-10 was paid out in reinsuring a part of the risks, and the net income was thus about Rs. 21.7 lakhs as against Rs. 19.41 lakhs in 1935. The revenue account shows interest and other receipts at over Rs. 3.25 lakhs. Disbursements in respect of claims amounted to Rs. 5.77 lakhs, and the management expenses inclusive of commissions was about Rs. 6.4 lakhs. After provision is made for taxes, depreciation and payments of surrender value, the revenue account shows the Life Assurance Fund at Rs. 74.98 lakhs as against Rs. 62.91 lakhs at the beginning of the year.

The balance sheet makes a very satisfactory showing with a Life Fund of nearly Rs. 75 lakhs and Reserves of about Rs. 2.6 lakhs. Capital is Rs. 2,18,700 and

claims outstanding are shown at Rs. 2.44 lakhs, but have been reduced since by about Rs. 74,000. Debts due by the company in respect of taxes, dividends, premium deposits, etc., are shown at about Rs. 1.11 lakhs. On the assets side, investments in Government, Municipal and Port Trust securities to the value of Rs. 71.45 lakhs are shown at cost, and only a small part has been laid out in India sterling stocks and a smaller part in light railway and bank shares. Advances on mortgages amount to Rs. 1.55 lakhs and loans to policyholders are shown at Rs. 5.59 lakhs. The deposits of £1,498-7-10 and Rs. 1,00,000 are included in the assets column, and cash items amounting to over Rs. 98,000 provide an adequate margin for meeting any exceptional calls. It is scarcely necessary to draw attention to the difference of over Rs. 8 lakhs between the cost and the market value of the company's investments as on December 31, 1936, and in spite of the setback in recent months, the appreciation in values constitutes an internal reserve of fair dimensions. The balance sheet, in which assets have risen during the year by over Rs. 16 lakhs, indicates a very sound position, and the Directors and managing agents, who have always displayed great judgment and skill in the conduct of the company's affairs should be congratulated for their contribution to the continued growth of the company on healthy lines.

Life Account

(In thousands of Rupees)

	1934	1935	1936
Number of Policies	43,82	4,751	49,16
Amount ...	78,78	88,53	91,80
Premiums ...	16,12	19,42	21,78
Claims ...	8,85	5,99	5,77
Expenses ...	4,94	5,88	6,40
Life Fund at the beginning of the year	44,80	58,86	62,92
Life Fund at the end of the year ...	58,86	62,92	74,99
Net increase ...	8,56	9,56	12,07
Ratio of expenses to premium ...	30.6%	28.7%	29.5%

Balance Sheets

Liabilities—	1934	1935	1936
Capital ...	2,19	2,19	2,19
Claims Outstanding	1,77	2,90	2,45
Reserve Funds ...	2,40	2,40	2,62
Life Funds ...	58,86	62,92	74,99
Total Funds ...	55,76	65,82	77,61
Other items ...	165	77	114
Total ...	60,97	71,18	88,89

Assets—			
Gilt-edger ...	14,98	19,90	19,77
Debentures ...	86,05	86,54	50,40
Stocks and Shares ...	9	90	128
Deposits ...	1,78	4,08	5,19
Loans on Policies ...	4,06	5,46	6,19
Cash ...	16	7	15
Other items ...	8,90	4,28	4,40
Total ...	60,97	71,18	83,89

JUPITER GENERAL INSURANCE COMPANY, LTD.

(Established 1919)

Head Office:—Bombay.

The Jupiter has had a good year. The net profit for the year ended June 30, 1936 carried to the balance-sheet amounted to Rs. 1,90,926—a satisfactory result to which all branches of the company's business contributed. In the fire department, the net premium income, after reducing re-insurances, amounted to Rs. 12,97,035 and the losses on claims paid and outstanding came to Rs. 5,05,332-3 working out at 38.96 per cent. of the premium revenue. The total expenses of this department came to Rs. 7,45,825 amounting to 57.50 per cent of the premium received for the year. The Fire Fund at Rs. 9 lakhs is equivalent to 69.39 per cent. of the premium income. Rs. 52,278 was carried to the profit and loss account. The net receipts in the Marine branch totalled Rs. 2,00,680 and outgoings in respect of claims paid and admitted took up Rs. 49,375, representing 24.60 per cent. of the premium income. Expenses, however, appear to have been on the high side at Rs. 123,284. The profit and loss account received Rs. 29,771-10 and the Marine Fund at Rs. 230,000 is well in excess of the year's premium income. Revenue from the accident department totalling Rs. 1,60,932 suffered a diminution of Rs. 76,460 through payments in regard to claims, equivalent to 47.51 per cent. of the premium income. Revenue from the accident department totalling Rs. 1,60,932 suffered a diminution of Rs. 76,458 through payments in regard to claims, equivalent to 47.51 per cent. of the premium income. Total expenditure on this branch amounted to Rs. 80,736, that is to say, 50.16 per cent. of the premium income. The Accident Fund is maintained at Rs. 1,20,000 equal to 74.56 per cent. of the premium income.

Transfer from the profit and loss account of Rs. 2,937 to this branch leaves it stronger.

A satisfactory increase in life business is attested in the larger number of policies, namely 957, issued assuring a total sum of Rs. 16,29,750, the premium thereon being Rs. 90,041. Inclusive of bonus Rs. 69,148 was paid out in respect of claims. The total revenue in this branch from premiums received came to Rs. 4,17,107 and interest fees etc., to Rs. 22,736. Total disbursements amounted to Rs. 2,41,043, leaving a credit balance of Rs. 1,98,799-13-11. This has been utilised to strengthen the Life Fund raising it from Rs. 6,24,553 to Rs. 8,23,353. The total value of assurances in force at the end of the year amounted to Rs. 69,07,883. Besides the transfer of profits from the fire and marine branches, interest and profit on investments etc. brought in Rs. 1,53,641. After making certain adjustments, the profit is shown at Rs. 1,76,523, which aided to the sum of Rs. 14,303-5-10 brought down from the past year, left Rs. 190,827 available for distribution. Dividends on ordinary and preference shares at 5 per cent. and 6½ per cent. respectively absorbed Rs. 93,747 and Rs. 32,478 respectively. The sum of Rs. 55,000, is carried forward to the next year's account, and the Directors' proposal to give a month's salary as bonus to the staff amounting to Rs. 9,600 received the sanction of the shareholders at the annual meeting.

Changes in the balance-sheet call for little notice. The funds of the company increased by Rs. 2,46,431 to Rs. 49,22,548. Part of the company's investments is in U. S. securities, mostly railroad and utility stocks, which should have shown a fair profit through capital appreciation in the course of the year, but are shown at book cost. The total value of investments stood at Rs. 37,48,812 and cash assets and outstanding balances receivable are shown at Rs. 5,04,068 and Rs. 7,52,000. In view of the market value of investments exceeding the book value by over Rs. 4,22,000 at the end of the year, no appropriations have been made to a depreciation, but the balance-sheet show the security depreciation fund at Rs. 80,000 and the reserve for bad and doubtful debts at Rs. 1,20,000.

In a field in which competition is admittedly keen, the company more than held its own and improved its position. During the seventeen years of the company's working there is little doubt that

the Managing Agents' influential connections have stood the company in good stead.

Life Account

New Business—	(In thousands of Rs.)		
	1933-34	1934-35	1935-36.
Number (actual) ...	768	794	957
Amount ...	14,78	14,84	16,80
Premiums on New Business ...	86	84	1,07
Total Premiums ...	8,11	8,62	4,17
Claims ...	1,10	1,09	80
Expenses ...	1,08	1,24	...
Life fund at the beginning of the year ...	3,61	4,59	6,25
Life fund at the end of year ...	4,59	6,25	8,28
Ratio of expenses to premium ...	84.8%	89.9	...

Fire Account.

Premiums ...	14,04	12,85	12,97
Claims ...	5,72	4,81	5,05
Expenses ...	6,61	7,20	7,08
Total Reserves ...	8,75	8,80	8,80
Ratio of claims to premium ...	40.7%	37.4%	...
Ratio of expenses to premium ...	47.1%	40.0%	58.2%
Ratio of reserves to premium ...	62.8%	68.5%	67.85%

Marine Account

Premiums ...	1,82	1,71	2,01
Claims ...	55	28	49
Expenses ...	76	1,15	1,20
Total reserves ...	2,20	2,20	2,25
Ratio of claims to premium ...	41.7%	18.4%	59.7%
Ratio of expenses to Premium ...	57.6%	67.44%	17.24%
Ratio of reserves to premium ...	166.6%	181.58%	...

Accident Account

Premiums ...	1,51	1,85	1,61
Claims ...	74	60	76
Expenses ...	80	74	78
Total reserves ...	1,10	1,10	1,10
Ratio of claims to premiums ...	49.0%	44.9%	...
Ratio of expenses to premiums ...	58.0%	55.0%	...
Ratio of reserves to premiums ...	72.8%	81.7%	...

Balance Sheet.

Liabilities—	1934	1935	1936
Capital ...	28,75	28,75	28,75
Funds—			
Fire ...	8,75	8,80	9,00
Marine ...	2,20	2,25	2,80
Accident ...	1,10	1,10	1,20
Life fund ...	4,59	6,25	8,28
Other funds ...	4,59	4,41	...
Total funds ...	21,28	22,81	20,78
Other items ...	11,48	12,19	17,44
Total ...	58,41	58,75	61,62

Assets—

Investments ...	86,27	87,66	87,49
Branch, agent's and other balances ...	7,04	7,18	7,52
Other items ...	9,71	11,24	11,87
Cash ...	8,89	2,72	5,04
Total ...	56,41	58,75	61,62

Profit and Loss Account

Receipts—			
Brought in ...	14	18	14
Transferred from—			
Fire Account ...	43	54	52
Marine Account ...	7	84	80
Accident Account ...	2	8	...
Interest ...	1,00	114	1,02
Other items ...	40	21	52
Total ...	206	289	2,50
Disbursements—			
Amount ...	126	126	126
Allocations ...	84	9	9
Other items ...	22	44	60
Carry forward ...	24	60	55
Total ...	2,06	289	2,50

THE LAKSHMI INSURANCE CO., LD.

(Established 1924)

Head Office: LAHORE.

The vigorous adolescence of the Lakshmi Insurance Company is amply borne out by the rapid and gratifying progress of recent years. Heartening as the results of the past few years have been, they are eclipsed by those recorded in the year ending April, 1936. New business amounted to over Rs. 1.4 crores in respect of 7,677 policies issued. The new business yielded a premium income of over Rs. 7 lakhs. The rapid development of the Company since its establishment in 1924 has been the subject of favourable comment, which has translated itself into the epithet, the 'Infant Prodigy,' well deserved indeed in the circumstances.

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 three years the new business of the company has exceeded the one crore mark and during the year under review the company has shown ex-

The Thirteenth Triumph

POLICIES ISSUED IN 1936-37

ONE CRORE AND FIFTY-ONE 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 Thirteenth Year creates yet another landmark 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 and MOMBASA (Kenya).**

ceptionally good progress and the life fund at the end of 1935-36 stood at Rs. 69.6 lakhs. The new business completed by the company during the year 1935-36, exceeded Rs. 1.4 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, 1936, the Company received 8,918 proposals amounting to Rs. 1.72 crores and of these 7,677 proposals resulted into policies assuring a sum of Rs. 1.40 crores. The total income during the year amounted to Rs. 27.43 lakhs of which the premium income represented a sum of Rs. 24.23 lakhs. On the outgo side claims by death and maturity took Rs. 6.10 lakhs while management expenses absorbed Rs. 8.41 lakhs. The expense ratio at 34.7 per cent. shows a slight increase compared with that of the previous year. This is indeed remarkable in a year when the new business of the company has been increased by nearly 20 per cent. The life fund at the end of the year stands at Rs. 69.64 showing a considerable increase 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 addition to the general reserve of Rs. 2 lakhs by transferring to it a sum of Rs. 1.3 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.

The third valuation of the Company disclosed a wholly satisfactory state of affairs and the increase in the rates of bonus to Rs. 16 per 1,000 on Endowment policies and Rs. 20 per 1,000 on whole life policies from the surplus of assets should contribute to an increase in the popularity of the Company.

New Business—	(In Thousands of Rs.)		
	1933-34	1934-35	1935-36
Number of policies (actual) ...	5,592	6,708	7,677
Amount assured ...	1,00.41	1,20.60	1,40.17
New Premiums ...	4.11	4.81	5.69
Total Premiums ...	17.28	20.86	24.24
Claims ...	2.05	3.47	6.11
Expenses ...	5.68	7.10	8.41
Life fund at the beginning of the year ...	87.94	49.09	59.18
Life fund at the end of the year ...	49.09	59.18	69.64
Net increase ...	11.15	10.04%	10.51
Ratio Expenses Premiums ...	82.8%	84.0%	84.7%

Balance Sheet.			
Liabilities—			
Capital ...	...	1,01	1,01
Life fund ...	...	49,09	59,13
Outstanding claims ...	...	88	1,10
Other items ...	...	6,68	5,40
Total ...	...	57,61	66,64
Assets—			
Giltedge securities ...	...	10,91	23,38
Loans on life policies ...	...	2,13	2,75
Other loans and Mortgages ...	...	22,91	18,68
House Property ...	...	11,44	11,48
Other Assets ...	...	4,82	6,97
Cash ...	...	5,40	3,88
Total ...	...	57,61	66,64

THE METROPOLITAN INSURANCE COMPANY, LTD.

(Established 1930)

Head Office:—28, Pollock St., Calcutta.

Another vigorous infant, the Metropolitan, has given evidence of greater vitality in the last year. Started in 1930, the Company secured new business to the value of nearly Rs. 40 lakhs. In the second year, it rose by Rs. 2½ lakhs and in the third it increased by another Rs. 2 lakhs. The results for the year ended March 31, 1936, are even more flattering. New business resulted in the issue of policies for over Rs. 70.19 lakhs. A more encouraging index is the gradual fall in the expense ratio from 63 per cent. in 1935 to 56.2 per cent. in 1936. The Life Fund has grown steadily and stood at Rs. 4.74 lakhs at the end of March, 1936, as against Rs. 2.77 lakhs at the beginning for the year.

The Company's more stable position is indicated in the deposit of Rs. 2 lakhs worth of securities with the Government. The advance in premium revenue more than makes up for the increase under claims to Rs. 70,365-10 and the lapse ratio in the year was lower at 18.1 per cent.

The first valuation of the Company by the Company's actuary permitted the declaration of a bonus at Rs. 15 and Rs. 11 per 1000 per annum on whole life and endowment policies respectively. The revenue account shows a total premium revenue of Rs. 6.06 lakhs and interest receipts of Rs. 18,628-4. In the balance sheet, the Life Fund of Rs. 4.74 lakhs

NATIONAL INSURANCE COMPANY, LIMITED

Head Office:

7, COUNCIL HOUSE STREET
CALCUTTA

'Phone: Cal. 5726, 5727 and 5728

IMPRESSIVE FIGURES:

New Business in 1936 exceeds	...	Rs. 1,75,00,000
Life Assurance Fund exceeds	...	.. 2,72,00,000
Total Assurance in force exceeds	...	.. 11,00,00,000
Total Claims paid exceed	...	.. 1,75,00,000
Total Assets exceed	...	.. 3,00,00,000
Expense Ratio	...	26.3%

**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

*Branch and Agency Offices throughout India, Burma
Ceylon, Federated Malay States and British East Africa*

and the capital of Rs. 1 lakh are the principal liabilities. A small reserve of Rs. 5,000 for income-tax and super-tax and claims outstanding amounting to Rs. 47,572-12 are also shown. Out of the total assets Rs. 1,72 lakhs have been invested in Government securities. A considerable proportion has been laid out in advances on the security of life policies and in loans to various joint stock companies at an average rate of 6 per cent. Advances in at an average rate of 6 per cent. respect of premia total Rs. 39,544-14 and the dead stock, less depreciation, is valued at Rs. 14,742-4-6. Cash items amount to Rs. 55,204-0-2 and the Company's outstanding premia, etc., amount to Rs. 49,988-11-6. The organisation of the Company has enabled it to give a good account of itself even during the first stage of its career, and aided by an influential directorate, progress in the coming years should be solid and uninterrupted.

NATIONAL INDIAN LIFE INSURANCE COMPANY

(Established 1907)

Head Office: CALCUTTA.

It is not long since the National Indian Life Insurance Company earnestly set about procuring a share of life insurance business in keeping with its age, its soundness and the influence and standing of its Managing Agents. The new regime began with the assumption of the Managership by Mr. S. P. Bose ; and considering the very short period he has been in charge, the progress that has been achieved must be deemed highly creditable. The National Indian never left anything to be desired in the matter of financial soundness ; and it is a matter of gratification that it has now made a good start in a career for expansion. The report for 1936 shows that the company passed through a year of encouraging results. In their report for 1936, the Directors observe that in the completion of business for over Rs. 50 lakhs in respect of 3,263 policies issued last year, out of 4,754 proposals received, the management has achieved a record for the company. The total income of the company increased from about Rs. 11.7 lakhs to Rs. 12,94,622 out of which over Rs. 10.3 lakhs was secured from premiums paid, the contribution of new business done in 1936 being Rs. 2.4 lakhs. The Life Fund was increased by Rs. 2.44 lakhs to over Rs. 57.3 lakhs. The total assets according to the accounts exceed Rs. 62 lakhs. Stock Exchange securities totalling over Rs. 37.12 lakhs are shown as per valuation on December 31, 1934, or at cost when acquired subsequent to that date. Advances on mortgages totalling Rs. 8.82 lakhs, about Rs. 9.4 lakhs invested in select prior charge securities and over Rs. 15 lakhs in loans of public bodies indicate a wholesome diversification of investments.

The marked increase in new business had a somewhat adverse effect on the expense ratio and the total expenditure on account of commissions, salaries etc. amounted to over Rs. 4.29 lakhs. But the new premium revenue of over Rs. 2.4 lakhs assisted in the raising of the Life Assurance Fund to over Rs. 57.3 lakhs. The Profit and Loss account is credited with Rs. 43,942-8-10 at the end of the year and the shareholders are to receive a dividend of 12½ per cent. Completing as it will do nearly 30 years of working this year, the company's progress, if not spectacular has been steady and sure. The balance sheet indicates that liabilities in

(In Thousands of Rs.)

	1938	1935	1936
New Business—			
Sum assured ...	44,88	68,97	70,20
Total Premiums ...	2,91	5,76	6,06
Life fund at the beginning of the year ...	62	1,17	2,77
Life fund at the end of the year			
Net increase ...	1,17	2,77	4,74
Claims ...	55	1,60	1,97
Expenses ...	28	55	70
Ratio of Expenses to Premium ...	2,20	8,78	8,61
	75.6%	68%	56.2%

Balance Sheet.

Liabilities—			
Capital ...	1,00	1,00	1,00
Life Assurance fund ...	1,17	2,77	4,74
Claim outstanding ...	21	28	48
Other items ...	80	29	85
Total ...	2,68	4,84	6,57
Assets—			
Investments ...	1,88	2,12	1,78
Advances ...	2	7	40
Cash ...	80	85	56
Other items ...	1,08	1,80	8,88
Total ...	2,68	4,84	6,57

respect of claims, bills, security deposits etc. are on the small side, while the assets column showing over Rs. 56.5 lakhs in securities and advances points to a very sound position, in which the assets have been distributed with judgment and skill. The vitality of life assurance in India is reflected in the progress made by the National Indian as by other older companies and the report and accounts will doubtless meet with a favourable reception at the annual meeting due to be held on June 7.

Life Account
(In thousands of Rupees)

New Business—	1934	1935	1936
No. of Policies ...	2,684	2,714	3,263
Net sum Assured ..	86.93	48.32	50.15
Net new Premiums ...	1.57	2.00	2.40
Total net Premiums ...	8.43	9.08	10.80
Interest ...	2.64	2.62	2.64
Claims by death ...	1.97	1.98	...
Claims by maturities	3.02	2.62	...
Commission and Expenses ...	3.26	3.59	4.30
Life fund at beginning of year ...	44.98	52.50	54.86
Life Fund at year end	52.50	54.86	57.80
Increase in Fund ...	7.52	2.86	2.44
Ratio of expenses to Premium ...	88.7%	89.5%	41.8%

Balance Sheet

Liabilities—	1934	1935	1936
Capital ...	1.00	1.00	1.00
Life Fund ...	52.50	54.86	57.80
Outstanding Claims ...	3.02	3.00	2.79
Other Items ...	85	1.24	1.28
Total ...	57.87	60.10	62.87

Assets—

Giltedge ...	15.04	13.88	18.47
Debentures ...	16.69	16.88	18.16
Mortgages and Loans	19.17	20.30	16.96
Others shares and investments ...	2.77	5.84	7.95
Cash ...	58	65	2.65
Other Items ...	3.12	2.77	3.18
Total ...	57.87	60.11	62.87

Profit & Loss Account

Receipts—			
Brought in ...	28	17	49
Interest ...	7	8	7
Shareholders' share of valuation Surplus ...	...	37	...
Total ...	35	25	56
Disbursements—			
Dividends to Shareholders ...	18	18	18
Carried forward ...	17	49	48
Total ...	35	67	66

NATIONAL INSURANCE COMPANY LIMITED

(Established 1906)

Head Office :—Calcutta.

The thirtieth report of the National Insurance Company records a further expansion of business in keeping with the company's reputation. New business secured by the company last year resulted in the issue of 7,916 life policies out of 10,586 proposals received, assuring a total sum over Rs. 1.75 crores. The net premium income from new life business was over Rs. 7.9 lakhs, after deducting premia for re-assurance. The total premium income in 1936 was over Rs. 49.35 lakhs as against Rs. 47.07 lakhs in the previous year. The receipts from interest and dividends less tax, was over Rs. 13.2 lakhs compared with Rs. 11.57 lakhs in 1935. Outgoings in respect of claims by death amounted to Rs. 8,12,942 and together with claims on matured policies accounted for a payment of Rs. 21,23,720, while payments for surrender value amounted to Rs. 4.37 lakhs. Management expenses, including commissions, absorbed Rs. 12.99 lakhs or 26.3 per cent. of the premium income compared with 25.8 per cent. in the previous year. But the small rise in the ratio is one that must be set down to the increase in new business and the adoption of improved mechanised office methods. The Life Assurance Fund, which was over Rs. 2.53 crores at the beginning of the year, has received an addition of about Rs. 20 lakhs from the excess of receipts shown in the life revenue account and stood at Rs. 2.73 crores at the end of the year. While the increase in funds was Rs. 20 lakhs against Rs. 28.2 lakhs in the preceding year, it must be mentioned that the last year witnessed an increase under claims and surrenders, while the expenses of the 1935 valuation and transfer of Rs. 1.95 lakhs to shareholders profit and loss account were additional items.

The Guarantee Department had a premium income of Rs. 33,008 out of which Rs. 14,625-12-8 was taken by claims and Rs. 22,270-12-7 by expenses of management. The transfer of Rs. 6,666-7-3 nevertheless left the Guarantee Fund at Rs. 13,203-3 compared with Rs. 10,425-5 at the commencement of the year. Rs. 262,867-13-11 is carried from the profit and loss account of the life branch after providing for the dividend in respect of 1935, income-tax etc.

The balance sheet as usual leaves very little to be desired. The capital is unchanged at Rs. 1,00,000 but the Life Fund is over Rs. 2.72 crores. The contingency reserve fund of Rs. 1.73 lakhs and Rs. 18.8 lakhs due on outstanding liabilities of the Life Fund are the other main items on the liabilities side. The General Reserve Fund of Rs. 2 lakhs shows no change on the previous year, and the Investment Reserve Fund too is maintained at the previous level. The assets of the Life Fund are shown at over Rs. 2.93 crores, and investments in the Fire and General subsidiary and sundry debentures are shown at Rs. 4.59 lakhs. Total assets are now at Rs. 3 crores compared with Rs. 2.77 crores at the end of 1935.

The assets of the Life Fund, amounting to over Rs. 2.93 crores are shown in a separate balance sheet. A high proportion is invested in gilt-edged securities, besides the deposit of Rs. 7 lakhs, shown at cost. About Rs. 26 lakhs are laid out on first mortgages within India, and loans to policy-holders amounting to Rs. 39.44 lakhs are higher compared with the previous year. Investments in railway debentures and shares remain a feature, and the only items with contingent liability is the investment in Imperial Bank shares and sundry joint stock company preference shares. The value of house property owned by the company is shown at Rs. 26.13 lakhs and is covered by provision for depreciation. Outstanding premiums, interest and dividends due amount to about Rs. 11.5 lakhs and cash items at over Rs. 3.54 lakhs provide a margin for unexpected calls.

The directors state that the difference between the cost and market value of the securities on December 31, 1936, was over Rs. 14.6 lakhs, indicating that care continues to be bestowed on the work of distributing the funds in securities whose value will not suffer any adverse changes, and in spite of the recent decline in gilt-edged stocks, the difference between ledger value and market value must constitute an internal reserve of fair dimensions.

The fire and general subsidiary too passed through a prosperous year with a highly satisfactory claim experience. The premium income amounted to over Rs. 3.09 lakhs, and claims, paid and outstanding, were responsible for a disbursement of Rs. 1.05 lakhs. Commission and expenses, however, remained high and took up over Rs. 1.86 lakhs, but the Fund received an increment of about Rs. 26,000 and stood at over Rs. 1.03 lakhs at the end of the year. In the separate balance sheet appended the

liabilities, inclusive of a capital of Rs. 3 lakhs amount to over Rs. 5.73 lakhs. Over Rs. 3.52 lakhs are in investments and deposits and premiums due, agents' balances and cash amount to over Rs. 1.87 lakhs. The amount brought into the balance sheet from the profit and loss account is Rs. 2,061-5-1 after transfer of Rs. 8,000 to the revenue account, so that underwriting profits were meagre, in comparison with the life branch.

Life Account.

	(In thousands of Rs.)		
New Business—	1934	1935	1936
Number (actual) ...	8,558	8,215	7,916
Amount ...	1,69,58	1,78,06	1,75,22
Premiums on New Business ...	6,80	7,62	7,91
Total premiums ...	44,20	47,07	49,85
Interest and dividends ...	9,58	11,58	18,21
Claims by death ...	7,18	9,27	8,19
Claims by maturity ...	9,50	10,65	18,11
Expenses ...	11,67	12,14	18,22
Life fund at the beginning of the year ...	2,04,07	2,24,62	2,52,84
Life fund at the end of year ...	2,24,62	2,52,84	2,72,67
Net increase in life fund ...	20,55	28,22	19,88
Ratio of expenses to premium ...	26.4%	25.8%	26.3%

Balance Sheet.

Liabilities—			
Capital ...	1,00	1,00	1,00
Life fund ...	2,24,62	2,52,84	2,72,67
Other funds ...	4,04	4,26	4,79
Total funds ...	2,28,66	2,57,10	2,77,46
Other items ...	15,51	18,72	21,56
Total ...	2,45,17	2,76,82	3,00,02
Assets—			
Giltedge securities ...	88,86	29,20	89,89
Bonds ...	90,65	91,75	98,87
Ordinary shares ...	14,19	49,56	48,50
Loans on Life policies ...	81,92	86,83	89,44
Other loans and mortgages ...	28,96	23,01	25,91
House property ...	24,72	25,61	26,18
Cash ...	5,64	5,46	8,65
Other items ...	15,78	15,90	18,68
Total ...	2,45,17	2,76,82	3,00,02

Profit and Loss Account.

Receipts—			
Brought in ...	1,15	1,12	81
Transferred from Revenue accounts ...	4	...	1,94
Other items ...	8	7	7
Total ...	1,27	1,19	2,82



for
**SERVICE
 AND SECURITY**

THE NEW INDIA ASSURANCE

COMPANY, LIMITED

Head Office :—B O M B A Y

Transacting

**FIRE, LIFE, MARINE, MOTOR CARS,
 ACCIDENT, ETC.**

Subscribed Capital	. . .	Rs. 3,56,05,275
Paid-up Capital	. . . . .	„ 71,21,055
Total Funds	. . . . .	„ 2,13,94,387

Calcutta Branch:

9, CLIVE STREET

P. O. Box 113 ∴ Phone: CAL. 3100 & 3101

Branches and Agencies throughout the World

Disbursements—			
Dividend rate %	...	12	12
Dividend amount	...	12	12
Allocations	...	8	26
Transferred to Balance Sheet	...	1,12	81
Total	...	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 Insurance 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)

	1934	1935	1936
Premium ...	84,79	85,92	29,42
Claims ...	...	16,91	18,54
Reserve at 40% of			
Premium ...	18,92	14,87	11,77
Additional reserve ...	20,35	22,10	22,35
Total reserve ...	84,27	86,47	84,12
Ratio of claims to Premium ...	56.8%	47.8%	46%
Ratio of expenses to Premium ...	45.1%	44.2%	
Ratio of reserves to Premium ...	98.5%	101.5	115.9%

Marine Account.

Premiums ...	19,86	19,45	21,20
Claims ...	14,66	16,28	17,18
Expenses ...	8,48	1,42	4,81
Total reserves ...	24,80	25,10	25,88
Ratio of claims to Premium ...	75.7%	83.4%	81.3%
Ratio of expenses to Premium ...	17.7%	19.4%	20.8%
Ratio of reserves to Premium ...	128.1%	129.1%	122%

Accident Account.

Premiums ...	5,42	6,48	9,87
Claims ...	1,95	2,68	4,28
Expenses ...	2,05	89	8,81
Reserve at 40% of Premium ...	2,17	2,57	3,75
Additional reserves ...	8,00	8,90	5,40
Total reserves ...	5,17	6,47	9,15
Ratio of claims to Premiums ...	86.0%	41.7%	45.7
Ratio of expenses to Premiums ...	87.8%	87.5%	85.8%
Ratio of reserves to Premium ...	95.8%	100.7%	97.6%

Life Account.

	1984	1985	1986
New Business—			
Number of policies ...	5,890	6,809	71,80
Amount assured ...	1,11,67	1,41,02	1,67,00
Premium on new business ...	5,48	6,60	7,71
Total premiums ...	14,85	20,58	81,19
Claims by Death ...	124	211	259
Expenses ...	6,98	8,15	16,55
Life Fund at beginning of year ...	8,68	15,45	40,82
Life Fund at year-end ...	15,45	26,84	52,06
Net increase in funds ...	6,77	10,89	18,24
Ratio of expenses to Premium ...	47.2%	89.7%	88.9%

Balance Sheet.

Liabilities—			
Capital ...	71,21	71,21	71,21
Fire Fund ...	84,27	86,46	84,12
Marine Fund ...	24,80	25,10	25,88
Accident Fund ...	5,17	6,47	9,15
Life Fund ...	15,45	26,84	59,96
Reserve Funds ...	7,26	7,82	8,50
Amounts due to other Companies ...	88	8,08	8,71
Outstanding claims ...	7,70	5,00	5,04
Other Liabilities ...	18,85	22,26	26,51
Total ...	1,85,59	2,08,19	2,48,08

Assets—

Giltedge Securities ...	1,08,87	1,00,87	1,00,28
Debentures and Preference Shares ...	8,86	16,72	21,89
U. S. A. Investments ...	22,44	15,48	12,68
Agency and branch Balances ...	1,59	1,77	18,68
Cash ...	12,44	10,82	10,88
Life assets ...	21,02	82,85	68,90
Other Assets ...	16,08	24,68	16,42
Total ...	1,85,59	2,08,19	2,48,08

Profit and Loss Account.

Receipts—			
Brought in ...	2,08	2,15	2,01
Transferred from Fire account ...	1,78	2,28	4,06
Accident Account ...	1,01	24	68
Marine Account ...	86	12	...
Interest, etc. ...	4,22	5,26	4,26
Other receipts ...	19	25	38
Total ...	10,11	9,81	11,27

ORIENTAL GOVERNMENT SECURITY LIFE ASSURANCE CO., LTD.

The reports of many insurance companies for the year 1936 testify to a progressive improvement in business, and the unusual satisfactory experience of leading British companies finds its counterpart in the substantial progress made by some of the leading Indian companies during the past year. A satisfactory increase in new business, a strengthening of funds and a favourable record in regard to claims may be described as general features. And in India they constitute also reliable indications of the increasing popularity of life insurance. The average rate of return on the company's funds was 4.7 per cent. against 4.96 per cent. in the previous year, the decline being explained partly by the low yield on new investments and partly by the increase in the funds consequent on taking credit for the rise in the values of investments as explained in the report. The difference between the aggregate book value of the company's investments and the market values amounted to over Rs. 4.41 crores at December 31, 1936; and even after the downward movement in giltedge prices since then the corresponding difference in values would amount to nearly Rs. 2.99 crores.

In appreciation of the services of the staff the Directors recommend a bonus of one month's salary, and out of the profits, provision is made for a dividend at the rate of 6½ per cent. as in the previous year, absorbing Rs. 375,000. The revenue account shows a total premium income of over Rs. 2.99 crores and interest receipts of over Rs. 82 lakhs, which have enabled the Directors to add over Rs. 1.41 crores to the Trust Fund, and together with the gains from investments and the revaluation of securities, raised the Trust Fund to over Rs. 14.72 crores. The balance-sheet shows that additional funds totalling over Rs. 4.47 crores added to the capital and the Contingency Reserve leave the company with over Rs. 19.35 crores. Total assets are shown at over Rs. 20 crores against Rs. 17.62 crores at the end of 1935. Bankers' certificates in respect of investments and the auditors' certificate indicating that over Rs. 14.68 crores are held by

the Official Trustee of Bombay strengthen the favourable impression left by a reading of the report and accounts. The review of Sir Purshottamdas Thakurdas at the recent annual meeting will inspire ever growing confidence in the security of an Oriental policy, and others besides those interested as shareholders and policyholders in the affairs of the company, have good reason to be satisfied with the year's results, showing as they do, a further accession of strength to a structure already impregnable.

The advance in revenue and funds (in thousands of rupees) may be gathered from a glance at the table below :

	1984	1985	1986
New business ...	4,28,78	4,88,58	5,62,96
Amount ...	7,62,48	8,89,89	10,28,87
Premium from new business ...	86,49	43,64	55,86
Total premium income ...	2,39,48	2,21,38	2,99,09
Interest ...	71,52	76,98	82,84
Claims by death ...	49,45	55,68	56,48
Claims by maturity ...	58,05	57,65	62,95
Total ...	1,02,50	1,18,88	1,19,44
Commission and expenses ...	55,28	59,62	68,64
Life Fund at beginning of year	18,91,46	15,14,65	16,62,22
Life Fund at end of year	15,14,65	16,62,22	19,20,87

(In thousands of Rs.)

Business—	1984	1985	1986
Number actual ...	42,878	48,858	56,296
Amount ...	7,62,48	8,89,89	10,26,80
Premiums on new business ...	86.69	43,64	49,80
Total premiums ...	2,39,48	2,66,21	2,99,10
Interest ...	71,52	76,98	82,84
Claims			
By Death ...	49,45	55,08	56,49
By Maturity ...	102,50	57,65	62,95
Total ...		118,88	119,44
Commission and expenses ...	55,28	59,62	67,65
(a) At beginning of the year ...	18,91,46	15,14,65	16,62,22
(b) At the end of the year ...	15,14,65	16,62,22	19,85,44
Increase in Funds	1,28,19	1,47,57	2,78,22
Ratio of expenses to premium ...	28.0%	22.4%	22.9%

Balance Sheet			
Liabilities—			
Capital ...	6,00	6,00	6,00
Life Assurance Fund	15,14,65	16,62,22	19,85,44
Investment Reserve Fund	25,00	15,00	...
Contingencies Reserve Fund	5,99	5,99	5,99
Building Fund	2,25	2,41	2,58
Total Funds	15,58,89	17,01,62	19,85,44
Other items	58,11	55,12	52,56
Total	16,18,00	17,62,74	20,04,00
Assets—			
Giltedge	11,78,27	12,79,87	14,76,72
Bonds	1,41,84	1,57,81	1,64,19
Policy Loan	1,12,71	1,89,55	2,02,58
House Property	47,87	48,41	50,99
Other items	52,38	70,74	79,62
Cash	15,48	16,86	20,90
Total	16,18,00	17,62,74	20,04,00

TRITON INSURANCE

The report accounts of the Triton Insurance Co., would for the year ended December 31, 1936, indicate that the Triton has passed through another prosperous year, and as ever the general position of the Company leaves nothing to be desired. As against total premium receipts of Rs. 8,08,410-9-9 outgoings amounted to Rs. 8,12,442-9-11. Interest on investments and transfer fees brought in Rs. 2,11,259-0-6 while commission and expenses accounted for a disbursement of Rs. 3,58,411-9-8. Together with Rs. 69,285-14-10 brought down from the previous year the total receipts provide a surplus of Rs. 3,64,135-9-2 out of which Rs. 50,000 has been added to Underwriting Suspense Account, raising it to Rs. 4,41,407-1-11. The Directors recommend a dividend at the rate of 40 per cent absorbing Rs. 2,30,000 and the balance of Rs. 84,135-9-2 is carried forward. The funds to the credit of General Reserve stands at Rs. 4,50,000 and the reserve against depreciation of investments is maintained at Rs. 3,00,000, the General Reserve for Exceptional losses stands at Rs. 26,75,000. The balance-sheet discloses an exceptionally strong position. While shareholders' capital shows no change at Rs. 5,75,000 the reserves totalling over Rs. 39½ lakhs point to an extraordinarily generous recognition of obligations to policyholders and an unflinching pursuit of security so that the addition of only Rs. 50,000 to Underwriting Suspense Account this year will occasion little surprise. Total

property and assets according to the balance-sheet (shown at cost) amount to Rs. 48,44,584-1-7, practically the entire sum being invested in gut-edged stocks, Indian and Dominion. The investments, in virtue of their capital appreciation, for it seems worth while to point out that over Rs. 23 lakhs have been invested in the 5 per cent. 1945-55 tax-free loan and over Rs. 10 lakhs in the 4 per cent. 1960-70 loan. Balance-sheet items relating to liabilities amount to Rs. 471-969-9-8, but the revenue profit amounting to Rs. 3,14,135-9-2 more than permits the maintenance of the rate of dividend and the higher carry-forward. The further addition to the Underwriting Suspense Account against unexpired risks reflects the habitual caution of the Directors. With disclosed reserves now nearly 5 times the premium income, 1936 may be deemed a year that can well bear comparison with the previous year and the increase in premium revenue, although slight, and accompanied by an increase in respect of claims constitutes an encouraging feature. The maintenance of the previous year's ratio of expenses to premiums in an index of the very satisfactory financial position of a company that in point of soundness stands very high among insurance companies in India or even abroad.

Net Premium Income
Rs.

1981	...	...	6,91,161
1982	...	...	6,51,811
1983	...	...	6,56,797
1984	...	...	7,25,190
1985	...	...	8,02,898
1986	...	...	8,08,410

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
Acciden Reserve Fund	1,00,000
Underwriting Suspense Account	4,41,407
Reserve against depreciation of investments	3,00,000
	89,66,407

Revenue Account:

(In thousands of Rs.)

	1984	1985	1986
Premiums	7,25	8,08	8,08
Claims	2,86	3,15	4,12
Expenses	8,65	8,64	8,41
Reserve Funds	85,25	85,25	85,25
Ratio of Claims to Premiums	39.5%	39.2%	51.0%
Ratio of Expenses to Premiums	118.7%	106.8%	104.2%
Ratio of Reserves to Premiums	123.8%	106.6%	106.8%

Balance Sheet

Liabilities—			
Capital	...	5,75	5,75
General Reserve Fund for exceptional losses	...	26,75	26,75
Other Reserve Fund	...	8,50	8,50
Underwriting Suspense Account	...	3,65	4,21
Debts due by the Company	...	8,17	8,48
Other items	...	3,08	2,99
Total	...	50,90	51,68
Assets—			
Giltedge	...	46,86	47,28
Debts due to the Company	...	2,55	2,78
Cash	...	67	1,02
Other assets	...	88	65
Total	...	50,90	51,68

Profit and Loss Account.

Receipts—			
Brought forward	...	97	78
Interests, etc.	...	...	...
Other items	...	3,44	3,45
Total	...	4,41	4,28
Disbursements—			
Dividend	...	2,80	2,80
Dividend Rate	...	40%	40%
Allocation	...	1,88	1,24
Carry forward	...	78	69
Total	...	4,41	4,28

**THE UNITED INDIA LIFE
INSURANCE CO., LTD.**

(Established 1906).

Head Office: MADRAS.

The advantages of life insurance are gaining greater recognition in India and the batch of Indian insurance company reports reviewed in these columns in recent issues reflect the all-round improvement registered in 1936. Madras has fewer life offices in comparison with other provinces, but Madras offices haven't lagged behind, and as the latest report and accounts of the United India Life Assurance Company indicate, the best of them has continued to make impressive progress. Established in 1906, from very modest beginnings, the United India has developed to its present position as one of the most efficient and best-known of Indian life companies. The steady and

uninterrupted progress of the company received additional impetus last year and the new business secured constituted a record in the company's history. Out of 8,606 proposals received, 6,338 resulted in the issue of policies assuring a total sum of over Rs. 90 lakhs compared with Rs. 85.8 lakhs in respect of 5,960 policies in the preceding year. The increase in new business was followed by a rise in premium income, first premiums totalling over Rs. 4.98 lakhs compared with Rs. 4.84 lakhs in 1935. The total value of business carried on the books at the end of 1936 amounted to over Rs. 3.74 crores, out of which only Rs. 5,362 was subject to reinsurance. The policyholders' Trust Fund, which is an integral part of the Life Fund and constitutes the major portion thereof and is under the supervision of the Official Trustee, received an additional of nearly Rs. 13.69 lakhs during the year and stood at Rs. 85.43 lakhs at the end of the year. The total revenue for the year was over Rs. 23 lakhs compared with Rs. 19.97 lakhs in 1935. The advance in premium revenue enabled the company to make a substantial addition to the Life Fund and also raise the contribution to the Trust Fund as mentioned previously. The Trust Fund, it may be recalled, has first claim on the premium revenue and is a guarantee for the safety of the policyholders' funds.

The revenue account shows receipts of Rs. 21.56 lakhs from premiums. Interest and dividends, on investments provided Rs. 3.45 lakhs and over Rs. 2.71 lakhs was realised from the appreciation in the value of securities. The company's claim experience remained exceptionally favourable, and payments in respect of claims by death and maturity took Rs. 5.11 lakhs a sum which is inclusive of liabilities under outstanding claims. Expenses of management, including commissions, absorbed over Rs. 6.87 lakhs as against Rs. 6.34 lakhs in 1935, but the ratio to premium income is lower at 31.9 per cent. compared with 33.91 per cent. in 1935. This is assuredly, the most encouraging feature of the report and the attempts to reduce the expense ratio, which was on the high side during the past five years, would now appear to be bearing fruit.

The advance in business and income, the lowering of the expense ratio and the small portion of claims to revenue from the bright features of the revenue account. The company's balance sheet also discloses

a very sound position, and it must be added that the policy insured in respect of its investments has been such that over 5 per cent. after payment of tax at source has been secured. This, of course, is something to look upon with satisfaction, and further, the distribution of assets according to the balance sheet conforms to the soundest precedents. On the liabilities side, apart from the Life Fund of over Rs. 76.61 lakhs there an Investment Reserve Fund of over Rs. 5.79 lakhs. Capital remains small at Rs. 80,100 and the Shareholders' Dividend Fund stands at over Rs. 40,000 while over Rs. 3 lakhs is shown under claims intimated or admitted. There is nothing particular to comment on as regards the items under liabilities but the assets column deserves special mention. Out of a total of over Rs. 91.96 lakhs nearly Rs. 14.44 lakhs are invested in mortgages on real estate. Loans to policyholders are shown at Rs. 12.55 lakhs' worth of the 4 per cent. 1960-70 loan is shown at Rs. 1,64,843-12. The Company's investments in Indian Government stocks total Rs. 23.01 lakhs, while holdings of Indian State securities are shown at Rs. 5.06 lakhs. Investments in Municipal and Provincial stocks total Rs. 1.21 lakhs only and Rs. 41,225 are laid out in guaranteed railway stocks. Bank shares and debentures account for Rs. 1.42 lakhs and the value of house property (less depreciation) is shown at Rs. 7.08 lakhs. According to the balance sheet Rs. 15.15 lakhs are carried in fixed deposits with banks and these would appear to immobilise a part of the resources available for selective and profitable investment. It is noteworthy that the company has created a special reserve for bad and doubtful items under Agency advances and balances. The company had claims for over Rs. 1.91 lakhs in respect of interest and dividends outstanding and accrued at the end of 1936 and the outstanding premiums shown in the revenue account at Rs. 2,29,405-10 are included on both sides of the balance sheet. Cash on hand is shown at Rs. 43,817-8-2 and supplements the bank balances of over Rs. 3,48 lakhs, so that a high degree of liquidity is maintained and the total value of claims outstanding is more than covered in full.

In the statement relating to the company's investments there is a substantial difference of over Rs. 3.8 lakhs between the book value for which credit is taken in the balance sheet and the market value

on the basis of the lowest quotations. This is an internal reserve of fair proportions and supplements the reserve fund of over Rs. 5.79 lakhs. The opening of the Calcutta office early this year constitutes a landmark in the career of the company and the company, which has always had just cause for pride in its solicitude for its policyholders, had now paid nearly Rs. 31 lakhs in respect of claims since its foundation. Striking as the progress of the company has been in the last ten years, there has been nothing to call for any adverse comment in the methods adopted to achieve it, and the successful advance of the company in other provinces besides Madras has been convincing proof of the vigorous and judicious conduct of its affairs. To-day, with results that can well bear comparison with any, and a Board that combines the essentials required for a sound yet progressive policy, the United India has certainly achieved a place of distinction among Indian life companies.

(In thousands of Rs.)

New Business—

	1934	1935	1936
Number ...	5,477	5,960	6,388
Amount ...	79,76	85,89	90,08
New Premiums ...	3,82	4,37	4,47
Total Premiums ...	15,75	18,71	21,56
Claims ...	3,95	4,86	5,12
Commission and Expenses ...	5,20	6,34	6,38
Life Fund at the beginning of the year ...	47,65	54,86	63,81
Life Fund at end of the year ...	54,86	63,81	76,62
Net increase in the Fund ...	7,21	10,45	7,81
Ratio of Expenses to Premium ...	33.0%	33.91%	31.9%

Balance Sheet.**Liabilities—**

Capital ...	79	80	80
Life Fund ...	54,86	63,81	76,62
Investment Reserve Fund ...	5,91	5,79	5,79
Outstanding Claims	2,01	2,64	3,02
General Fund ...	59	5	...
Other items ...	4,21	5,11	5,74
Total ...	68,97	77,70	91,97

Assets—

Giltedge Securities	25,17	25,44	29,72
Debentures and Preference Shares ...	1,21	1,21	1,21
Equity Shares ...	70	1,83	1,83
Fixed Deposits ...	14,75	14 00	15,15
Loans on Life Policies ...	8,96	10,89	12,55
Other Loans and Mortgages ...	8,74	12,07	14,44
House Properties ...	2,49	3,95	7,07
Other Assets ...	4,94	6,05	6,02
Cash ...	1,41	2,26	3,98
Total ...	68,97	77,70	91,97

WESTERN INDIA LIFE.

(Established—1913)

Head Office: SATARA CITY.

Satisfactory progress continues to be made by the Western India Life Insurance Company and the report of the Directors for 1936 confirms anticipations of a considerable advance in revenue and funds. For its age, the results are certainly gratifying, and what is more important, they have been obtained by strict adherence to the best methods. The Western India fulfils all the requirements of a good life office and the financial position continues to be undeniably sound. The company's investments were valued on December 31, 1936, at Rs. 83.61 lakhs, while the value as shown in the balance sheet was Rs. 68.24 lakhs, showing a difference of Rs. 15.37 lakhs which is a substantial internal reserve. The selection of investments continues to be on sound lines and the mixing of railway shares, debentures and public utility preference shares with giltedged stocks remains a feature calling for favourable comment. The accounts for 1936 indicate that the Western India has secured its full share of the improvement in insurance business noticed in other companies reports.

The total value of business written by the company at the end of the year was over Rs. 3.2 crores. New business secured during the year resulted in the issue of 5,732 policies assuring a total sum of Rs. 66.4 lakhs, the premium revenue thereon being Rs. 3.43 lakhs. These figures compare favourably with the preceding year when the company issued 4,695 policies for Rs. 51.3 lakhs. The total premium income for 1936, less deductions for reinsurance premiums, amounted to Rs. 16.11 lakh compared with Rs. 13.63 lakhs in 1935, which in

turn was Rs. 2 lakhs above the income in 1934. Interest and dividends as mentioned previously provided Rs. 3.157 lakhs to the revenue account, and the claim experience continued to be very favourable. Payments on death and survival accounted for a disbursement of Rs. 3.54 lakhs and payments of surrendered value took Rs. 82,759. Expenses of management, inclusive of commissions, amounted to Rs. 4.24 lakhs, the ratio to premium income being just over 25 per cent. as against 24.18 per cent. in 1935. But the substantial increase in new business probably accounts for the rise, and considering the age and position of the company, the ratio must be considered satisfactory. The excess of receipts, after providing for depreciation and taxes, is carried to the Life Assurance Fund, which stood at Rs. 70.69 lakhs, showing an increase of Rs. 10.26 lakhs on the Fund at the commencement of the year.

The balance sheet as on December 31, reveals a healthy state of affairs. Besides the Life Fund of Rs. 70.69 lakhs, there are reserve funds of nearly Rs. 6.5 lakhs, and premium deposits of Rs. 1.78 lakhs are held by the company, while the paid-up capital is small, being Rs. 67,750. On the assets side, investments at cost are shown to the value of Rs. 68.24 lakhs distributed thus: over Rs. 6 lakhs in Government stocks; Rs. 12.86 lakhs in Municipal and Port Trust securities; Rs. 37.78 lakhs in Railway shares and Rs. 10.62 lakhs in prior charges of public utility companies. Loans on policies are shown at Rs. 7.5 lakhs and advances total about Rs. 2.75 lakhs. Debts due to the company on mortgages is reduced to Rs. 8,000 and house property, less depreciation, is valued at Rs. 43,569. The company's cash and bank balances total Rs. 1.19 lakhs and outstanding premiums are shown at Rs. 1.1 lakhs. The total value of assets is shown at Rs. 79,59 lakhs compared with Rs. 71.71 lakhs at the end of 1935.

New Business—	1934	1935	1936
Number ...	3,616	4,695	5,782
Amount ...	40,52	51,80	66,41
New Premiums ...	1,34	2,41	3,88
Total Premium ...	11,65	18,64	16,11
Claims ...	2,20	2,65	3,54
Expenses and Commission ...	2,77	3,80	4,24
Life fund at the beginning of the year ...	42.82	50.99	60.48
Life fund at the end of the year ...	50.99	60.48	70.69

Net increase in fund ...	8,67	9,44	10,26
Ratio of Expenses to Premiums ...	23.8%	24.2%	26.8%

Balance Sheet			
Liabilities—			
Capital ...	68	68	68
Life fund ...	50,99	60,48	70,69
Reserve funds ...	5,82	6,41	6,87
Outstanding claims ...	1,46	1,22	2,10
Other liabilities ...	2,74	2,97	3,86
Total ...	61,69	71,71	88,20

Assets—			
Investment ...	58,81	60,77	68,25
Loans on policies...	4,75	6,49	7,50
Other loans and mortgages ...	81	1,08	3,58
House Property ...	15	44	43
Other assets ...	2,67	2,93	3,44
Total ...	61,69	71,71	88,20

ZENITH LIFE ASSURANCE CO.

Among the smaller Indian insurance companies the Zenith Life Insurance Company has continued to make progress, and the results for 1936 testify to the popularity it has acquired by its enterprise. New business amounting to 1,000 policies to the value of over Rs. 33.2 lakhs was underwritten as against Rs. 33.79 lakhs. The total income improved from Rs. 6,65,156 in 1935 to Rs. 6,99,138 during the past year, the contribution of premiums received being over Rs. 6.2 lakhs. Payments in respect of claims involved a sum of Rs. 1,62,353 and the expenses of management inclusive of commissions and salaries, absorbed over Rs. 3 lakhs appeared to be on the high side, indicating little change in the ratio of expenses to premium income. The high expense ratio is to some extent the consequence of the increasing competition for new business. The company has, however, left no part of the expenses incurred for the procurement of new business to be written off in subsequent years.

The advance in income brings the Life Fund to Rs. 17,70,550 the increase at the end of the year being over Rs. 2,83,000. The balance-sheet makes a good showing, total investments as per valuation on December 31, 1936, being shown at Rs. 17,98,537. Loans to policy-holders stand at Rs. 1,59,196-9 against Rs. 1,30,576 at the end of 1935 although the Directors remark that several old loans were returned. The paid-up capital is unchanged at

Rs. 50,000 and the Reserve Fund too is unchanged at Rs. 12,567. Liabilities in regard to claims are shown at over Rs. 1,15,000. The Life Fund at the end of the year was Rs. 17,70,550-1-3 against Rs. 14,87,525-6-5 at the beginning of the year. Investments are shown at over Rs. 14.83 lakhs and cash balances at Rs. 55,998-9-11 are lower in comparison with the previous year.

The results are stated to be fully up to expectations and the substantial increase in the Life Fund and assets following an expansion of business and revenue, will, doubtless, make a favourable impression, which will reinforce the skill and resourcefulness shown by the company in launching new schemes designed to appeal to policyholders, present and prospective.

(In thousands of Rs.)

	1934	1935	1936
New Business—			
No. of Policies ...	1,508	1,902	1,909
Sum Assured ...	29,87	88,79	88,21
Premium on new business ...	1,19	1,89	1,88
Total Premium ...	5,82	6,08	6,21
Claims by death ...	75	1,01	98

Claims by maturities	26	95	65
Commission and Expenses ...	2,64	8,02	8,22
Life Fund at beginning of year ...	11,48	18,52	14,88
Life Fund at year-end ...	18,52	14,88	17,71
Increase ...	2,09	1,86	2,88
Ratio of Expenses to Premium ...	49.6%	50.1%	51.1%

Balance Sheet

Liabilities—			
Capital ...	50	50	50
Life Fund ...	18,52	14,88	17,71
Reserve Funds ...	77	78	18
Outstanding Liabilities and Claims ...	99	1,88	1,40
Premiums Deposits...	11	11	7
Total ...	15,89	17,60	19,81
Assets—			
Giltedge ...	12,95	11,86	14,66
Loans on Policies ...	1,18	1,81	1,59
Cash ...	58	8,10	56
Othe items ...	1,28	1,88	8,00
Total ...	15,89	17,60	19,81

ZENITH LIFE

SAFETY FIRST

ASSURANCE

CLEAN SERVICE

COMPANY LTD

JUST-FAIR

OF BOMBAY

DEPENDABLE

CONCORD OF INDIA

A newcomer in the field, the Concord of India Insurance Company, whose progress in recent years has been conspicuously satisfactory, made sustained progress during the past year. Concentrating on fire, marine and accident business the company has been greatly assisted by the influential connections of the managing agents, Messrs. Andrew Yule and Company. The Directors' report for the year ended December 31, 1936, states that the fire branch provided a net premium income of over Rs. 3.25 lakhs. Claims paid and outstanding took about Rs. 86,000 representing a loss ratio of 26.37 per cent. only. The Fire Fund is maintained at Rs. 2,44,406 being 75 per cent. of the premium income. Expenses and commission absorbed Rs. 1,68,768 and the profit and loss account is credited with Rs. 77,259. The expansion of revenue in the Marine branch is a significant feature of the report. Premiums, after deducting reinsurance, provided Rs. 31,234 and claims took Rs. 14,193, the loss ratio working out at 45.44 per cent. The expenses of management amounted to Rs. 5,879 and the excess of receipts is used to raise the Marine Fund from Rs. 7,110 to Rs. 12,443 and for the transfer of Rs. 5,779 to the Profit and Loss Account.

The Profit and Loss Account, after allowing for this transfer to the Accident Fund, shows a credit balance of Rs. 79,781. In conformity with the Directors' decision, based on their former policy, the sum of Rs. 70,000 is transferred to General Reserve in order to augment the resources of the company, leaving Rs. 9,781 to be carried forward. A study of the balance sheet as at December 31, 1936, leaves the impression that the company has not altered its prudent and far-sighted policy. The paid-up capital of Rs. 3 lakhs is supported by a share premium fund of Rs. 20,000. Besides the Special Funds, there is a General Reserve of Rs. 1,50,000. The other liabilities shown are deposits amounting to Rs. 17,501 and Rs. 47,290 due to other companies for re-insurances. Sundry creditors have claims for 1,01,274 and the sums due on claims admitted but not paid less reinsurance recoveries amount to Rs. 71,978. Other finance is shown as a liability to the tune of Rs. 11,720 and the balance to the credit of profit and loss account is shown at Rs. 9,781.

The company's assets consist of Rs. 5,03,819 the Government securities, whose face value is Rs. 5,30,500 and Rs. 41,619 in deposits. It is obvious that

the margin between cost and market value of investments is an internal reserve of fair dimensions. Office equipment and motor car are minor assets for which depreciation is provided. Sums due by the other insurance companies are shown at Rs. 1,66,633 and sundry debtors owe the company Rs. 2,34,523. Accrued interest and cash items raise the total value of assets to Rs. 10,31,054.

The Concord's position at the end of the year leaves nothing to be desired and thanks to Mr. Maitland's energetic and progressive management the expansion of business revealed in the last report points to a very satisfactory continuance of the progress achieved by the company from its very inception.

(In thousands of Rupees)

	1936	1936
Premiums	3.34	3.26
Claims	90	86
Commission and Expenses	1.81	1.68
Fire fund	2.50	2.44
Ratio of Expenses to Premium	54.1%	51.5%
Ratio of Claims to Premium	27.0%	23.3%
Premiums	72	89
Claims	48	72
Commission and Expenses	28	34
Reserve	54	45
Ratio of Expenses to Premium	38.8%	40.4%
Ratio of Claims to Premium	66.6%	80.9
Capital	300	300
Fire fund	250	244
Marine fund	7	12
Accident fund	54	45
Reserve fund	80	150
Other items	223	280
Total	914	103
Government Securities	4.48	504
Other Investments	35	42
Sundry Debtors	2.56	235
Cash	1.14	75
Other items	1.14	175
Total	9.14	103

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 1936

Total Business in force exceeds	Rs. 3,20,00,000
Total Claims Paid	" 17,10,206
New business in 1936	" 66,40,839
Annual Income	" 19,32,899
Life Assurance Fund	" 77,05,379

BONUS

Triennial per thousand

Whole Life	Endowment
Rs. 75	Rs. 60

Lapse ratio 4 per cent. The lowest in the Country.

Messrs. DAS ROY & CO.
Chief Agents
2, Lyons Range, Calcutta.

MANAGER

WESTERN INDIA LIFE INSURANCE CO., LTD.
SATARA.

National Indian Life
Insurance Co., Ltd.

Total Assets over	Rs. 62,00,000
Premium Income over	Rs. 10,00,000
Claims Paid over	Rs. 56,00,000
New Business for 1936	Rs. 50,00,000

BONUS FOR THE QUINQUENNIAL

31st December, 1934

Rs. 62-8 per Rs. 1,000

For 80 years the Company has operated on a sound and progressive basis and occupies a prominent position amongst Insurance Companies in India.

*For full particulars apply to
The Managing Agents*

MARTIN & CO.

Managing Agents

12, Mission Row, CALCUTTA

Branches and Agencies throughout India.

ESSENTIAL INSURANCES

No business concern can lay any claim to efficiency or organization unless its vital interests are adequately safeguarded by a comprehensive form of INSURANCE.

**CONCORD POLICIES afford adequate
Protection**

THE CONCORD OF INDIA
INSURANCE COMPANY, LIMITED

8, CLIVE ROW - - - CALCUTTA

INSURANCE SECTION:

REVIEWS OF BALANCE SHEETS

BRITISH INSURANCE COMPANIES

ALLIANCE ASSURANCE CO., LTD.

(Established—1824).

One of the major units in British insurance business, the Alliance, with total funds of over £39.8 millions at the end of the last year more than maintained its position during 1936. The report and accounts for 1936 indicate that the life department remains the biggest branch of the company still and new business alone resulted in the issue of 5,211 policies assuring about £3.8 millions, the premium income from which amounted to over £283,000. The combined Life Account produced a total premium income of over £1.5 million and the Life and Annuity Funds stood at over £25.6 millions at the end of 1936.

As is well-known, the Company's other departments and their separate funds have borne a fair relation to the Alliance's total business. The Sinking Fund and Capital Redemption Account shows a premium revenue of £132,932-8-1 and interest receipts of £81,264-3. The Fund increased to £2.4 millions. In the Fire Branch, premium revenue was £2.15 millions as against £2.1 millions in 1935. Interest receipts, less tax, provided £132,394-14-8. Total disbursements, including expenses, amounted to £1.76 millions and the sum of £387,046-13-4 is transferred to Profit and Loss Account. Premium revenue in the Marine Branch was £343,901-8-10 and claims took £175,588-10-9 and the surplus of £45,070-9-7 from the underwriting account are carried to the Profit and Loss Account. The Marine Fund at £1.09 millions reveals exceptional strength in relation to unexpired risks. The Accident and General Branch with a premium revenue of £1.3 millions against £1.24 millions in 1935 contributed its share to the progress recorded during the year. Claims took £1.1 millions and the Funds at the end of 1936 amounted to £1.26 millions.

The Trustee Department, whose business is growing steadily is, however, kept distinct and the securities are not included in the balance sheet. The Profit and Loss Account closes with a balance of £1.19 millions and the year's dividend of 18 sh. per share of 44 shillings is the same as in 1935. The paid-up capital is shown in the balance sheet as £1 million consisting of 250,000 old shares of £20 (44 shillings paid) and 450,000 new shares (£1 paid). The distribution of the assets totalling £40.67 millions leaves nothing to be desired, and the investments in subsidiaries and loans due from them amount to £748,569 only.

The increase in Reserves and Funds has proceeded uninterrupted and the proprietors and policyholders are in a position to look back with pleasure on the operations of the Company in 1936. The Alliance results are an outstanding example of the favourable experience of leading British offices in the past year and the very strong position is abundantly illustrated in the table below.

Life Account.

New Business	(In thousands of £)		
	1934	1935	1936
Number of policies ...	5,070	5,214	5,24
Amount ...	8,590	8,845	8,796
Premiums on New Business ...	174	228	288
Total Premiums ...	1,484	1,470	1,508
Interest Dividend and Rents ...	881	890	880
Claims by death ...	907	889	968
Claims by maturity ...	612	685	624
Commission and expenses ...	148	146	150
Life fund at the beginning of the year..	22,504	22,786	23,802
Life fund at year end	22,786	23,802	23,880
Increase in fund ...	282	516	528
Ratio of expenses to premium ...	9.9%	9.9%	9.9%

Annuity Account.

	(In thousands of £)		
	1934	1935	1936
Consideration for annuities granted ...	211	268	314
Interest Dividends and Rents ...	48	52	56
Annuities paid ...	115	125	144
Commission and expenses ...	5	8	9
Annuity funds at beginning of the year	1,282	1,411	1,591
Annuity funds at year end ...	1,411	1,591	1,808

Fire Account.

Premiums ...	2,057	2,103	2,149
Claims ...	688	712	880
Expenses ...	945	986	986
Reserve at 40% of premium income ...	823	841	860
Additional Reserve ...	2,200	2,800	2,400
Total Reserves ...	3,028	3,141	3,260
Ratio of claims to premium ...	33.5%	33.8%	33.6%
Ratio of expenses to premium ...	45.9%	45.5%	43.6%
Ratio of reserve to premium ...	146.9%	149.8%	151.8%

Marine Account.

Premiums ...	334	333	344
Claims ...	224	184	176
Expenses ...	104	108	105
Reserve ...	1,057	1,074	1,091
Ratio of reserve to premium ...	316.4%	322.5%	317.1%
Ratio of expenses to premium ...	31.1%	32.4%	30.6%
Ratio of claims to premium ...	67.1%	55.2%	51.1%

Accident and Miscellaneous Account.

Premiums ...	1,205	1,245	1,305
Claims ...	575	602	615
Expenses ...	478	484	502
Reserve ...	1,222	1,234	1,259
Ratio of claims to premium ...	47.7%	48.8%	47.1%
Ratio of expenses to premium ...	39.7%	38.9%	38.5%
Ratio of reserve to premium ...	131.4%	99.1%	96.5%

Balance Sheet

	1934	1935	1936
Liabilities—			
Capital ...	1,703*	1,703*	1,703*
Funds—			
Life ...	22,786	23,802	23,880
Annuity ...	1,411	1,591	1,808
Sinking and capital redemption ...	2,122	2,258	2,397
Fire ...	3,022	3,141	3,260
Marine ...	1,057	1,074	1,092
Accident ...	1,222	1,234	1,260
Reserve fund ...	1,850	1,500	1,650
Other funds ...	688	668	697
Outstanding claims... ..	938	1,006	1,797
Other items ...	2,038	1,834	1,182
Total ...	38,078	38,609	39,839

(*Includes capital stock of subsidiary companies).

Assets—

Giltedge securities ..	12,418	12,807	12,807
Debentures and preference shares	7,116	8,152	8,308
Other stocks and shares ...	307	1,106	1,406
Shares in subsidiary companies ..	1,108	1,108	1,108
Loans on company's policies ...	2,097	1,943	17,21
Other loans and mortgages ...	10,092	10,192	10,327
Cash ...	869	868	458
Other items ...	3,684	3,832	3,264
Total ...	38,078	38,609	39,837

Profit and Loss Account

	(In thousands of £)		
	1934	1935	1936
Receipts—			
Brought in ...	1,281	1,220	1,205
Transferred from fire account ...	482	435	387
Transferred from marine account ...	91	60	81
Transferred from accident a/c. ...	171	208	223
Other items ...	190	195	1,89
Total ...	2,115	2,118	2,085

Disbursements—

Dividends ...	488	489	485
Transferred to reserve fund ...	150	150	150
Other items ...	262	274	258
Carried forward ...	1,220	1,205	1,191
Total ...	2,115	2,118	2,084

ATLAS ASSURANCE CO., LTD.

(Established 1808)

Head Office: LONDON.

Bombay Office: DOUGALL ROAD,
BALLARD ESTATE.

Calcutta Office: 4, CLIVE ROW.

Holding a position of importance among British insurance companies, the Atlas operators over a large field in the Life, Fire, Marine and Accident branches, though its life business is mainly derived from the British Isles. The results of the operations in 1936 must be deemed eminently satisfactory, revealing as they do solid progress in every direction. The 129th annual report shows that in the Life department new business amounted to £4.6 millions. The total premium revenue amounted to £2.08 millions and the Life Annuity Fund was raised by £832,218-19-5 to £13,108,862-3-9 at the end of 1936. The actuary's valuation showed a surplus of £589,089-10-8 of which the bulk is carried forward. The Fund earned interest at 4-8-6 per cent. after deducting tax and the expenses were equal to 13½ per cent. of the premium income.

The Fire branch's premium income was £1.76 millions and losses totalled £749,172-9-5. After providing for expenses and an addition to the Reserve for unexpired risks, the sum of £175,464-13-11 is transferred to the Profit and Loss Account.

The Employer's Liability and Accident Department had a premium income of £587,547-11-2 and claims of £280,382-2-8. After providing for expenses and adjusting reserves, the Profit and Loss Account receives £36,175-1-10. The Marine Branch had a premium income of £127,046-5-8 which added to the sum carried down from the previous year made a total of £535,330-10-4. Claims took £78,489-18-9 and expenses £16,732-11-10. The Fund stood at £240,107-19-9.

The Sinking Fund and Capital Redemption Account had an income of £34,840-1-3 from premiums and £22,411-2-2 from interest. Maturities, surrenders and expenses took £64,509-16-10. The Fund at the end of 1936 stood at £696,269-10.

The Profit and Loss Account shows profits of £365,880-1-3 which together with £348,682-3-9 brought down and after meeting tax etc. is used to provide £1,38,957 to General Reserve and £176,000 for Divi-

dend. The carry-forward is £311,673-15-3. The surplus funds of the company have been consolidated into a General Reserve Fund of £2 millions by the Directors. The total Funds at the end of year were £18.5 millions. These constitute the principal liability of the Company, but the capital of £550,000 is supplemented by reserves, raising the shareholders' portion, to nearly £5.5 millions. The Company's investments, apart from mortgages and loans, are shown in the consolidated balance sheet at £17.4 millions and their distribution conforms to the highest standards. Cash, premiums due, Branch and other balances raise the total to £19.26 millions.

Life Account

(In thousands of £)

New Business—	1934	1935	1936
Policy No. ...	5,117	4,948	5,872
Sum Assured ...	8,285	8,778	4,606
Premium ...	180	98	111
Total Premium ...	1,026	1,085	1,120
Claims by death ...	282	245	854
Claims by Maturity ...	198	201	246
Expenses ...	184	74	76
Life fund at the beginning of the year ...	10,147	11,145	12,277
Life fund at the end of the year ...	11,145	12,277	18,109
Net increase ...	998	1,182	882
Ratio of expenses to Premium ...	18.0%	7.1%	6.8%

Fire Account.

Premiums ...	1,776	1,759	1,749
Claims ...	760	757	749
Expenses and Commission ...	848	771	780
40% of Reserves for expired Risk ...	710	704	704
Additional reserve ...	1,811	1,811	1,811
Total reserve ...	2,021	2,015	2,015
Ratio of claims to Premium ...	42.8%	43.1%	42.6%
Ratio of expenses to Premium ...	47.5%	43.0	43.8%
Ratio of reserves to Premium ...	118.9%	114.7	114.7%

Employers' Liability, Accident and General Insurance Account

Premiums ...	496	546	588
Claims ...	226	289	280
Expense and Commission ...	209	220	285
40% Reserves for unexpired risks ...	198	218	235
Additional Reserve ...	220	243	159
Total reserve ...	418	461	894
Ratio of claims to Premium ...	45.6%	43.8%	47.6%
Ratio of expenses Premium ...	42.0%	40.8%	89.9%
Ratio of reserves to Premium ...	84.8%	84.4%	67%

Marine Insurance Account.			
	1934	1935	1936
Premiums ...	115	112	127
Claims ...	19	29	82
Expenses and Commission ...	16	19	14
Total Reserve ...	401	408	240
Ratio of claims to Premium ...	16.7%	...	25.9%
Ratio of expenses to Premium ...	13.9%	14.8	11%
Ratio of Reserves to Premium ...	348%	364.8%	189%
Sinking Fund and General Redemption Insurance Account.			
	1934	1935	1936
Premiums ...	48	162	85
Claims ...	48	127	61
Expenses and Commission ...	2	2	1
Total reserve ...	654	704	696
Ratio of expenses to Premium ...	4.1%	1.2%	2.0%
Profit and Loss Account.			
Balance brought Forward ...	288	246	849
Interest not carried to other accounts (nett) ...	178	118	124
Profit from Fire a/c. ...	166	182	175
Profit from employers' liability accident and general account ...	47	89	86
Profit from sinking fund and capital redemption a/c. ...	...	...	...
Allocations ...	125	55	178
Dividend ...	176	176	176
Balance carried forward ...	246	849	812
Interest dividend etc., ...	82	84	48
Liabilities—			
Capital ...	550	550	550
Life Assurance and annuity fund ...	11,145	12,276	18,109
Fire insurance fund ...	2,022	2,015	704
Employers' liability accident and General Insurance funds ...	418	461	894
Marine Insurance fund ...	401	408	240
Sinking fund and capital redemption fund ...	654	708	696
Other Reserves ...	898	416	2,505
Outstanding claims ...	267	267	827
Other items ...	1,189	1,219	645
Total ...	17,089	18,815	19,819
Assets—			
Investments ...	11,576	12,795	13,919
Mortgages and Loans ...	2,159	2,998	3,100
Loans on company's policies ...	461	427	3,81
Branch and agents' Balances ...	574	571	5,80
Cash ...	869	1,076	887
Other Items ...	1,400	458	502
Total ...	17,089	18,815	19,819

CALEDONIAN INSURANCE CO., LTD.

The large composite offices operating all over the world have experienced a fairly prosperous year by all indications, and the Caledonian is fairly representative of this class. The oldest of the Scottish offices, established in 1805, the Edinburgh institution according to its 132nd annual report, issued 2,874 life policies assuring over £2 millions and yielding a premium income of over £51,000 compared with 2,425 policies for £1.68 millions in the previous year. The life department's net premium revenue was over £571,000 compared with £554,000 in 1935. 139 annuities granted for a purchase money of £135,303 accounted for a payment of £10,562 per annum. The total payment in respect of claims by death and maturity was over £526,000 inclusive of bonuses and 72 annuity contracts involving £4,638 per annum lapsed through death. Investment income also improved to £308,242 from £294,000 in 1935.

The revenue account shows that expenses totalled a little over £91,000 and the ratio to the premium revenue shows little change on the previous year. After providing for the shareholders' portion of the profits, the addition to the Life and Annuity Fund is £211,932 and the total is over £7.95 millions at the end of 1936.

In the Fire Department, premiums received amounted to £714,938 as against £733,294 in 1935. Claims took £...309,926 and expenses absorbed £342,067. Underwriting profits amounted to £70,289 compared with £82,499 in 1935. The Fire branch revenue advanced to £521,323 from £483-674. Claims and expenses accounted for an expenditure of £...489,847 and the reserve for unexpired risks has been increased by £15,061. The Profit and Loss account receives £16,415 compared with £17,313 in the preceding year. Premium revenue in the Marine branch totalled £86,208. Claims paid in respect of the year and the preceding one, including ample provision for outstanding and contingent claims, accounted for a disbursement of over £64,000. The Profit and Loss account receives £10,000 and the Marine Fund is left with £173,728 to its credit. The consolidated Profit and Loss account shows receipts of £183,671 which after deduction for taxation amount to £117,072. Added to £154,726 brought down from 1935 the balance at credit is £271,798. The shareholders receive there-

from a dividend at 15s. per share of £1 (the same as in the preceding year) subject to tax, the cost of the same being £88,641. The Staff Pension Fund receives £15,000 and the balance of £168,157 is carried forward.

The Life Department's principal liability is the Fund of £7.95 millions. Claims outstanding account for £49,629 and other items total only about £67,000. The bulk of the assets is distributed in British Government stocks but a substantial portion is invested in railway debenture and preference stocks. The total assets of the Life Branch are shown at over £8.07 millions. The other branches' assets amount to over £3.31 millions, of which about £...163,000 is held in cash. The greater portion is, of course, laid out in stock exchange securities and only a very small sum in mortgages. On the liabilities side is a General Reserve of £575,000 (stangthened by £25,000 from 1936 profits) while the paid-up capital is only £155,000. The various Funds account for a total of £2.56 millions and dividends due, various claims and expenses outstanding, are all itemised in the balance sheet. With a total net revenue of over £2.43 millions and Funds securing over £10.5 millions of the assets, the Caledonian's service is certainly backed by ample security.

Life Account.

(In thousands of £)

	1934	1935	1936
New Business—			
Number of Policies ...	2,466	2,475	2,874
Sum assured ...	1,606	1,686	2,039
Premium on new business ...	59	63	68
Total Premium Income ...	588	554	571
Interest ...	294	294	308
Claims by death ...	255	207	237
Claims by maturity ...	287	285	290
Commission and Expenses ...	91	88	90
Life Annuity and Contingency Fund at beginning of year ...	7,378	7,495	7,742
Life, Annuity and Contingency Fund at year-end ...	7,495	7,742	7,954
Increase in Fund ...	117	247	212
Ratio of expenses to premium ...	16.9%	15.9%	15.8%

Fire Account.

Premiums ...	754	738	715
Claims ...	857	812	810
Expenses ...	852	847	442
Reserve at 40% of Premium ...	802	298	286
Additional reserve ...	500	500	200
Total reserv ...	802	798	786

Ratio of claims to Premium ...	47.8%	42.5%	43.4%
Ratio of expenses to Premium ...	46.6%	47.3%	47.8%
Ratio of reserve to Premium ...	106.4%	108.1%	109.9%

Accident Account.

Premiums ...	10	9	521
Claims ...	5	5	238
Expenses ...	4	4	206
Reserve at 40% of Premium ...	4	4	208
Additional reserve ...	5	8	500
Total reserve ...	9	9	408
Ratio of claims to Premium ...	53.1%	55.5%	54.8%
Ratio of expenses to Premium ...	43.5%	44.4%	39.5%
Ratio of reserve to Premium ...	90%	100.0%	78.2%

Balance Sheet Including Life Department.

Liabilities—	1934	1935	1936
Capital ...	155	155	155
Life Insurance, Annuity and Contingency Fund ...	7,608	78,61	8,071
Fire Insurance, Fund Accident Insurance Fund ...	802	798	786
Employers' Liability Insurance Fund ...	10	10	409
Annuities certain and leasehold Redumption Fund ...	67	72	...
General Insurance Fund ...	171	176	166
Marine Insurance Fund ...	813	830	...
General Reserve Fund Staff Insurance and Pension Fund ...	178	170	174
Total funds ...	525	550	575
Other items ...	...	...	115
Total ...	9,674	99,62	102,95

Assets—

Giltedge Debenture and preference shares ...	1,572	1,639	1,702
Equity shares ...	851	770	800
Mortgages and Loans ...	82	167	105
Life assets ...	2	...	...
Other investment and Cash ...	7,608	7,861	8,071
Total ...	561	6,12	704
Total ...	10,676	11,043	11,882

Profit and Loss Account.

Receipts—	1934	1935	1936
Brought in ...	152	144	154
Transferred from—			
Life account ...	28	...	70
Fire account ...	78	120	16
Accident ...	2	1	10
Marine ...	25	15	...

Employers' Account	Liability ...	8	2	...
General Insurance Account	...	25	20	...
Other items	...	...	24	90
Total	...	308	826	840
Disbursements—				
Dividend amount	...	90	89	...
Allocation	...	85	42	87
Other items	...	26	27	82
Carried forward	...	157	168	271
Total	...	308	826	840

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 insurance companies of not only the United Kingdom but of the whole world. It transacts an immense volume of insurance business over a wide range in almost all parts of the world. In fire and accident insurance business, the 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 £4 million, that its total assets exceed £64 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 £467,000 to £5.754 million while the total premiums show a small rise of £53,000 at £1.849 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 £1.2 million to £25.26 million.

The fire account shows a premium income of £5.3 million showing an increase compared with the 1934 figure.

The total premiums 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 which it ran to 5.3 millions in 1936.

The claims have also been decreasing so much so that the claim 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 £6.96 million or 131.2 per cent. The accident department which is the largest of its general branches, shows an increase in the premium income which stands at £7.64 million. The reserves amount to £5.67 million or 74. In the marine department reserves are being strengthened continuously and the marine fund at £1.2 million, is 197.2 per cent. of the premium income as against 201.7 per cent. last year.

As the subjoined table shows, in the field of general insurance, few will dispute the unquestioned primacy of the Company, and its reputation for strength and security is accepted as second to none. In India, as in all parts of the Empire, the Commercial Union's immense strength and service is rightly appreciated.

Life Account.

New Business—

	(In Thousands of £)		
	1934	1935	1936
Number of policies in Life Department	7,437	7,849	8,238
Amount assured in Life Department	4,631	5,287	5,754
New premiums in Life Department	264	2,58	2,18
Total premiums in Life Department	1,763	1,796	1,850
Interest from Life Department	905	952	957
Claims from Life Department	1,306	1,437	1,217
Commission and expenses of Life Department	227	229	2,37
Fund of Life Department at beginning of year ...	21,566	22,885	23,989
Fund of Life Department at year-end	22,885	23,989	25,259
Increase in fund	1,319	1,104	1,270
Ratio of expense to premium in Life Department	12.9%	12.8%	12.8%

Fire Account.

Premiums	5,375	5,266	5,308
Claims ...	2,252	2,064	2,133
Expenses ...	2,444	2,636	2,668
Reserve at 40% for unexpired risks	2,150	2,106	2,123
Additional reserve	4,728	4,828	4,844
Total reserves	6,876	6,934	6,964

	1934	1935	1936		1934	1935	1936	
Ratio of claims to Premium	41.9%	39.2	40.2%	Disbursements—	1934	1935	1936	
Ratio of expense to Premium	45.5%	50.0%	50.3%		Dividend amount	1,148	1,121	1,102
Ratio of reserve to Premium	127.9%	131.7%	131.2%		Allocations	290	320	350
					Other items	212	249	296
					Carried forward	584	585	591
				Total	2,229	2,275	2,389	
Marine Account.				THE GENERAL ACCIDENT, FIRE AND LIFE ASSURANCE CORPORATION LIMITED.				
Premiums ...	543	585	610	(Establish 1885)				
Claims ...	278	329	356	Calcutta Office: 8, HARE STREET				
Expenses ...	133	197	130	Head Office LONDON				
Reserve ...	1,160	1,180	1,203	To the excellent batch of reports for 1936 provided by the leading British companies, the latest report of the General Accident Fire and Life Assurance Corporation is a worthy addition. Sir Francis Norie-Miller, the Chairman, who recently completed 50 years of service for the General, had reason to feel satisfied with the results for the year, indicating a well-defined rise in the net income to over £10 million. After appropriations to Reserve Funds and dividend payments, the Profit and Loss account leaves a balance of over £643,000 to be carried forward. In the accounts, the fire, marine and life branches are dwarfed by the accident and general department, which has contributed over £8 million of the revenue, and shows both in receipts and outgoings, definite improvement on the preceding year.				
Ratio of claims to Premium	51.2%	56.2%	58.3%	The General Reserve Fund was strengthened to £2 millions, and the ample provision was made for unexpired risks and for outstanding claims. The additional reserves in the accident and fire accounts of £450,000 were retained and the Investment Reserve Fund and Exchange Adjustment Fund was maintained at over £473,000.				
Ratio of expenses to Premium	24.7%	23.4%	21.3%	For the year ending December 31, 1936, the new business amounting to over £2.855 million was slightly below that for 1935. Net premiums amounting to over £547,000 exceeded claims by death and maturity absorbing over £321,000. The Life Fund stands at over £4.9 million showing an increase of over £282,000. In the fire branch, the net premium revenue from new business, less a substantial proportion re-assured, amounted to over £674,700. Losses paid took away over				
Ratio of reserve to Premium	214%	201.7%	197.2%					
Accident Account.								
Premiums ...	7,425	7,609	7,642					
Claims ...	4,133	4,130	4,035					
Expenses ...	3,089	3,142	3,167					
Reserves ...		5,558	5,671					
Ratio of claims to Premium	54.8%	5,558	52.8%					
Ratio of expenses to Premium	41.8%	54.3%	41.4%					
Ratio of Reserve to Premium	22.9%	40.1%	74.2%					
Consolidated Balance Sheet								
Liabilities—								
Capital ...	3,540	3,540	3,540					
General reserve fund	3,862	3,832	4,004					
Funds.								
Fire ...	6,876	6,934	6,964					
Marine ...	1,160	1,180	1,203					
Accident ...	5,451	5,558	5,671					
Life ...	22,885	23,989	25,259					
Total funds	40,234	37,661	22,022					
Other items	17,835	17,784	...					
Total ...	61,609	62,867	64,663					
Assets—								
Giltedge securities	11,036	11,860	12,300					
Debentures and preference shares	8,619	8,690	8,515					
Equity shares	763	802	1,329					
Mortgages and Loans	631	701	673					
Life Assets	31,192	32,040	33,252					
Other investments and other items	6,405	5,691	5,661					
Cash ...	2,943	2,983	2,933					
Total ...	61,609	62,867	64,663					
Profit and Loss Account—								
Receipts—								
Brought forward	587	584	585					
Transferred from Fire account	475	500	475					
Marine account	150	100	100					
Accident account	100	225	325					
Life account	35	40	40					
Interests, dividends and rents ...	821	770	757					
Other items	61	56	57					
Total	2,229	2,275	2,389					

£220,000 and after transfer of £135,153 to profit and loss account, the Fire Fund was raised by over £72,000. The Accident and General Branch provided a premium income of over £8 million against £7.495 million in 1935. Outgoings at 55.66 per cent. compare favourably with 58.44 per cent. paid out on claims in 1935. The Fund at £6.892 million is nearly 85 per cent. of the premium revenue. The Marine account with receipts of over £190,000 against £164,000 in 1935 reflects the negetral improvement. The Marine Fund was raised from about £148,000 to over £168,000 at the end of 1936, showing a percentage of 88 to the premium income. The balance-sheet discloses a very strong position. The total assets of the General, and its subsidiaries are shown at over £18 million, laid out in Government stocks, mortgages and debentures, loans and real property. Special mention must be made of the judicious spread of the funds in other avenues besides giltedge securities. Cash items at over £1 million indicate that all liabilities, not included under capital and the respective funds and reserves, are well covered. The report states that the funds inclusive of £1½ million of capital uncalled, now amount to over £18½ millions. The revenue accounts indicate a very satisfactory position, following the advance in premium income in the fire, marine and accident and general branches and show a balance of over £800,000 which after the final dividend would make £643,000 and odd available as carry-forward.

As stated previously, the increase in the fire, marine, general and life funds, accounted for by the rise in premium revenue and a favourable claim experience, is the main feature of the revenue accounts, and the consolidated balance-sheet presented with the report, which reflects in turn the influence of the improvement in trading results, indicates a position of great strength and stability and supports fully the satisfaction expressed by the Chairman in his speech.

Accident Account.

	(In thousands)		
	of £		
	1934	1935	1936
Premiums ...	6,852	7,495	8,022
Claims ...	3,981	4,280	4,801
Commission and Expenses ...	2,448	2,679	2,888
40% Reserve ...	2,564	3,431	3,595
Additional Reserve ...	3,208	3,035	3,298
Total Reserve ...	5,772	6,466	6,898

	1934	1935	1936
Ratio of Claims to Premiums ...	58.1%	58.4%	58.6%
Ratio of Expenses to Premiums ...	35.7%	35.7%	36.0%
Ratio of Reserve to Premiums ...	84.8%	86.8%	84.9%

Life Account.

New Business—

	1934	1935	1936
Amount ...	2,840	2,885	2,854
Total Premiums ...	498	518	548
Claims ...	288	404	321
Expenses and Commission ...	108	107	110
Life Fund at the beginning of the year ...	3,784	4,069	4,401
Life Fund at the end of the year ...	4,069	4,401	4,666
Increase in the Life Fund ...	285	332	265

Fire Account.

	1934	1935	1936
Premiums ...	508	642	675
Claims ...	189	207	220
Expenses and Commission ...	250	271	286
40% for unexpired risks ...	287	257	270
Additional Reserves ...	259	275	384
Total Reserves ...	496	532	604
Percentage of Claims to Premiums ...	37.1%	32.2%	32.7%
Percentage of Expenses to Premiums ...	42.1%	42.2%	42.4%
Percentage of Reserves to Premiums ...	83.6%	82.9%	89.5%

Marine Account.

	1934	1935	1936
Premiums ...	189	164	191
Claims ...	120	138	174
Expenses ...	16	20	18
Reserves ...	140	143	168
Percentage of Claims to Premiums ...	63.5%	84.1%	91.1%
Percentage of Expenses to Premiums ...	11.8%	12.2%	9.4%
Percentage of Reserves to Premiums ...	100.5%	90.8%	87.9%

Balance Sheet.

Liabilities—

	1934	1935	1936
Capital ...	688	750	750
Life and Annuity Fund ...	4,069	4,401	4,665
Fire Fund ...	496	532	604
Accident and General Insurance Fund ...	5,772	6,466	68,98
Marine Fund ...	140	143	168
Investment Reserve Fund ...	940	578	478
General Reserve Fund ...	900	1,700	2,000
Total Funds ...	12,817	14,481	15,470
Other Liabilities ...	2,097	1,599	1,903
Total ...	15,102	16,780	18,128

Assets—	1934	1935	1936
Giltedge ...	8,517	4,525	5,045
Debentures and Preference Stocks ...	5,055	5,675	5,522
Equity Shares ...	866	1,060	1,161
Mortgages and Loans	1,285	1,188	1,289
Free-hold and Leasehold Properties ...	225	228	222
Outstanding Premiums and Agency Balances	1,218	1,230	1,327
Other Assets ...	2,986	2,884	8,557
Total ...	15,102	16,780	18,123

Profit & Loss Account.

Receipts—			
Brought Forward ...	486	534	541
Interest, Dividends and Rents ...	258	273	285
Transferred from Fire Account	186	129	196
Transferred from Accident and General Account ...	246	265	406
Other Items ...	11	219	229
Total ..	1,187	1,420	1,597
Disbursements—			
Amount ...	86	114	118
Allocations ...	160	885	890
Carried Forward ...	675	684	803
Other Items ...	216	287	291
Total ...	1,187	1,420	1,597

GUARDIAN ASSURANCE CO., LTD.

The Guardian is one of the bigger units of British insurance business although it is represented by a single branch in India. The last year proved one of considerable prosperity to the company, and the satisfactory expansion of life and general business shows that the Guardian has maintained its position in the front rank. New life business to the value of £2.37 millions, yielding a premium income of over £80,000 was second. The value of life business carried on the books exceeded £23.8 millions, and the Life Fund at the end of the year amounted to over £8.1 millions. The expense ratio at 13.7 per cent. is decidedly low.

The Fire branch with premium receipts of £1.13 millions paid out £430,939 on claims and expenses totalled £543,906. Underwriting profit exceeded £155,809 and the Department Fund at £1.7 million is well over the premium income. The Accident branch, with net premium income of over £1.18 million, met claims amount to £604,622 and the loss-ratio was 51.01 per

cent. of the premium income as against 46.61 per cent. in 1935. The expenses amounted to 46.62 per cent. of the income. The total funds in the department amounted at the end of the year amounted to £958,900. In the marine branch premiums yielded £273,104 while claims took £61,023 and expenses £70,656. The Fund at the end of the year is on a strong basis at £483,830. The dividend takes £111,448-10-0 out of the Profit and Loss account and the sum of £78,655 is carried forward.

Life Account.

	In thousands of Rupees.	
	1935	1936
New Business—		
Number of Policies ...	23,40	3004
Amount Assured ...	33,52	3654
Total Premiums ...	1,47	237
Claims ...	3	13
Expenses ...	1,26	150
Life fund at the end of the year ...	16	75
Expense ratio ...	85.7	63.3
Balance Sheet.		
Liabilities—		
Paid-up Capital ...	101	122
Life Fund ...	16	75
Other Liabilities ...	25	43
Total ...	141	240
Assets—		
Giltedge Securities ...	44	76
Preliminary Organisation Expenses ...	20	29
Cash on hand and at bank	43	40
Other Assets ...	26	95
Total ...	141	240

THE LIVERPOOL AND LONDON AND GLOBE INSURANCE CO., LTD.

(Established 1836)

Head Office: 1, Dale Street, Liverpool.

The report and accounts for 1936 indicate that the centenary year of its history proved to be as satisfactory as the previous one. The company is fortunate in having world-wide connections and has representation in India at Bombay and Calcutta. Mr. Arthur Pattinson, the Chairman, in his speech at the annual meeting observed that underwriting profits and investment earnings in 1936 had been greater than in any preceding year in the company's every department contributed, were among history. Underwriting results, to which the best it had experienced. Total premium income had risen; new life business

constituted a record and the total expense ratio had been lowered.

The revenue accounts for 1936 show that premiums in the Fire branch totalled over £9 millions and losses by claims came to £1.66 millions. After transfer of over £410,000 to profit and loss account, the Fund stands at £3.34 millions. In the life branch, the value of 6,815 policies issued during the year was £3.34 millions as against 4,502 policies for £2.54 millions in 1935. Total premium income was about £945,000 and claims amounted to about £633,000. The Life Fund at the end of the year was over £11.65 millions, and the Annuity Fund was maintained at over £774,000.

Business in the Marine branch expanded slightly and against receipts of over £294,000 by way of premium, there was an outgo of £243,000 in respect of claims. There was a noticeable increase in the Accident and Miscellaneous branch, where the net premium revenue improved to over £4.62 millions. Claims accounted for payments to the extent of £2.32 millions, and after meeting expenses and commissions, the sum of over £230,000 is carried to the profit and loss account. Besides the 40 per cent. reserve for unexpired risks, the additional reserve is raised from £1 million to £1.25 millions, and the total funds in the branch, are £7.1 millions against £6.54 millions at the beginning of the year. Underwriting profits from the various branches are shown at £688,179, and interest not carried to other accounts, provides £417,247-15-8. After providing for two dividend payments to shareholders, taxes, etc., the sum of £620,016-11-2 is carried forward against £553,795-16-1 brought down from 1935.

In all the branches, the funds stand at a very high proportion to the risks covered and the financial strength of the company remains its outstanding feature. The funds of the company, inclusive of the paid-up capital of £1,062,100 amounted to over £28.43 millions at the end of the year and the company's total liabilities are shown in the balance-sheet at over £32.36 millions. On the assets side, over £817,000 is invested on mortgages and £534,000 advanced to policy-holders on the security of their policies. The distribution of the company's funds in Government and municipal securities conforms to expectations, and over £10 millions are invested in railway debenture and preference stocks. Against about £1 million

due on claims, there is over £1.5 millions in balances with agents and outstanding premiums. Cash items are over £780,000 and house property is over £1.4 millions.

Life Account

(In thousands of £)

New Business—	1934	1935	1936
Number of policies ...	4,407	4,502	6,815
Amount ...	2,859	2,544	8,846
New premiums ...	127	129	148
Total premiums ...	867	884	945
Claims ...	718	601	683
Interest ...	407	416	428
Commission and expenses ...	92	88	94
Funds at beginning of the year ...	10,811	10,578	11,088
Funds at year-end ...	10,578	11,088	11,657
Increase ...	262	510	569
Ratio of expenses to premium ...	10.6%	9.9%	9.9%
Annuity fund ...	778	778	774

Fire Account.

Premiums ...	8,961	8,961	8,910
Claims ...	1,625	1,588	1,655
Expenses ...	1,910	1,890	1,854
Reserves at 40% of premium ...	1,584	1,584	1,564
Additional reserve ...	1,775	1,775	1,775
Total reserve ...	8,859	8,559	8,889
Ratio of claims to premium ...	41.0%	40.0%	42.8%
Ratio of expenses to premium ...	48.2%	47.7%	47.4%
Ratio of reserve to premium ...	84.8%	84.8%	85.4%

Marine Account.

Premiums ...	282	290	294
Claims ...	280	288	248
Expenses ...	88	28	28
Reserve at 40% of premium ...	118	116	118
Additional reserve ...	800	800	800
Total reserve ...	413	416	418
Ratio of claims to premium ...	81.6%	82.1%	82.8%
Ratio of expenses to premium ...	11.8%	9.7%	9.5%
Ratio of reserve to premium ...	146.4%	148.4%	141.7%

Miscellaneous Account.

Premiums ...	4,484	4,298	4,627
Claims ...	2,827	2,575	2,325
Expenses ...	1,167	1,658	1,760
Reserve at 40% of premium ...	1,798	1,717	1,851
Additional reserve ...	4,468	4,825	5,254
Total reserve ...	6,261	6,542	7,105
Ratio of claims to premium ...	68.1%	60.0%	50.24%
Ratio of expenses to premium ...	87.8%	88.5%	88.0%
Ratio of reserve to premium ...	189.6%	152.4%	158.4%

Balance Sheet.

Liabilities—	1984	1985	1986
Capital	1,062	1,062	1,062
4% Perpetual Debenture Stock	546	543	585
4% "Thames and Mersey" Debenture Stock	868	865	868
Funds, fire	8,859	8,859	8,889
Funds, life	10,578	11,088	11,657
Annuity fund	773	773	774
Leasehold Redemption Fund	207	228	254
Marine reserve Fund	418	416	418
Miscellaneous Insurance Reserve Fund	6,261	6,542	7,105
General Contingencies Fund	2,455	2,802	2,828
Other funds	819	928	916
Total funds	24,860	26,589	27,684
Other items	8,164	8,182	8,622
Total	30,000	30,788	32,868

Assets—

Giltege	14,460	15,057	15,454
Debenture and Preference shares	8,894	8,652	8,421
Equity shares	1,179	1,884	2,389
Mortgages and loans	1,504	1,567	1,589
Other investments and other items	8,896	8,829	8,735
Cash	1,067	794	780
Total	30,000	30,788	32,868

Profit and Loss Account.

Receipts—

Brought in	370	597	554
Transferred from fire account	415	488	411
Transferred from members Life profits account	26	26	26
Transferred from Marine account	20	21	21
Transferred from Miscellaneous Accident account	47	184	280
Interest	440	448	411
Other items ... ..	...	...	6
Total	1,498	1,704	1,659

Disbursements—

Dividend amount	560	556	546
Allocations	185	585	485
Other items	151	59	58
Carry forward	597	554	620
Total	1,498	1,704	1,659

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 general insurance.

The results of the company for the year 1936 are quite satisfactory showing increases in the premium incomes of Accident and Marine branches with a slight fall in Fire branch, and good underwriting profits in all the sections. The combined premium income of all the three departments amounted to £6.88 millions. The net combined underwriting profits of the Company for the year amounted to £595,126-6-3.

The new business of the life section at £2,746 shows an advance over the last year's figure. The life fund at the end of the year stands at £11.473 million. Generous reserves are provided for in each section; 125.7 per cent. of the premium income in the Fire Department, 85.2 per cent. of the premium income in the Accident department and 128.7 per cent. of the premium income in the Marine department.

Life Account.

New Business—

(In thousands of £)

	1934	1935	1936
Amount assured	2,681	2,455	2,746
Premiums on new business... ..	...	89	76
Total premium income	698	788	748
Interest	417	406	422
Claims by death	419	878	429
Claims by maturity	359	898	282
Commission and expenses	122	119	120

	1934	1935	1936
Life Fund at beginning of the year ...	10,979	11,026	11,198
Life Fund at year-end ...	11,026	11,198	11,478
Increase ...	+47	+67	+280
Ratio of expenses to premium ...	17.9%	11.5%	16.2%

Fire Account.

	1934	1935	1936
Premium ...	2,842	2,812	2,747
Claims ...	1,085	1,057	1,118
Commission and Expenses ...	1,244	1,289	1,234
Reserve for unexpired risks ...	1,187	1,125	1,099
Additional reserve ...	2,400	2,400	2,400
Total reserve ...	3,587	3,525	3,499
Ratio of claims to premium ...	38.2%	38.8%	40.1%
Ratio of expenses to premium ...	43.8%	40.5%	44.9%
Ratio of reserve to premium ...	124.4%	125.4%	127.4%

Accident and General Account.

Premium ...	2,028	2,189	2,352
Claims ...	1,028	1,140	1,210
Commission and Expenses ...	855	887	938
Reserve for unexpired risks ...	811	875	941
Additional reserve ...	1,000	1,000	1,000
Total reserve ...	1,811	1,875	1,941
Ratio of claims to premium ...	50.4%	22.5%	51.4%
Ratio of expenses to premium ...	42.2%	40.5%	39.9%
Ratio of reserve to premium ...	89.8%	85.7%	82.5%

Marine Account

Premium ...	1,024	1,041	1,127
Claims ...	638	666	759
Commission and Expenses ...	154	188	194
Reserve for unexpired risks ...	410	416	451
Additional reserve ...	1,000	1,000	1,000
Total reserve ...	1,410	1,416	1,451
Ratio of claims to premium ...	61.9%	63.9%	68.2%
Ratio of expenses to premium ...	15.0%	14.1%	17.2%
Ratio of reserve to premium ...	136.7%	126.4%	128.7%

Balance Sheet

Liabilities—			
Capital ...	1,456	1,456	1,456
Reserve Fund ...	1,500	2,000	2,000
Fire Fund ...	3,587	3,525	3,500
Marine Fund ...	1,410	1,416	1,451
Accident Fund ...	1,811	1,875	1,941
Staff Pension Fund ...	418	424	480
Life Assurance Fund ...	11,156	11,198	11,478
Total Funds ...	19,882	20,433	20,795

Balance of Profit and Loss Account ...	2,205	2,184	2,461
Claims and balances outstanding ...	2,219	1,934	2,016
Other items ...	1,866	2,221	2,300
Total ...	27,578	28,178	29,028

Assets—

Buildings ...	1,550	1,548	1,557
Giltedge ...	12,792	10,204	9,827
Debentures and Preference shares ...	6,578	9,726	10,822
Mortgages and Loans ...	8,200	8,019	8,039
Other Investment ...	1,592	1,676	1,619
Cash ...	1,871	2,005	21,64
Total ...	27,578	28,178	29,028

MANUFACTURERS LIFE INSURANCE

The prosperous year which the Manufacturers Life Insurance Company enjoyed in 1936 is well reflected in the annual report and accounts issued recently. This well-known Canadian concern, which has established an enviable position among Empire concerns doing business in India, having about 5.5 per cent. of its total business in India, was established in 1887 with Sir John Macdonald as the first President. The first annual report stated that 915 policies assuring a sum of \$2,564,500 were taken out, providing a premium revenue of \$62,000. Business in the 50th year indicates steady and continued expansion in all directions. Though policies generally were taken out for moderate sums, new insurances for a sum totalling nearly \$56.5 millions were secured. The total value of policies in force reached the huge sum of \$532 millions, of which the reserve values amount to over \$121 millions thus securing an average of \$500 approximately for each policy in force. It is interesting to note that disbursements to beneficiaries during the year amounted to \$13,644,000; but of this only about a third was paid out in respect of claims arising from death. The remainder was paid out on endowments and annuities.

The report and balance sheet of a company of this magnitude reflect not only its individual prosperity, but the progress of recovery. Owing to a change in accounting procedure, by taking credit only for policies issued and on which a premium was paid, the volume of new business appears to be lower in comparison with the previous year, but the net increase in business amounted to \$12.5 millions.

An increase of \$375,000 on the previous year, bringing the premium income up to \$22 million is another gratifying feature, while the confidence inspired by the company may be deduced from the fact that at the end of the year nearly \$4.3 millions were left on deposit at 3½ per cent. Participating benefits to policyholders accounted for over \$1.8 millions, the scale of benefit being greater than in 1935. On the disbursements side, mention has been made of claims aggregating \$13.6 millions.

The investment policy of a corporation of this character and the distribution of its assets are of great interest, and even after writing down ledger assets the total value rose by \$10 millions. Securities to the value of over \$79 million are shown in the statement. Preference and ordinary shares to the value of over \$5.99 millions are another item, while over \$26.26 millions were invested in first mortgages on real estates at a higher rate of interest than on the previous two items. The liberal policy of the company is indicated in over \$19 millions issued to policyholders on the security of their insurance policies. Liabilities to policyholders are well covered by the reserves amounting to \$121,400,000 showing an increase of \$8 millions on 1935. The reserve is well over the minimum required by the Dominion Insurance Act. Appropriations to shareholders' dividend reserve, after payment of a 10 per cent. dividend, and \$4,575,000 held to the credit of policyholders' dividend reserve are other noteworthy features of the balance sheet. The strong position disclosed should cause widespread satisfaction and it is worthy of note that over half the company's business at present is extra-Canadian.

Commissions and Expenses ...	1,14,14	1,18,15	1,17,12
Dividends to Shareholders ...	4.11	4.11	4.11
Other items ...	88,26,48	27,97,60	88,61,64
Total ...	88,87,75	40,78,95	48,56,69

Balance Sheet			
Liabilities—	1934	1935	1936
Reserves and other Funds ..	81,59,60	84,73,70	86,73,73
Other liabilities to policyholders ...	1,88,49	59,81	68,22
Surplus ...	82,84	87,45	91,21
Other items ...	89,85	45,95	1,08,43
Total ...	84,19,78	86,66,41	89,86,59
Assets—			
Bonds ...	16,22,26	18,84,89	21,63,58
Preferred & Common Stocks ...	80,93	1,38,08	1,64,11
Mortgages ...	7,94,50	7,60,78	7,19,52
Loans on Company's Policies ...	5,84,05	5,62,66	5,28,59
Property ...	1,87,10	1,54,14	1,68,02
Cash ...	44,67	64,56	42,24
Other items ...	1,56,27	1,15,18	1,45,58
Total ...	84,19,78	86,66,41	89,86,59

NORTH BRITISH AND MERCANTILE INSURANCE CO., LTD.

The North British and Mercantile Insurance Company is one of the best-known British companies operating in India, and last year, we had occasion to remark on the increasing public favour enjoyed by the company both at home and abroad, popularity to which the company's magnificent record contributed in no small degree. This old and famous office, together with its subsidiaries, has experienced another prosperous year and the results presented in the 127th Annual Report are sufficiently impressive to merit the warmest encomiums. The Fire Department obtained more business, premium income at £3,401,992-12-10 comparing favourably with £3,382,866-8-5 in 1935. In the Life Department, though the number of new policies and the value of sums assured showed an increase, the premium income was about £13,000 lower than in 1935. But for a new valuation period the year provides a very favourable start, and even according to new modern standards, the mortality experience was very favourable. Outgoings in respect of claims by death took over £1.1 million and claims by maturity absorbed £1.3

Cash Account
(In thousands of Rupees)

	1934	1935	1936
Receipts—			
Total net premium income ...	5,65,93	5,97,22	5,85,78
Interest and dividends ...	1,65,00	1,66,78	1,78,68
Other items ...	81,56,80	83,14,95	85,97,28
Total ...	88,87,75	40,78,95	48,56,69
Disbursements—			
Claims by death ...	1,08,62	98,26	1,14,18
Other payments to Policyholders ...	8,84,40	2,70,88	2,59,64

million. The total income of the life branch from premiums and interest amounted to about £3.57 millions permitting a further increase in the Life Fund to over £31 millions. The report shows that no recession occurred in Annuity and Sinking Fund business compared with 1935. The Fire Department as usual led the way with an increase of net premiums which totalled over £3.4 million and the net underwriting profit carried to Profit and Loss Account is over £369,000.

In the Accident Department (the Railway Passengers') the net premiums received were £1.25 millions against £1.21 millions in 1935, and the profit and interest obtained was about £242,833. The Ocean Marine subsidiary shared fully in the prosperity and net premium revenue at £236,215-10-7 was higher than £216,848-17-11 obtained in 1935. Another subsidiary, the Fine Art and General Insurance Company, derived the benefit of a higher premium income, namely £347,747-8-6 as against £333,440-7-4 in 1935. An illustration of the traditional Scottish caution is provided in the Directors' decision to recommend payment of a dividend of £528,515-12-6 equivalent to 25 per cent. (more than covered by the interest receipts) out of over £3.57 million available in Profit and Loss Account, and the sum carried forward to the next year is over £3 millions. The consolidated profit and loss account shows that against £6.58 millions brought in, £7.09 millions are carried forward after dividend, tax, etc., are provided for. Underwriting profits provided over £598,000 plus £67,460 brought in from the life branch, while interest, rent and dividends yielded over £590,000. The consolidated statement of income appended to the accounts shows that fire accident and marine branches provided over £5.2 millions out of the total of £10.5 millions to which interest etc., contributed about £1.98 millions. In 1935, the aggregate income was £10.3 millions, out of which £1.97 million was derived from interest etc. on investments. Separate balance sheets are provided in regard to Life, Annuity and Sinking Fund business and show assets of £31.55 millions, £7.8 millions and £513,000 respectively.

The general balance sheet as on December 31, 1936, inclusive of the items set forth above shows assets which amount to nearly £54 millions. In the life balance sheet, except for a reduction in policy loans there is no noteworthy change. There are over £4.6 millions invested in

mortgages, over £15 millions are laid out in Government and Municipal stocks, while over £5 millions are held in debentures. In the general balance sheet £2 million in British Government securities and £3 million in foreign issues constitute the principal features. The principle of diversification is satisfied by the investment of £2.75 millions in railway and other ordinary stocks and £1.9 million in railway and other debentures.

Separate accounts and balance sheets are provided for the three subsidiaries referred to, and the advance in premium income and funds is a common feature. In the review of the company's affairs made by Lord Wakefield at the last annual meeting on May 8 at Edinburgh he adverted to the investment position and mentioned that part of the appreciation in values registered at the end of December 1936 has been lost in subsequent months. Nevertheless there was a substantial margin of excess between market value and cost of securities. As Lord Wakefield rightly pointed out, disturbances in stock markets meant little to a company, whose policy is based on very conservative lines and fluctuations in security values could be viewed with little concern therefore. The main feature to which he drew attention as regards fire business was the reduced expense ratio, and as regards the marine branch, he expressed satisfaction at the refusal of the marine market to allow reduction in rates or values on renewals of hull business. The year's results, as he outlined them, should afford satisfaction since the profit and loss balance had been increased during the year by over half a million. The imposing character of the year's results must enhance the company's reputation, and, though Home business bulks largely in the year's accounts, an advance in overseas business, too, may be looked for, in which the company's branches in India should participate. The confidence, which is rightly placed on the North British, should be strengthened by a reading of the report and the prestige which the company enjoys should also increase.

Life Account.

		(In thousands of £)		
		1934	1935	1936
Number	...	10,308	11,360	11,649
Amount	...	5,286	5,507	5,635
Premium on New Business	...	265	255	242
Total Premium	...	2,290	2,314	2,434
Interest	...	1,169	1,139	1,144
Claims by Death	...	869	1,007	1,103
Claims by Maturity	...	869	1,445	1,301

	1984	1985	1986
Commission and Expenses ...	385	401	407
Life fund at beginning of year ...	28,882	29,633	30,655
Life fund at year-end ...	29,633	30,685	31,091
Increase in fund ...	751	1,052	406
Ratio of Expenses to Premium ...	16.8%	17.1%	16.7%
Annuity fund ...	6,779	7,280	7,713

Fire Account.

Premiums ...	3,366	3,383	3,402
Claims ...	1,326	1,262	1,399
Expenses ...	1,556	1,652	1,627
Reserve of 40% for unexpired risks	1,346	1,353	1,361
Additional reserve	2,000	2,000	2,000
Total reserve ...	3,346	3,353	3,361
Ratio of Claims to Premium ...	46.2%	37.3%	41.1%
Ratio of Reserves to Premium ...	99.4%	99.1%	98.8%
Ratio of Expenses to Premium ...	46.2%	49.0%	47.8%

"Ocean Marine" Account.

Premiums ...	213	217	236
Claims ...	98	83	82
Expenses ...	31	29	26
Reserve ...	782	1,183	...
Ratio of claims to Premium ...	46.0%	38.2%	34.7%
Ratio of Expenses to Premium ...	46.0%	38.2%	34.7%
Ratio of Expenses to Premium ...	14.7%	12.9%	11%

Fine Art and General Account.

Premiums ...	324	333	348
Claims ...	144	148	153
Expenses ...	137	139	137
40% Reserve ...	130	133	139
Additional Reserve	200	200	200
Total Reserve ...	330	333	339
Ratio of Claims to Premium ...	44.5%	44.4%	44%
Ratio of Expenses to Premium ...	41.2%	29.4%	39.4%
Ratio of Reserve to Premium ...	101.8%	100.0%	97.4%

"Railway Passengers" Account.

Premiums ...	1,125	1,212	1,255
Claims ...	501	493	540
Expenses ...	464	477	497
Reserve at 40% ...	450	485	502
Additional Reserve	446	505	568
Total Reserve ...	896	990	1,070
Ratio of Claims to Premium ...	44.6%	40.7%	43%
Ratio of Expenses to Premium ...	79.6%	81.7%	85.3%

Balance Sheet.

Liabilities—	1984	1985	1986
Capital ...	2,438	2,438	3,469
Funds of Life ...	29,633	30,685	31,091
Fund of Fire ...	3,346	3,353	3,361
Sinking fund ...	506	473	513
Other funds ...	8,280	9,917	9,248
Total funds ...	41,765	44,433	44,213
Other items ...	6,687	6,331	6,249
Total ...	50,890	53,202	53,931

Receipts—

	1984	1985	1986
Life and Annuity branches ...	37,783	38,864	39,353
Giltedge ...	5,500	6,386	6,940
Debentures and Preference Shares	2,556	2,542	2,361
Equity Shares ...	2,955	2,744	2,751
Mortgages and loans	1	1	1
Other investment and other items	1,487	2,159	1,946
Cash ...	608	506	579
Total ...	50,890	53,202	53,931

Profit & Loss Account.

Assets—	1984	1985	1986
Brought in ...	3,331	3,643	3,312
Transfers from Fire account ...	458	462	369
Transfers from Life Annuity and Sinking Fund ...	...	...	...
Total ...	4,362	5,073	4,329

Disbursements—

Dividend Account	582	574	584
Allocation ...	50	50	50
Other items ...	87	137	97
Carry Forward ...	3,643	3,312	3,598
Total ...	4,362	5,073	4,329

NORWICH UNION LIFE INSURANCE SOCIETY.

(Established 1808)

Head Office: Norwich.

Calcutta: Grahams Trading Co., Ltd.

Post Box 147.

Striking confirmation of the fact that 1936 was a good year for all good companies is provided by the annual report and account of the Norwich Union Life Insurance Society. This old mutual office which has the distinction of being one of the strongest and best known of British insurance companies has long enjoyed a great reputation at home and abroad, while in India, especially, it has gained a strong position, being well served by the agents, Grahams Trading Company Limited. The year's results redound to the credit of the organisation, for new business resulted in the issue of 18,062 policies for the total value of £11.3 millions with a premium income of £577,705 (including single premiums to the amount of £133,784). Only a small part of the risks accepted was reinsured, and the net value of new business retained was

£11.090 million as against £10,787 million in 1935, when new business resulted in the issue of 16,881 policies. In addition to this Leasehold and Capital Redemption insurances completed during the year provided new premiums to the value of £18,945.

The total premium income rose by £79,844 to £4,235,021 while interest, dividends etc. at £1,850,831 advanced by £39,157 in comparison with the preceding year. The net rate of interest was 4-7-3 per cent. showing a reduction of 2s. 11d. per cent. on the yield in 1935, attributable in part to the high rate of income tax and the low yield of investments. From the total income of £6.37 million, outgoings, including provision for every outstanding claim, took £4.142 millions. The difference of £2.228 millions constitutes the increase in the Funds which at the end of the year totalled £44.47 millions.

The mortality experience remained favourable, and payments in respect of 1,305 death claims accounted for an expenditure of £988,316 (including bonus) and £1,489,634 was paid in respect of policies which matured.

The revenue account shows that the Fund at the beginning of the year was £38.45 millions and at the end of the year stood at £40.55 millions after meeting claims and about £44,648 on account of commissions and expenses of management. The Annuity Account shows a Fund of £2.371 millions against £2.237 millions at the commencement of the year, but the Capital Redemption Account shows a small decrease from £1.554 millions to £1.542 millions.

The balance sheet shows total funds of £44.47 millions of which about £11.5 millions are invested in mortgages on property in the U.K. and abroad. Loans to policyholders are shown at £3.1 millions, and the balance is distributed in Government stocks, railway debentures and real property. The shares in the subsidiary, Norwich Union Fire Insurance Society, acquired in 1925 in exchange for securities having a book value of £6.08 millions are shown at cost. Liabilities relating to outstanding claims and sundry creditors are covered by cash items totalling over £384,000. With total assets of over £44.75 millions against £42.56 millions at the end of 1935, the year's operations leave this progressive and famous society in a position of exceptional stability, and its reputation as one of the strongest of British life insurance offices should continue to flourish.

Life and Annuity Account.

	(000 omitted £)		
	1934.	1935.	1936.
New Business—			
No. of policies ...	15,814	16,881	18,062
Net sums insured ...	10,172	10,788	11,091
Net new premiums ...	880	488	4,87
Life Premiums ...	4,076	4,047	4,126
Consideration for annuities ...	486	286	280
Interests and dividends ...	1,687	1,758	1,797
Claims (Life) ...	2,689	2,589	2,478
Annuities paid ...	201	219	2,82
Surrenders (Life) ...	808	470	4,19
Commission and expenses (Life) ...	625	617	6,45
Percentages of expense to annual premiums ...	15.8%	15.8%	15.6%
Percentage of new to Total premiums ...	20.8%	10.7%	10.6
Fund at the beginning of the year ...	87,082	89,177	40,688
Fund at the end of the year ...	89,177	40,688	42,928
Increase in the year ...	2,145	1,681	2,240

Capital Redemption Account—

Premiums ..	99	109	101
Interest and dividends	55	54	54
Claims ...	174	71	145
Surrenders ...	62	18	28
Commission and expenses ...	7	7	7
Fund at the end of the year ...	1,497	1,554	1,542

Total assets as per Balance Sheet for the year ended 31st December, 1936, amounted to 44,154,197, as against 42,65,898 in the previous year.

OCEAN ACCIDENT & GUARANTEE CORPORATION

One of the strongest of British Insurance offices, the Ocean Accident and Guarantee Corporation, scarcely needs an introduction to the public of the world. Established in 1871, the Corporation's world-wide organisation has enabled it to tap successfully many oversea territories, and in India, the Company is represented by branch offices at Calcutta, Bombay and other centres. The report for 1936 presented by the Directors to the annual meeting discloses that the Corporation has maintained its position as one of the leaders in accident business, premium income for the year in this branch amounting to £4.69 millions. Although the figure suffers by comparison with 1935 and 1934, the difficult conditions in Spain and other countries have to be taken into account. The loss ratio proved to be as favourable as in former years, and the total outgo in respect of claims paid and outstanding, amounted to £2.52 millions as against

£2.69 millions in 10,935. The revenue account of the accident branch shows that commissions and expenses absorbed about £1.89 millions, the ratio being around previous levels, and the sum transferred to Profit and Loss account is £200,000 as against £140,000 in 1935. The rest of the underwriting profits is used to increase the Fund from £3.45 millions to £3.51 millions. The Fund shows that besides the statutory reserve of 40 per cent. of the premium income, there is an additional reserve of £1.64 millions so that liabilities to policyholders are comfortably covered.

The fire branch also did well though the premium income at £291,118-16 shows a slight decline on the previous year. Claims took £114,850 and the expenses, including commissions, totalled about £119,000. The Fire Fund stands at £587,343 which means that the reserve for unexpired risks is nearly twice the premium income. The transfer of £75,000 to the Profit and Loss Account from this branch, in addition to interest and dividend receipts totalling £194,300 leaves £469,300-14-4 to the credit. The dividend for the year takes £320,000 and after providing for tax and depreciation, the sum of £90,222-7-1 is carried to General Reserve.

As the Ocean controls a subsidiary it is best to look at the consolidated balance sheet presented in the report. The capital is shown at £172,308 and besides the Funds of £5.39 millions there is a general reserve of over £1.29 millions. Claims outstanding are shown at £2.46 million and the total liabilities amount to £8.75 million against which there are investments to the value of £6.7 millions while Freehold Premises at home and abroad are shown at £624,606-17-11. Branch and agency balance totalling £798,353 are another credit item and cash on deposit and in hand figures at £561,645-6. Mention must be made of the fact that the parent company's assets total more than £8.05 million of which the greater part is invested in first-class stock exchange securities, mainly giltedge stocks and railway debentures. The Ocean has long enjoyed a high reputation, and in certain classes of accident business it has occupied a very prominent position. The impregnable position built up by the organisation is fully reflected in the report and accounts.

(In thousands of £'s.)

Accident Account.

	1934	1935	1936
	£	£	£
Premiums	4,770	4,746	4,682
Claims	2,745	2,694	2,526
Expenses	1,914	1,890	1,896
Reserve	3,434	3,451	3,516
Ratio of Claims to Premium	57.80%	56.8	53.8%
Ratio of Expenses to Premium	40.1%	40.8	40.4%
Ratio of Reserves to Premium	72.0%	72.7	75.8%

Fire Account.

Premiums	298	299	295
Claims	98	99	115
Expenses and Commission ..	128	128	119
40% Reserve for unexpired risks	117	120	118
Additional Reserve	482	481	469
Total Reserves	599	601	587
Ratio of claims to Premium	33.4%	33.1%	39.1%
Ratio of Expenses to Premium	41.9%	40.8%	40.8%
Ratio of Reserves to Premium ..	164.5%	160.9%	160.8%

Profit and Loss Account.

Receipts—			
Interest and dividends	262	202	194
Transferred—			
Fire Account	90	75	75
Accident Account ... ..	...	140	200
Other Items ... ..	...	...	...
Total	352	417	469
Disbursements—			
Income-tax paid	74	17	54
Provision for Dividend	200	275	54
Balance transferred to General Reserve Fund			
Reserve Fund	78	120	00
Other Items ... ..	...	5	5
Total	352	417	469

Balance Sheet.

Liabilities—			
Capital	172	172	172
General Reserve Fund	1,141	1,256	1,296
Fire Insurance Fund	599	601	587
Accident Insurance Fund	3,434	3,451	3,516
Other Funds	24	27	32
Outstanding Losses less amounts recoverable under re-insurances	2,388	2,379	2,464
Other items	587	602	721
Total	8,290	8,488	8,788

Assets—

Giltedged Securities ...	8,010	8,216	8,490
Debentures and Stock	8,091	8,058	8,002
Ordinary Shares ..	189	188	211
Mortgages and Loans	8	8	2
Cash ...	478	578	262
Other items ..	1,574	1,505	1,520
Total ...	8,290	8,488	8,788

THE PEARL ASSURANCE CO.

As one of the 'big four' of British insurance, the Pearl Assurance Company commands respect and the report for the year 1936 deserves considerable attention. The total premium income for the year amounted to £15,452,592 of which £5,260,045 was contributed by the ordinary branch and £8,424,385 by the industrial branch. Sir George Tilley, addressing the shareholders assembled at the annual meeting on February 28, expressed satisfaction at the year's results, and remarked that in the ordinary branch the sums assured together with accrued bonuses exceeded £100 millions, while the new business secured during the year accounted for over £8.8 millions. In the Industrial branch, the progress of trade recovery in the country led to a record post-war increase in premium income. The low yield on investments stimulated interest in annuities and single premium policies, and the Chairman pointed to an increase under both heads. The expense ratio in the ordinary branch remained at the level of 11.1 per cent., while adverse factors notwithstanding, over 4½ per cent. was earned on its funds. In the Industrial department, apart from the increase in new business, the reduction of arrears constituted a noteworthy feature. The larger payments on claims in respect of deaths and maturities in this branch amounting to over £1,115,000 over all policies which were of more than 10 years' currency emphasised the change in the character of business. In the industrial branch also, the expense ratio declined to below 30 per cent. of the premium revenue. To supplement State pensions to aged people the company introduced a new Married Couple Policy which had taken on quickly.

The underwriting experience in the fire, accident and other branches were described as eminently satisfactory and the total income for all branches exceeded £19 millions. The total funds at the disposal of the company increased by over £5 millions to over £94½ millions. The

accounts adopt the principle of segregating each department's funds and revenue, and separate appropriations to reserve are made in each. Investments exceeding £94½ millions are shown at cost, less depreciation, except for £8 million and odd laid out in the ordinary stocks of railways, the great bulk of the assets is invested in first-class giltedged Government and Municipal securities while mortgage and real estate investments satisfy the principle of diversification, reflected also in the greater portion invested in debenture stocks and preference shares in comparison with previous years. The annual valuation, made on stringent principles, disclosed a surplus of over £2 million in ordinary branch, and as since 1929, a bonus was allocated for 1936. In the ordinary branch, a surplus of over £1.34 million provided for a bonus payment of 2 per cent. on policies entitled to participate in full profits.

Though the 1936 results disclose a small decline in the industrial branch's earned surplus, the reduction of arrears and the expansion in new business provided encouraging features. The trading results of the last two years set out below will indicate that the company's position, strengthened by ample reserves and liberal provision for liabilities, is, as Sir George claimed, one of exceptional strength and stability:

Ordinary branch—

Surplus earned during the year ...	1,060,951	1,098,206
Brought forward from previous year ...	862,458	249,120
Total ...	1,428,409	1,847,832
To policyholders' bonus ...	820,815	844,884
To shareholders' account ...	204,725	209,000
To investment reserve fund ...	100,000	...
To staff pension fund ...	40,248	40,818
Carry forward ...	249,126	258,180
Total ...	1,428,409	1,847,832

Industrial branch—

Surplus earned during the year ...	1,545,628	1,870,855
Brought forward ...	651,278	589,000
Total ...	2,196,906	2,009,855
To policyholders' bonus ...	988,069	758,904
To shareholders' account ...	410,000	426,000

Investment reserve fund ...	100,000	...
Common contingencies fund ...	800,000	...
Staff pension fund...	109,757	109,682
Carry forward ...	689,080	661,849
Total ...	2,196,906	2,009,985

THE PRUDENTIAL ASSURANCE CO., LTD.

Head Office: London.

Calcutta Office: Clive Buildings,
Calcutta.

The eighty-eighth annual accounts, report, and balance sheet of the Prudential Assurance Company, a giant among the world's insurance companies, affords very satisfactory reading and reveals the splendid progress made in all the departments during the year 1936. The Prudential is the largest insurance company in the British Empire and one of the biggest in the world; and its business figures in the ordinary life and industrial life departments run to hundreds of millions sterling. The year 1936 has proved to be a record year once again. Its income from all sources exceeds £1 million every week; its total assets have increased by more than £13 million to £316 million (Rs. 421 crores); its new business in the ordinary life department is a record one at £30½ million (Rs. 41 crores), while the new business of the industrial life department amounted to £60 million nearly (Rs. 80 crores); total business in force under ordinary and industrial life branches amounts to the colossal sum of £814 million (Rs. 1,085 crores); the total claims paid to life policy holders during the year amounted to £21 million (Rs. 28 crores) or an average of Rs. 2 1/3 crores every month of the year.

In the ordinary life section of the company 106,494 policies were issued during the year under review assuring a sum of £30.76 million representing an increase of more than £2 million compared to the figures of the year previous. The total assurances in force under this branch amount to 1,019,504 policies assuring a sum of £249 million. The total premium income of the year amounted to £13.23 million as against £12.70 million in 1935. Interest, dividends etc., fetched a sum of £5 million nearly. Considerations for annuities granted amounted to £1.39

million. On the disbursements side, claims by death and maturity absorbed £12.17 million, while management expenses including commission absorbed £1.76 million working out to an expense ratio of 13.3 per cent. which shows an appreciable fall of one per cent. nearly, compared with that of last year. The ordinary life assurance fund at the end of the year has been increased by £3½ million to £115.35 million. The annual valuation of the company has revealed a surplus of £3.52 million including the sum of £559,000 brought forward from last year. This has enabled the directors to maintain the old bonus rates of 46s. per cent. per annum on whole life policies and 40s. per cent. per annum on endowment policies. After the allocation to the policyholders and the shareholders an increased sum of £596,000 is carried forward unappropriated to the next year's account.

More than 2½ million policies assuring a sum of £60 million nearly were issued during the year under review in the industrial life branch of the company which is easily its largest section. The total number of policies in force in this section at the end of the year was 27.66 million assuring the huge sum of £565 million. The total premium income of the department amounted to £21½ million while interest etc. received was £7½ million. Claims and surrenders paid during the year absorbed £12 million nearly and management expenses took £4.9 million. The industrial life fund was increased by £11.2 million to £176.7 million. The annual investigation of this section revealed a surplus of £6½ million which enabled the directors to declare handsome bonuses of 32s. per cent. and 30s. per cent. even to industrial life policies. It is noteworthy that the expense ratio of this section is being gradually reduced from 40.5 per cent. in 1920 to 22.8 per cent. in the year 1936.

The general insurance branch of the company, which is of comparatively recent origin has also shown considerable improvement during the year. The total premiums received during the year amount to £2.605 million and show an increase of £81,802 in sections other than sinking fund. The total surplus disclosed by all the general branches amounted to £541,735 of which a sum of £120,812 is utilised to further strengthen the the reserves, and leaving a sum of £257,590 to be carried forward after transferring £133,333 to profit and loss account.

Life Account.

	(In thousands of £).		
	1936.	1934.	1935
New Business—			
No. of Policies ...	106,424	98,374	106,822
Amount ...	80,761	24,029	728,745
Premiums ...	18,280	12,448	12,704
Claims ...	12,172	18,477	15,080
Surrenders ...	794	1,045	880
Annuities ...	808	511	678
Expenses ...	1,817	1,607	1,798
Life fund at beginning of year	111,558	111,069	118,286
Life fund at end of year ...	115,846	113,286	111,555
Increase in fund	3,788	2,217	...
Ratio of expenses to premiums	18.7%	12.9%	44.1%

Industrial Branch.

No. of Policies ...	2,275,825	2,341,709	2,175,212
Sums Assured ...	59,889	60,886	56,515
Premiums ...	21,456	20,260	20,691
Claims ...	8,746	8,666	7,796
Surrenders ...	8,125	8,312	8,284
Expenses ...	4,892	4,728	4,759
Fund at beginning of year ...	165,548	145,788	155,280
Fund at end of year ...	176,702	155,280	165,548
Increase in fund	11,154	9,492	10,268
Ratio of expenses to premium ...	22.8%	12.9%	15.9%

Fire Account

Premiums ...	920	929	924
Claims ...	394	438	427
Expenses ...	414	407	421
40% reserve for unexpired risks	368	372	369
Additional reserve	...	441	480
Ratio of Claims to premiums ...	42.8%	47.2	46.2%
Ratio of expenses to premium ...	45%	43.8%	45.6%
Ratio of reserves to premium ...	40%	37.5%	31.9%

Sickness and Accident Insurance

New Business—			
Premiums ...	201	181	186
Claims ...	71	59	58
Expenses ...	76	64	65
40% reserve for unexpired risks	77	96	71
Additional Reserve	128	91	97
Ratio of expenses to premium ...	37.8	35.7%	35%

Employer's Liability Account

Premiums ...	86	94	106
Claims ...	48	42	47
Expenses ...	18	48	47
Reserves ...	332	185	158
Ratio of expenses to premium ...	16.8%	45.7%	44.8%

Marine Account

Premiums ...	86	85	81
Claims ...	48	60	62
Expenses ...	18	17	12
Reserves ...	332	302	310
Ratio of expenses to premium ...	16.3%	20%	14.8%

Balance Sheet.

(In thousands of £).

Liabilities—	1934	1935	1936
Capital ...	1,450	1,450	1,450
Life fund ...	118,286	115,846	115,846
Industrial Assc. fund ...	155,280	176,792	176,702
Fire fund ...	818	868	868
Accident fund ...	160	200	200
Employers' Liability fund ...	185	141	141
Marine fund ...	302	332	332
Other insurance funds ...	3,538	5,105	5,105
Outstanding claims	1,505	1,688	1,688
Other Liabilities	14,060	886	14,507
Total ...	290,524	302,808	315,924

(In thousands of £).

Assets—	1934	1935	1936
Giltedge Securities	128,784	126,867	131,671
Debentures and Preference shares	65,967	70,051	11,052
Other stocks and shares ...	29,188	81,265	84,584
Loans on company's policies	6,617	5,918	5,286
Other loans and mortgages ...	38,040	88,796	48,406
House Property ...	8,268	18,486	16,661
Cash ..	3,482	8,704	8,494
Other assets ...	15,238	12,718	10,370
Total ...	290,524	302,808	315,924

Profit and Loss Account

Brought forward	1,484	1,455	1,189
Transferred:—			
Ordinary Branch account ...	257	265	278
Industrial Branch account ...	866	876	879
Fire account ...	81	69	68
Accident account ...	40	41	61
Employers' Liability account ..	7	..	28
Motor Insurance account ...	22	7	23
Sinking fund account ...	...	...	18
Interest ...	16	27	29
Other items ...	189	...	49
Total ...	2,915	2,781	2,582

ROYAL EXCHANGE ASSURANCE

(Established 1720)

Calcutta Office: 1-2, Old Court House Street Corner.

Bombay Office : Esplanade Road.

It is not surprising that the Royal Exchange Assurance, one of the oldest and best known British insurance companies both at home and overseas has reported a good year, for the general improvement in business conditions has made itself fully felt in the field of insurance. Established in 1720 under Royal Charter, the company ranks among the most famous in the sphere of insurance business and, together with its eight subsidiaries transacts business of varied character though life and accident insurance naturally predominate over the other classes. The latest report and accounts do not deal with the subsidiaries but relate to that of the Royal Exchange Assurance Company alone. The total premium income in all departments amounted to £9.6 millions. In the Life branch, there was only a small recession in the value of new business secured compared with 1935, though the number of policies was lower at 7,673 compared with 8,712 issued in 1935. The new business premium revenue amounted to over £169,616. The total premium revenue, after providing for reinsurance premiums, exceeded £1.25 millions, showing an increase of over £58,000 on the preceding year. Interest and dividend receipts totalled over £590,000 and it is noteworthy that the rate of the return on the Life and branch receipts were over £1.75 millions showing an increase of nearly £63,000 on the previous year. Outgoings in respect of claims by death took about £346,000 while matured policies resulted in claims for about £352,000. Payments for surrenders took over £115,000 and the expenses of management, amounting to a little over £219,000 was only 17.5 per cent. of the annual premium revenue. The Life Fund at the end of the year stood at over £12.5 million compared with £11.79 millions at the beginning of the year. The addition to the Life Fund is thus over £700,000 compared with about £530,000 was £4-19-2 per cent. The total life in the previous year.

The annuity and sinking fund accounts shows premium receipts of over £226,000. Interest and dividend receipts amounting

to about £89,000 also appear in the revenue account. The Annuity Fund stands at over £2.05 millions and the Capital Redemption Fund too is raised to over £420,000 from £402,000 at the beginning of 1936. The trustee and executor branch fees after meeting commission and expenses provide over £16,600 to transferred to Profit and Loss account.

The general insurance business suffered a small setback compared with the marked advance shown in the 1935 report. The net premium revenue in the Fire branch was £1.41 millions compared with £1.48 millions in 1935. Interest receipts less tax provided about £42,000. The loss ratio continued to be distinctly favourable though it was not so low as in 1935 and claims paid and outstanding appear in the revenue account at nearly £588,000. The commission and expense items total nearly £637,000 but the substantial excess of receipts permits the addition of £200,000 to the additional reserve for unexpired risks and the Fund stands at nearly £1.36 millions as against £1.19 millions at the end of 1935. The sum of £212,837 is transferred to the profit and loss account.

The total revenue of the Marine branch (inclusive of the premium revenue of £659,000) amounted to over £680,000. Claims accounted for an outgo of over £587,000 compared with £565,000 in 1935 when the premium income was about £62,000 lower. Expenses, however, were higher at £84,856 compared with £76,502 in 1935. The Fund receives a small addition and stands at £830,752. Premium receipts for the year in the General and Accident branch totalled over £1.12 millions. Interest on investments (less tax) provides £39,597 for the revenue account. Payments under policies, including legal and medical expenses, took over £702,000 and expenses of management accounted for £456,702. The substantial excess of receipts leaves a profit of over £101,000 to be transferred to Profit and Loss account after making a further addition of £100,000 to the Fund which at the end of the year stands at over £1.42 millions which equivalent to 127 per cent. of the premium income.

No detailed analysis is required of the Profit and Loss account. The receipts from the various branches added to the share of the sum in the Proprietors' Allocation Account amount to over £373,000 raising the sum brought down from 1936 to over £1.76 million. After providing for the previously mentioned

increases in the Fire and Accident Funds the balance is £1.1 millions. The dividend to the proprietors at 30 per cent. shows no change on the previous year and takes only £217,764 a sum which is well below the underwriting profits or the interest receipts shown in the revenue accounts.

Life and Annuity Account

(000-omitted £)

	1934.	1935.	1936.
Number of policies ...	6,375	8,712	7,678
Sums Assured ...	8,748	4,564	4,652
Life Premiums ...	1,181	1,194	1,252
Considerations and Premiums for annuities ...	281	304	207
Interest and dividends ...	474	569	698
Claims ...	688	676	116
Annuities ...	152	167	219
Commission and expenses (Life) ...	201	222	...
Percentage of expenses to Annual Premium ...	17.7	18.6%	17.3%
Life Fund at the beginning of the year ...	12,234	18,077	11,791
Life and Annuity Fund at the end of the year ...	13,077	18,672	12,504
Increase during the year ...	843	4,95	718

Fire Account.

Premiums ...	1,482	1,488	1,409
Claims ...	614	570	588
Commission and expenses ...	688	659	645
Total Reserves ...	1,178	1,194	1,198
Percentage of claims to Premiums ...	42.9	38.5	40.5
Percentage of commission and expenses to Premiums ...	48.1	44.7%	45.8

General Accident Account

Premiums ...	1,299	1,172	1,128
Claims ...	768	758	702
Commission and expenses ...	504	477	457
Total Reserves ...	1,518	1,421	1,421
Percentage of claims to Premiums ...	58.8	64.3	62.5
Percentage of expenses to Premium ...	40.8	40.7	40.7

Marine Account

Premiums ...	575	557	659
Funds ...	870	828	881

Profit and Loss Account

Brought forward ...	1,046	1,118	1,269
Interest receipts (excluding Life and capital redemption) ...	112	118	122
Shareholder's life profit ...	194	215	214
Net trading profits ...	75	...	878
Dividend rate % for year ...	...	11%	80%
Dividend Amount ...	218	221	218
Expenses not departmental ...	85	42	48
Carried forward ...	1,119	1,269	1,100

ROYAL INSURANCE COMPANY

(Established—1845)

Head Office: LONDON.

Calcutta Office: 26 & 27, DALHOUSIE SQUARE.

The Royal Insurance Company occupies an important place among the British offices which have extensive overseas connections. The strong position of the Company has been responsible for its securing its full share of the benefits arising from the improved state of insurance business in Britain and abroad during the past year. The total assets of the company rose to £57.7 millions at the end of the year, compared with £54.64 millions at the end of 1935. Substantial amounts were contributed to the underwriting profits last year by the fire and accident branches which had a premium income of about £5.5 millions each. The Funds are in excess of the departments' premium income and the marine department also is well-placed with a fund of over £1.5 millions as against a premium income of about £800,000. The Profit and Loss Account reveals the full strength of the company. The year's receipts from interest and the branch revenue accounts totalled £2.24 millions, reduced by £917,15.4 only through extra expenses, taxes and transfers to various funds. Added to £1.96 millions brought down from 1935 the total available is £3.28 millions. Provision for debenture interest and dividend takes £1.4 millions and over £1.87 millions is carried forward. The Royal, in association with the Liverpool and London and Globe, controls over £78.5 millions of funds and has a premium income of over £28.7 millions. A glance at the balance sheet reveals the impeccable character and admirable distribution of the investments, which are shown at or below cost, and the appreciation in market value is ignored. The dividend for 1936 is the same as in the previous year. The Indian branch, it may be mentioned, is assisted by a local Board which includes Sir Darcy Lindsay and Mr. J. Reid Kay.

Life Account.

(In Thousands of £)

New Business—	1934	1935	1936
Number ...	7,216	7,657	7,707
Amount ...	4,650	4,907	4,924
New Premiums ...	271	214	214
Total Premiums ...	1,915	1,915	1,965
Claims ..	1,857	1,548	1,581

Expense and commission ...	255	268	270
Life fund at the beginning of year ...	28,148	28,850	24,878
Life fund at the end of year ...	28,850	24,878	25,199
Net increase in the fund ...	702	528	826
Ratio of Expenses to Premiums ...	18.8%	14.0%	18.9%

Fire Account

Premiums ...	5,587	5,785	5,526
Claims ...	2,861	2,212	2,884
Expenses and Commission ...	2,592	2,687	2,645
40% Reserve for unexpired risks ...	2,285	2,228	2,210
Additional Reserve ...	8,500	8,500	8,500
Total Reserve ...	5,785	5,728	5,710
Ratio of Claims to Premium ...	42.8%	88.5%	42.2%
Ratio of Expenses to premium ...	46.4%	45.9%	47.8%
Ratio of Reserves to Premium ...	102.8%	99.8%	103.8%

Marine Account.

Premiums ...	918	808	702
Claims ...	407	406	209
Expenses ...	204	206	196
Reserves ...	1,481	1,502	1,501
Ratio of claims to Premiums ...	51.4%	50.8%	25.9%
Ratio of expenses to premiums ...	25.8%	25.5%	24.8%
Ratio of Reserves to Premiums ...	187.2%	185.9%	186.2%

Accident and General Account.

Premiums ...	5,187	5,160	5,494
Claims ...	2,755	2,690	2,755
Expenses and Commission ...	2,149	2,164	2,265
40% Reserve for unexpired risks ...	2,055	2,064	2,197
Additional Reserve ...	8,002	8,250	8,000
Total Reserves ...	5,057	5,814	5,697
Ratio of claims to Premiums ...	58.6%	52.1%	50.1%
Ratio of expenses to Premiums ...	41.8%	41.9%	41.2%
Ratio of Reserves of Premiums ...	98.4%	108%	108.3%

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 extensive life business in India. The accounts of the year 1936 show remarkable results.

The new business of the life department at 4,745 policies assuring a sum of £4.012 million is again a record figure for the 9th year in succession. The total premiums and the considerations for annuities amounted to £88,292 and the life fund has advanced to £11.834 million.

The fire premiums declined rightly during the year. It is noteworthy that the fire losses have again decreased substantially from 39.8 per cent. in the year under review. The fire fund stands at £1.399 million or 141.1 per cent. of the premium income.

The total premium income of the miscellaneous branch at £230,358 has slightly appreciated over the last year's figure, the total claims paid were £180,092 and the total expenses of management £98,150-8-8. The combined funds stand at £229,915-4-10.

The marine premiums had increased by £17,000 to £326,146-6-4 and the trading results enabled the company to release a profit of £25,000 from this department. The marine fund at the end of the year stands at £399,306 or 122.4 per cent. of the premium income.

The total assets of the company amount to £16.909 million. The Profit and Loss Account shows an available sum of £967,156-10-6 including a sum of £665,397-0-7 brought forward from last years account. After the payment of dividends and other allocations a sum of £660,864-2 is carried forward to the next year's account.

Life and Annuity Account.

(In thousands of £)

New Business—	1934.	1935.	1936.
Number of policies ...	3,645	4,342	4,745
Amount ...	3,144	4,012	4,012
Premium on new business ...	90	108	107
Total Premium ...	771	805	822
Claims and annuities Commission and expenses ...	951	816	981
Life fund at beginning of year ...	146	154	154
Life fund at year-end	11,380	11,491	11,762
Increase in fund ...	11,491	11,764	11,834
Ratio of expenses to Premium	161	273	70
	18.9%	19.1%	18.5%

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

Fire Account.

	1934	1935	1936
Premium	1,012	1,012	998
Claims	424	399	390
Expenses	472	466	467
Reserve at 50% of Premiums	506	506	499
Special reserve	900	900	900
Total reserve	1,406	1,406	899
Ratio of Claims to Premium	41.9%	39.4%	39.8%
Ratio of expenses to Premium	46.7%	46.0%	46.8%
Ratio of reserve to Premium	138.9%	148.8%	141.1%

Accident Account.

	1934	1935	1936
Premium	30	28	24
Claims	17	17	11
Expenses	11	11	10
Reserve at 50% of Premium	15	14	12
Additional reserve	6	5	5
Total reserve	21	19	17
Ratio of claims to Premium	58.4%	60.7%	45.8%
Ratio of expenses to Premium	38.1%	39.3%	41.7%
Ratio of reserve to Premium	70.0%	67.8%	90.8%

Employers' Liability Assurance.

	1934	1935	1936
Premium	54	56	56
Claims	32	31	36
Expenses	22	22	22
Reserve at 50% of Premium	27	29	28
Additional reserve	34	39	39
Total reserve	61	68	67
Ratio of claims to Premium	59.5%	55.8%	64.3%
Ratio of expenses to Premium	41.0%	39.3%	39.3%
Ratio of reserve to Premium	113.0%	121.4%	119.5%

Marine Account.

	1934	1935	1936
Premium	303	309	326
Claims	214	219	229
Expenses	170	68	64
Reserve at 50% of Premium	152	155	63
Additional reserve	249	240	236
Total reserve	401	395	399
Ratio of claims to Premium	70.6%	70.9%	70.2%
Ratio of expenses to Premium	23.1%	20.4%	19.6%
Ratio of reserve to Premium	132.0%	127.8%	122.4%

Miscellaneous Account.

	1934	1935	1936
Premium	192	228	230
Claims	91	112	180
Expenses	81	97	98
Reserve at 50%	96	114	115
Additional reserve	63	92	115
Total reserve	159	206	230

	1934	1935	1936
Ratio of claims to Premium	47.5%	49.1%	178.1%
Ratio of expenses to Premium	42.5%	42.5%	42.6%
Ratio of reserve to Premium	82.8%	90.4%	100%

Balance Sheet as at December 31st.

(In thousands of £)

	1934	1935	1936
Liabilities—			
Capital	300	300	300
Funds: Life and annuity	11,491	11,763	11,834
" Fire	1,406	1,406	1,399
" Accident	21	19	17
" Employers' Liability	61	68	68
" Marine	401	394	399
General reserve fund	500	500	500
Other funds	680	1,285	727
Total funds	14,860	15,235	14,944
Other items	1,242	1,270	1,665
Total	16,402	16,505	16,909
Assets—			
Giltedge	5,850	6,473	6,796
Debentures and Preference shares	6,341	6,666	6,357
Equity shares	253	311	319
Mortgages and loans	2,283	2,066	1,741
Other investments and other items	1,387	953	1,401
Cash	238	391	291
Total	16,402	16,805	16,909

Profit and Loss Account.

	1934	1935	1936
Receipts—			
Brought in	480	522	665
Transferred from fire account	141	193	194
Transferred from accident account	2	3	5
Transferred from employers' liability account ... ..	...	...	1
Transferred from miscellaneous account	14	7	...
Transferred from marine account	40	80	25
Other items	81	180	77
Total	758	935	967
Disbursements—			
Dividend amount	152	152	150
Allocations	9	40	67
Other items	81	78	90
Carry forward	522	665	660
Total	758	935	967

STANDARD LIFE ASSURANCE COMPANY.

(Established 1825)

Calcutta Office : Standard Buildings,
Calcutta.

The Standard Life Assurance Company, a doughty Scottish centenarian has added another year to its life of fulsome achievement. The accounts for the year ending November 15, 1936 show that the Company has more than maintained its steady and all round progress. And the annual investigation of the liabilities and assets; on the most stringent bases, has disclosed a sufficiently large surplus to enable the company to maintain its compound reversionary bonus of 42s. per cent. per annum even in these difficult days of low interest yields. Standard Life is one of the first to introduce life assurance in India and during the year 1934 (the latest year for which the figures of their Indian business is available) the Company issued new policies in India for sums assuring Rs. 27.37 lakhs, while their total Indian business at the end of that year amounted to Rs. 4½ crores nearly, ranking sixth among the 25 non-Indian companies doing life business in India. During the year under review the new business of the company exceeded Rs. 6 crores ; total business in force amounted to about Rs. 58 crores, the premium income totalled Rs. 2.38 crores, interest dividends and rent realised more than Rs. 1½ crores, life and annuity funds increased to Rs. 33½ crores and the total assets amounted to Rs. 37½ crores. It is note-worthy that the company has been able to procure a higher new business after the slight setback that it suffered last year, a reaction from the record new business of the year previous.

The accompanying statement gives an idea of the splendid progress achieved by the Standard during the past three years.

	Amounts in thousand pounds.		
	1934.	1935.	1936.
New Business Number	6,380	6,952	7,583
New Business sums assured ...	5,249	4,379	4,576
Total net premiums ...	1,473	1,663	1,784
Interest ...	1,062	1,103	1,152
Claims ...	1,154	1,089	868
Management Expenses and Commission ...	264	287	292
Expenses Ratio ...	17.9%	17.2%	16.4%
Life and Annuity Fund	23,064	24,264	25,304
Increase in Life Fund	728	1,200	1,000
Total Funds ...	25,625	26,760	27,855
Total Assets ...	25,942	27,166	28,223

The new business shows an increase of 631 policies and £197,000 in sums assured.

Both the premium income and the interest income show considerable improvement over the figures of last year while claims paid have decreased to a great extent. It is noteworthy that the expense ratio has been lowered still further to 16.4 per cent. The life and annuity fund has been increased by the appreciable sum of £1 million to £25.304 million.

The balance sheet of the company gives the distribution of its total assets amounting to £28.228 million. Nearly 85 per cent. of the total assets amounting to £23½ million is invested in stock exchange securities. Of this, giltedged securities amount to £9½ million, debentures and preference stocks account for £10.4 million and ordinary stocks amount to £3.6 million. Of the balance of 15 per cent., policy loans have taken £1.093 million, mortgage and other loans amount to £2.106 million, cash to £224,000 and other investments £1.011 million.

Life Account

	(In Thousands of £)		
	1934.	1935.	1936.
Number of Policies ...	6,380	6,952	7,553½
Amount Net ...	5,249	3,983	4,159
Net Premium on new business ...	223	380	280
Total Premium ...	1,473	1,663	1,784
Interest ...	1,062	1,103	1,152
Claims by death ...	831	585	560
" " maturity ...	323	323	309
Commission and Expenses ...	264	287	292
Life and Annuity Fund at beginning of year ...	22,336	23,064	24,264
Life and Annuity Fund at year-end ...	23,064	24,264	25,304
Increase in Fund ...	728	1,200	1,040
Ratio of expenses to premium ...	17.9%	17.2%	16.4%

Liabilities—

Life Assurance and Annuity Fund ...	23,064	24,264	25,304
Capital Redemption Assurance and Annuity Certain Fund	761	796	852
General Reserve ...	850	850	850
Perpetual Stock ...	850	850	850
Total Funds ...	25,525	26,760	27,855
Current Liabilities ...	417	406	371
Total ...	25,942	27,166	28,227
Giltedged ...	9,914	10,321	9,744
Debenture and Preference Stocks ...	9,912	10,846	10,382
Ordinary Stocks ...	2,414	2,877	3,917

Mortgages and Loans on Life Interests and Reversions ...	1,612	1,445	2,106
Loans on Policies ...	1,222	1,112	1,093
Other Investments ...	668	660	677
Agents' Balances, ...	76	74	84
Cash ...	124	331	224
Total ...	25,942	27,166	28,227

SUN INSURANCE OFFICE, LTD.

(Established 1710)

Head Office: London

Calcutta Office: 2, Hare Street

Bombay Office: 24, Bruce Road.

To the distinction of being the oldest insurance office in the world the Sun Insurance Office Limited adds that of being one of the Big Five of British Insurance. Conducting its business in many climes and countries, the Company has a record of continued expansion. The report and accounts for the last year reflect fully the great position the Sun occupies in the world of insurance though business failed to show any increase as in the preceding year. In the fire branch, premium income was over £2.21 millions compared with £2.29 millions in 1935. As against payments of over £899,000 in respect of claims in 1935, payments in 1936 took over £980,000 indicating that the unusually favourable claim ratio of that year was, as is generally held, something transitory. Nevertheless, the substantial excess of receipts resulted in the maintenance of the Fund at over £2.48 millions and the additional reserve was unchanged at £1.6 millions. Although expenses amounted to over £1 million a credit balance of over £812,000 was available for transfer to profit and loss account.

As in the Fire branch premium income in the Accident branch fell away slightly compared with 1935 and net receipts were £1.74 million against £1.85 million in 1935. But the claim experience was more favourable and outgoings amounted to £1.025 million compared with £1.197 million in the previous year. After meeting expenses totalling over £641,000 and maintaining the additional reserve for unexpired risks at £600,000 the profit and loss account receives over £159,000.

There was a slight shrinkage in receipts in the Marine branch compared with 1935, premiums in 1936 amounting to over £528,000 against £558,000. Claims ab-

sorbed over \$400,000 but the expenses were lower at about £60,000 and this branch contributes over \$80,000 to the profit and loss account. The fund at over £950,000 is substantially in excess of the annual premium income and as in the other branches the additional reserve for unexpired risks is maintained at the level of the preceding year.

The profit and loss account shows receipts of over £552,000 from the fire, accident and marine branches besides a sum of \$98,000 not carried to other accounts, raising the amount carried down from 1935 to over £1.98 millions. After providing for dividend, taxes and sundry expenses in addition to appropriations to Staff Pension Fund and £100,000 to Investment and Contingency Reserve Fund, the sum of over £1.465 millions is carried forward against £1.885 millions brought down from 1935.

Changes in the balance sheet as at the end of 1936 in comparison with 1935 reveal slight falls in the accident and fire funds and a rise in the marine fund. Capital and general reserve are unchanged at £600,000 and £1 million respectively and Investment and Contingency Reserve Fund stands at over £242,000. Besides the Funds, liabilities in respect of claims outstanding, bills payable, expenses and commission, etc. are shown at over £2.8 million, and there are in addition over £150,000 due in respect of Staff Deposit and Widows and Orphans Fund.

The assets column shows investments of over £892,000 in mortgages and about £1.5 million in British Government securities. Over £1.67 million is held in U. S. and foreign government securities, and among the other major items in which the assets are distributed, are railway and other debenture stocks: £1.85 million; Railway and other ordinary stocks; £1.87 millions and House Property: £1.89 millions. The total value of investments at cost or below is shown at over £8.45 millions.

While the year's accounts provide no outstanding feature and the total premium income is about £200,000 lower and the volume of business has fallen slightly, underwriting profits have been maintained at the satisfactory level of the preceding year and interest receipts were better at £256,000 permitting the payment of a dividend of 2s. 8d. on each share of 5s. Sir William Goschen at the annual meeting on May 25 adverted to the reduction in premium income, caused largely by the withdrawal from business in Mexico, the special precautions rendered necessary in

Spain, a decline in U. S. business and the change in foreign currency values. Investment revenue, he observed, was higher and the marked improvement in the underwriting profit in the Accident branch provided a gratifying feature. The addition to the reserves and the maintenance of the funds in all branches at a high ratio to premium income remained favourable features. Sir William mentioned that the total funds of the office had increased during the year from £7,977,588 to over £8,119,427 the book value of the investments being in the aggregate very substantially less than market value even at to-day's prices. Sir William viewed the results with satisfaction and a reading of the report and figures shows that the Sun maintained its position in the front rank of insurance concerns during the past year. Reserves, already very impressive, have been strengthened further. The additional reserves, after conserving over 100 per cent. of the premium income, are equivalent to four times the paid-up capital.

Fire Account.

(In Thousands of £)

	1934	1935	1936
Premiums ...	2,838	2,298	2,214
Claims ...	969	899	980
Expenses ...	1,127	1,069	1,038
Reserves at 40% for unexpired risk	985	917	886
Additional reserve	1,600	1,600	1,600
Total reserve	2,585	2,517	2,486
Ratio of Claims to Premium ...	41.4%	39.2%	44.2%
Ratio of Expenses to Premium ...	48.2%	46.6%	46.9%
Ratio of Reserves to Premium	108.4%	109.8%	118.7%

Marine Account.

	1934	1935	1936
Premiums ...	568	554	528
Claims ...	441	452	401
Expenses ...	69	66	60
Reserve	817	808	821
Additional reserve	180	180	180
Total reserve	947	938	951
Ratio of Claims to Premium ...	78.5%	81.6%	75.9%
Ratio of Expenses to Premium ...	12.2%	10.9%	11.4%
Ratio of Reserve to Premium	168.2%	168.4%	158.6%

Accident Account.

	1934	1935	1936
Premiums ...	1,777	1,854	1,747
Claims ...	1,027	1,197	1,026
Expenses ...	646	656	641
Reserve for unexpired Risks ...	694	708	674
Additional Reserve	465	600	600
Total reserve	1,159	1,308	1,274
Ratio of Claims to Premium ...	57.9%	64.4%	58.8%
Ratio of Expenses to Premium ...	36.4%	35.4%	36.7%
Ratio of Reserve to Premium ...	65.3%	70.6%	78.0%

Balance Sheet.

Liabilities—				
Capital ...	...	600	600	600
Funds—				
Fire ...	...	2,585	2,517	2,486
Accident ...	...	1,159	1,308	1,274
Marine ...	...	947	938	951
General Reserve Fund	...	1,000	1,000	1,000
Pension Fund	...	819	885	849
Total Funds	...	6,160	6,298	6,060
Other Items	...	8,475	8,916	4,215
Total	...	10,285	10,609	10,875

Assets—

Giltedge ...	...	8,441	8,048	8,941
Debentures and Preference shares ...	...	2,048	1,826	1,787
Equity shares ...	...	726	790	1,378
Mortgages and loans	...	458	447	898
Other Investments and other Items	...	2,671	8,550	2,656
Cash ...	...	855	948	775
Total	...	10,285	10,609	10,875

Profit and Loss Account.

Receipts—

Brought in	...	1,159	1,288	1,885
Transferred from Fire account	...	290	892	812
Marine ...	...	111	81	81
Accident ...	...	75	69	160
Other Items	...	118	97	100
Total	...	1,758	1,922	1,988

Disbursements—

Dividend Amount	...	247	258	251
Allocations	...	100	187	152
Other Items	...	128	147	120
Carry forward	...	1,283	1,885	1,465
Total	...	1,758	1,922	1,988

INSURANCE SECTION

REVIEWS OF BALANCE SHEETS

EMPIRE AND FOREIGN INSURANCE

ALLIANZ UND STUTTGARTER

Head Office: GERMANY.

Bombay: 10, BRUCE STREET, FORT.

One of the best known of German Insurance Companies, the Allianz Und Stuttgarter is one of the few Continental insurance offices with branches in India. The organisation of the Company has been gradually extended in recent years, and the benefit derived from the business revival in Europe are reflected in the balance sheet and accounts. Total business in force continues to improve and life assurance profits, side by side with premium revenue and interest receipts have advanced. The rise under miscellaneous reserves offsets the reduction under Investment Reserve Fund and the reserve for claims pending is also higher at end of 1936. No description of the distribution of assets would leave out of account the highly satisfactory nature of the investments. Higher expenses last year did not affect the undivided policyholders' profit, and the small increases under claims and surrenders did not cut into the larger receipts under premiums and interest. The magnitude of the Company's resources combined with the skill and experience of the management render the Company's position eminently satisfactory.

Direct New Business—	(£000's omitted).		
	1934	1935	1936
Total Business in force	275,782	297,949	318,967
Profits on mortality in direct business	889	871	10,20
Total Surplus ...	2,548	26,15	27,25

Liabilities—

Share Capital ...	1,681	1,681	1,685
Statutory Reserve funds ...	163	163	164
Net Liabilities ...	46,248	52,645	59,693
Reserves for claims pending ...	135	169	249
Undivided policyholder's profit ...	6,027	6,464	6,844
Investment Reserve fund ...	1,459	1,726	1,580
Miscellaneous Reserves ...	2,333	2,115	2,353
Revalorisation stock	4,699	4,099	3,568
Other items ...	3,611	4,096	4,597
Total ...	66,801	78,114	80,678

Assets—

Securities ...	18,008	21,810	25,448
Bonds of Public Loans on policies bodies ...	6,217	8,596	10,255
with their surrender values ...	5,781	6,885	7,008
Mortgages ...	27,153	27,081	27,965
Real property ...	2,836	3,018	3,978
Cash ...	215	129	142
Other items ...	6,141	6,150	5,887
Total ...	66,801	78,114	80,678

Receipt—

Balance brought forward ...	51,441	58,164	65,785
Premiums ...	12,405	18,473	14,860
Interest, etc. ...	2,854	3,133	3,314
Revalorisation stock	5,744	4,951	4,822
Other items ...	4,869	4,798	4,687
Total ...	77,318	84,519	92,418

Expenditure—

Claims paid ...	2,644	3,615	3,688
Surrenders ...	1,587	1,173	1,244
Management expenses and commissions ...	2,634	3,040	3,451
Undivided policyholder's profit ...	6,027	6,465	6,844
Valuation reserve at end of year ...	46,248	52,645	59,693
Revalorisation stock	5,788	4,951	4,815
Net profit ...	175	141	176
Other items ...	12,265	12,489	13,508
Total ...	77,818	84,519	92,418

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 Empire Companies with growing business in India any by virtue of its intrinsic soundness and the branch organisation in the country has secured a prominent position among the non-Indian companies doing business here. Last year's recovery in the procuration of new business is the continuation of a movement at work since 1935 and the setback in 1936 appears to have been temporary. New business resulted in the issue of 4,997 policies assuring Rs. 171,62,693. The total premium income was Rs. 41,09,000 and the Company's claim experience was decidedly more favourable. The income from investments led to an increase in the commission and expenses so that the expense ration rose to 34.0 per cent. The growth of the Life Fund in recent years testifies to the strength of the Company and the year 1936 witnessed an increase of over Rs. 17 lakhs. The balance sheet affords evidence of the sound position built up by the company. The Life Fund of Rs. 2.33 crores is supported by a reserve of Rs. 67 lakhs. A change in the distribution of the Company's assets deserved mention. An increasing proportion of the funds is lodged in Stock Exchange Securities and the advances on mortgages have been reduced. The increase in cash and other assets is evidence of a liquid position and the advances to policyholders are again up. With assets exceeding Rs. 2.6 crores this year, Singapore Company's position remains as satisfactory as before and the rise in funds and income shows that the company has experienced a more prosperous period in the previous year.

(In Thousands of Rs.)

	1935	1936	1937
New Business—			
Number of policies ...	4,819	2,751	4,997
Amount ...	1,46,80	81,74	1,71,62,693
Total Premiums ...	86,06	81,85	41,09
Interest, Dividends and			
Rents ...	11,88	10,04	12,58
Claims ...	17,10	18,55	17,95
Commission and ex-			
penses ...	12,43	10,04	15,84

Amount of Life fund at the beginning of the year ...	1,99,79	1,80,41	2,15,52
Amount of Life fund at the end of the year ...	2,15,52	1,86,48	2,88,21
Increase in fund ...	15,78	6,02	17,69
Ratio of expenses to premium ...	84.4%	81.5%	84.0%

Liabilities—

Capital ...	2,65	2,65	2,65
Life fund ...	2,15,52	1,86,48	2,88,21
Outstanding claims ...	5,28	4,86	6,19
Reserve fund ...	15,72	15,89	1,567
Other liabilities ...	2,68	2,42	8,05
Total ...	2,41,75	2,11,75	2,60,77

Assets—

Giltedge securities ...	59,21	89,57	65,54
Preference and ordinary stocks and shares ...	41,51	24,16	59,87
Loans on mortgages ...	72,48	87,12	66,57
Loans on Company's policies ...	80,09	28,22	80,12
Cash ...	2,46	2,14	8,28
Other assets ...	86,05	80,54	85,89
Total ...	2,41,75	2,11,75	2,60,77

THE NATIONAL MUTUAL LIFE ASSOCIATION OF AUSTRALIA, LTD.

(Established—1869).

Head Office: MELBOURNE, AUSTRALIA.

Calcutta Office: CHARTERED BANK BUILDINGS.

Bombay Office: 15, ELPHINSTONE CIRCLE.

The National Mutual Life Association of Australasia is one of the soundest and biggest mutual life offices of the world and does considerable business in India. With a total Indian business in force of more than Rs. 3½ crores as on September 30, 1934, it ranks within the first eight among the twenty-five foreign insurance companies doing life business in India. Established only 67 years ago, National Mutual is growing from strength to strength year after year and an idea of its gigantic size can be had from the following facts. The total income of the Association during the year ended September 30, 1936, exceeded £5½ million, the premium income alone amounting to £3.583 million; new sums assured during the year amounted to £11,349 million; total sums assured amounted to £100 million nearly, total claims paid by the Associa-

tion since its inception has exceeded the huge sum of £37 million; and the total funds exceed £42 million.

The year under review has seen more of this impressive progress in the working of the Association. Both the number and sums assured under the new business have increased considerably and set up new records. The actual number of new policies issued during the year was 31,350 assuring a sum of £11,349 million as against 26,941 policies assuring £10.137 million during the previous year. The total business in force at the end of the year has nearly reached the high watermark of £100 million (over Rs. 1,32 crores) and the total net premium income has advanced from £3.314 million to £3.508 million. Consideration received for annuities shows a heavy decline from £93,112 to £40,176. Interest dividends and rent realised amounted to £1,689,409, the net yield working out to £4-6s. 3d. per cent. which represents a slight increase of 5d. per cent. over the yield of the previous year. On the disbursements side, claims by death accounted for £1.044 million while those by maturity for £1.276 million. Management expenses including commission absorbed £520,563 working out to an expense ratio of 14.83 per cent. The life fund advanced by the appreciable sum of £1.722 million to £40,883 million. It is one of the popular foreign life offices working in India.

The balance sheet of the Association as on September 30, 1936, shows on the liabilities side, a life fund of £40,833 million, an investment reserve fund of £1.124 million, outstanding claims amounting to £414,000 and other miscellaneous liabilities amounting to £149,000. On the assets side, more than 30 per cent. of the total assets (£42.570 million) amounting to £12.860 million are invested in giltedged securities. Debentures and other stock exchange securities amount to £7.401 million; loans on mortgages amount to £9.188 million, while loans on policies, within their surrender value, account for £5.647 million and a sum of £1.698 million is held in cash. Other miscellaneous assets are represented by the total sum of £4.030 million.

The last valuation of the Association was made on September 30, 1934 on a stringent basis using 3 per cent. as the interest rate and the surplus disclosed was £3.423 million, of which bonus to policyholders absorbed £3.054 million leaving the balance to be added to the reserve

funds. Bonus is allotted according to the contributory method and depends upon the class and duration of the policies. The immense popularity and the continued progress of the National Mutual of Australasia are mainly due to its attractive policies at competitive rates, to its sound and able administration, and, above all, to its eminently strong and massailable financial position. The Association's head office is in Melbourne and the offices in India are at Bombay with Mr. H. Pollett as Resident Secretary.

New Business—	(In thousands of £.)		
	1935	1936	1937
Number of policies ...	28,056	26,941	31,850
Amount ...	9,120	10,187	11,849
Premiums on new business ...	598	406	458
Total Premiums ...	8,300	8,407	8,548
Claims by death ...	968	1,008	1,156
„ maturity ...	1,170	1,801	1,278
Commission & expenses ...	401	468	518
Life fund at beginning of year ...	86,248	87,851	89,161
Life fund at the end of the year ...	87,851	89,161	40,883
Increase in fund ...	1,603	1,619	1,722
Balance Sheet.			
Liabilities—			
Life fund ...	87,851	89,161	40,883
Reserve fund ...	791	1,170	1,180
Outstanding claims ...	879	407	412
Other items ...	97	42	92
Total ...	89,118	40,780	42,569

Assets—			
Government securities	11,102	12,128	12,860
Debentures and stocks	6,251	6,628	7,400
Loans on mortgage ...	8,760	8,880	9,188
Loans on policies ...	5,820	6,875	6,887
Cash ...	1,898	1,748	1,698
Other items ...	5,192	5,586	4,586
Total ...	89,118	40,780	42,569

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 \$)		
	1934.	1935.	1937.
New Business—			
Amount assured	236,216	219,076	219,969
Premiums on New Business ...	13,433	11,880	11,716
Total Premiums	103,845	100,240	96,925
Interest, Dividends and Rents ...	24,385	26,807	29,384
Total assurance in force ...	2,748,725	2,736,960	2,775,949
Claims by death	23,885	21,498	24,087
Total Claims ...	34,100	32,423	35,335
Expenses and commission ...	17,279	16,612	16,670
Life fund at the end of year ...	569,154	605,364	652,987
Balance Sheet.			
Liabilities—			
Capital	2,000	2,000	2,000
Life and Annuity fund ...	569,154	605,364	652,939
Other funds	10,963	11,151	33,907
Claims, surrenders etc. and unpaid	9,189	9,949	10,048
Other liabilities	54,073	78,588	7,8910
Total ...	665,379	707,052	777,804

Assets—

Giltedge Securities	*162,881	218,464	310,201
Preference and other stocks	802,424	291,293	277,593
Loans on Company's policies	97,467	91,922	87,332
Other loans and mortgages	27,518	27,556	29,381
Property	28,909	29,663	30,242
Outstanding and deferred premiums	17,441	17,052	16,974
Cash	19,583	21,132	16,187
Other assets	9,156	9,870	9,884
Total ...	665,379	707,052	777,794

* Including Municipal, Public Utility and other Bonds.

NEW ZEALAND INSURANCE CO., LTD.

(Established 1859)

The New Zealand Insurance Company is one of the largest foreign insurance companies doing business in India with branches at Calcutta, Bombay and Rangoon. Besides its home territory, the Company is well represented in Australia, America, South Africa and the Far East. The Company's position as disclosed in the report and accounts for 1936 leaves little to be desired. Total Premium revenue in the Fire, Marine and Accident branches improved to £1,185,635 from £1,096,569 in 1935. Underwriting profits for the year at £83,278-3-3, equal to 7.03 per cent. of premium income, were however, lower than in the previous year owing to an increase in the loss ratio from 57.61 per cent. in 1935 to 59.54 per cent. By reason of the advance in premium revenue the expense ratio was lowered to 29.68 per cent. from 31.59 per cent., although total expenses are higher at £298,197-13-1.

The high reputation of the Company is fully sustained by the balance sheet. The paid-up capital of £1.5 millions is supported by reserves totalling over £1.63 millions. The Company's assets totalling over £3.575 millions are well invested. Over £2.18 millions are in Government and Municipal stocks. Freehold purchases and investments in shares are shown at about £895,000 and the cash balances amounted to £113,002-10-8. The dividend is unchanged at 10 per cent. and the allocations to the various reserves are on a generous scale.

The Company conducts a Trustee and Executor Branch whose growing prosperity is well indicated by the fact that nearly

£5 millions belonging to various estates were administered by the branch as also over £1.5 millions held on account of debenture-holders.

Underwriting Account (In thousands of £)			
	1934-35	1935-36	1936-37
Fire, Marine and Accident Premiums ...	1,051	1,097	1,186
Appropriated for Taxation ...	...	40	40
Reserve for Unexpired Risks at 31st May, 1938 ...	506	581	554
Total ...	1,557	1,668	1,780
Commissions, Salaries, Directors' Fees and other Expenses ...	294	294	298
Government Taxes and Appropriations and Payments of Fire, Marine and Accident Associations ...	55	52	54
Fire, Marine, and Accident Losses and Appropriations for Unadjusted Losses ...	597	682	706
Appropriation for Taxes Reserve for Unexpired Risks at 31st May, 1934 ...	581	554	599
Balance ...	80	96	88
Total ...	1,557	1,668	1,780

Balance Sheet.

Liabilities—			
Capital ...	1,500	1,500	1,500
Reserve Fund ...	500	550	600
Reserve for Unexpired Risks ...	581	554	599
Reserve for Unexpired Contingencies ...	154	154	169
Reserve for Unexpired Investment fluctuation ...	56	69	89
Other items ...	255	312	368
Balance ...	238	241	250
Total ...	3,284	3,380	3,575
Assets—			
Giltedge and other Securities ...	2,036	2,025	2,186
Mortgages and deposits ...	193	175	111
Shares ...	240	370	406
Office Premises and other properties ...	447	463	489
Interest and Rents ...	89	40	45
Branch and Agency Balances etc. ...	172	186	225
Cash ...	107	121	118
Total ...	3,284	3,380	3,575

INDIAN AFFAIRS

(ISSUED WEEKLY)

presents an informed and impartial survey of events of importance in

INDIA and the WORLD

INDIAN AFFAIRS

STANDS FOR

A thoughtful study of political problems:

An appreciation of a fuller life—sweetness and culture in human life:

A planned economy:

And full and correct knowledge as the best antidote to parochial, racial, sectional or communal misconceptions.

'Indian Affairs' will provide a platform for the expression, from all sections of opinions based on thoughtful understanding, which will themselves help to provoke and clarify thought.

TWO ANNAS A COPY—SIX RUPEES A YEAR

From the publishers at 20, BRITISH INDIAN STREET, CALCUTTA.

BANKING SECTION:

BANKING IN INDIA 1936-37

The year 1936-37 has been in many respects better for Indian banking than the previous year. Only the results for that year could have been nearer expectations. This would perhaps have been the case but for the special difficulties that the Indian banks have had to face during the past few years. Indian banks, as is generally known, had a difficult time till the end of 1935. There was a slight recovery in the middle of 1933, but that was very short-lived and not until the end of 1936 were there any definite signs of revival in activity. The recovery which set in earlier in other countries, even as early as the end of 1935, was not noticeable in this country till late in 1936. The favourable balance of trade created by the export of gold proved to be a handicap to Exchange banks and Indian banks as well, a handicap to the exchange banks in so far as there was less need to finance imports and a handicap to the Indian joint-stock banks in so far as the indigenous money lenders asserted once more their influence. Thus it was that the Indian banking system experienced a very difficult period between the years 1931 to 1935.

The boom in company flotations lessened to a certain extent the competition of the indigenous lenders and with the surplus funds of the small investors invested in new flotations and the increase in banking custom and industrial activity, the Indian joint-stock banks experienced better times. But with all this there was never a real squeeze for money, though exchange banks were for some time obliged to draw on their balances at home, and it was not thought at any time necessary to increase the bank rate which remained at 3 per cent.

The first half of 1937 is truly indicative of the recovery that has been in evidence during the last fifteen months. It will be noticed from the table given below that almost all banks have been able to earn higher profits. Only those of the Reserve Bank of India are slightly less and those of

the Imperial Bank of India would perhaps have been higher but for the continuance of easy money conditions which resulted in lower yields on Treasury Bills.

	Half-year ended 30-6-1937	Half-year ended 31-12-1936	Half-year ended 30-6-1936
	Rs.	Rs.	Rs.
Reserve Bank of India*	...	56,05,744	58,42,100
Imperial Bank of India	89,09,900	85,60,216	87,27,181
Bank of India	12,14,058	12,28,765	8,84,417
Central Bank of India	18,81,597	18,58,537	12,45,798
Bank of Baroda	2,64,396	2,61,195	1,94,501
Punjab National	4,56,574	8,85,670	8,25,851
Bank of Mysore	2,44,257	2,16,491	2,35,585

*For the years ending December, 1935 and 1936. The figures for 1935 relate only to nine months.

The returns of the Scheduled Banks indicate the progress of business conditions in India. Advances have improved from Rs. 84.47 crores to Rs. 106.29 crores and bills discounted from Rs. 3.53 crores to Rs. 5.65 crores.

	As on 8-1-1936	As on 1-1-1937	As on 19-11-37*
	Rs.	Rs.	Rs.
Demand Liabilities in India	1,24,79,37	1,81,72,29	1,85,02,09
Time Liabilities in India	99,07,68	1,02,28,32	1,09,11,08
Cash in India—			
(a) Notes	6,17,20	6,48,60	5,89,68
(b) Rupees	64,86	58,65	87,85
(c) Subsidiary coin	22,50	22,06	32,87
Balance with Reserve Bank in India	81,74,00	20,48,07	26,98,89
Advances in India	84,47,29	1,00,32,58	1,04,89,89
Bills discounted in India	8,58,22	4,95,91	5,70,60

*For the sake of comparison Burma figures also have been included in the last column.

So far as the money market was concerned, as remarked earlier in the article, there has never been a real squeeze for money.

It is not, therefore, surprising that the Government of India were successful in floating a cash loan bearing interest at $2\frac{1}{2}$ per cent. at par, an interest rate for the first time below 3 per cent. for a terminable loan. The United Provinces Government also had no difficulty in obtaining their requirements of a 3 per cent. loan in September, 1936. The extremely favourable ways and means position of the Government of India and the increase in the floating debt enabled her to redeem the $5\frac{1}{2}$ per cent. sterling loan without any recourse to the money market. No new rupee loans were floated by the Government of India during the last financial year. Short-term borrowing has been very favourable to the Government as despite the increase in trade demand and the increase in industrial activity the average discount rate touched the record low level of six annas eleven pies per cent. per annum in August this year. With the Government of India out of the money market for any new loan there was no difficulty in the floatation of the provincial loans which were for the first time raised by the Provincial Governments after the inauguration of provincial autonomy through the Reserve Bank. The total amounted to Rs. 4.6 crores. The public bodies also have been successful in pushing through their loans and these amounted to over Rs. 3 crores.

The giltedged market was devoid of the catalysms that were witnessed in 1935-36. With easy money conditions giltedged securities were remarkably firm throughout the period under review. Towards the end of last year $3\frac{1}{2}$ per cent. Paper touched par and the terminable loans also moved up higher in sympathy. There was a slight reaction in the early months of the year but there was never any panicky fall in prices. Even in the debacle of April this year $3\frac{1}{2}$ per cent.

Paper lost only a few points. But as conditions improved prices were again quoted higher. In August this year the highest levels were touched when $3\frac{1}{2}$ per cent. Paper was done at Rs. 98-14. The rise was due to the prevalence of extremely easy money conditions, the Treasury Bills' rate being as low as six annas eleven pies per cent. per annum. However, the strength of giltedged during the current year has been due more to the well founded confidence in the section than to the state of the money market. The disturbed political situation did not scare away investors and any fresh complications did not lead to any selling pressure.

The Reserve Bank felt the effects of a lower yield on Treasury Bills and the profits for the year ended 1936 are only slightly higher than those for the previous period of nine months. The Agricultural credit department of the Bank published its report a few months ago and the Bank was criticised for not being able to give a more useful and comprehensive report. It is too early yet to pass any criticism in this regard as the nature of the problem to be tackled with is difficult. Some desire has also been expressed to bring the Reserve Bank into closer contact with the indigenous banks so that this problem may be more adequately served. The development of branch banking has proceeded apace. During the year 1936 the total number of branches and pay offices of scheduled banks rose from 723 to 828 and most of these were opened in mofussil districts.

So far as the immediate prospects are concerned they cannot be considered as rosy as they were some months ago before the catastrophic fall in the price of commodities and securities came about. The fears about the slump have dimmed the prospects. Nevertheless, there is no need for pessimism.

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, after payment of expenses of administration and provision for sundry liabilities and contingencies for the year ended December, 1936 amounted to Rs. 56,05,744 as against Rs. 53,42,100 for the nine months ended December, 1935. The decrease in profits is due to the easy money conditions that prevailed throughout the year. The Bank Rate remained unchanged at 3 per cent., which was fixed in November, 1935. Government of India Treasury Bills were consequently floated at rates which reached a low record, the lowest point in the year being Rs. 0-6-11 on the 4th August, 1936 and the average for the year being Rs. 0-11-4 per cent. as compared with Rs. 1-4-2 in 1935. This has naturally reacted on the profits of the Bank. A sum of Rs. 17,50,000 was utilised for payment of a dividend at the rate of 3½ 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.

Owing to the separation of Burma from India on April, 1937, the responsibility of

the Reserve Bank for the management of currency of Burma continued. A scheme has been devised whereby the Government of Burma will obtain a share of the surplus profits at present accruing to the Government of India which will be based on the proportion of the Reserve Bank notes in Burma to the total circulation. Consequential arrangements have also been made to adapt the Reserve Bank of India Act to the separation, principally with reference to the shares held in Burma and the representation of shareholders in Burma on the Board of the Bank. Year ending December.

		(Issue Department)	
		1935	1936
		Rs.	Rs.
Liabilities—			
Notes held in the Banking Department	...	21,48,68,747	11,87,84,768
Notes in circulation	...	171,78,89,319	191,99,37,195
Total	...	193,27,08,066	203,86,71,963
Assets—			
Gold coin & bullion:			
Held in India	41,55,19,156	41,55,19,858	
Held outside India	2,86,97,782	2,86,97,782	
Sterling securities	66,18,88,085	71,81,04,559	
Rupee Coin	57,11,64,282	64,75,67,386	
Government of India Rupee securities	...	25,54,48,811	28,37,82,928
Internal bills of exchange and other			
Commercial Paper	...	Nil	Nil
Total	...	193,27,08,066	203,86,71,963

		(Banking Department)	
		Rs.	R
Liabilities—			
Capital	5,00,00,000	5,00,00,000	
Reserve Fund	5,00,00,000	5,00,00,000	
Deposits:			
Government	6,04,51,054	7,14,12,196	
Banks	28,84,23,269	15,86,70,424	
Others	26,44,598	27,61,242	
Bills payable	11,29,498	5,80,689	
Other liabilities	70,88,088	70,05,986	
Total	...	45,47,81,507	84,07,30,587

ALLAHABAD BANK LTD.

ESTABLISHED 1865.

Affiliated to

The P. and O. Banking Corporation Ltd.

AUTHORISED and Subscribed Capital Rs. 40,00,000
 CAPITAL called up ,, 35,50,000
 RESERVE FUND ,, 48,00,000

Head Office :

CALCUTTA.

Branches and Sub-Agencies :

Agra	Delhi	Lyallpur
Ahmedabad	Fyzabad	Meerut
Allahabad	Gorakhpur	Moradabad
Allahabad City Office	Hapur	Moradabad City
Amritsar	Hardoi	Mussoorie
Bareilly	Hathras	Muttra
Benares	Jhansi	Muzaffarnagar
Bombay	Jubbulpore	Nagpur
Kalbadevi Road, Bombay	Lahore	Nagpur City
Burra Bazar, Calcutta	Lahore City Office	Naini Tal
Cawnpore	Lucknow	Patna
Cawnpore City Office	Lucknow City Office	Rai Bareli
Chandausi	Aminabad Park (Lucknow)	Raipur
Dehra Dun		Shahjahanpur
		Sitapur

Pay Offices :

Aligarh	Sadar Bazar (Delhi)	Ghaziabad
Auraiya	Etawah	Kalpi
Baraut	Firozabad	Ujhani
	Gadarwara, C.P.	

London Bankers :

THE P. & O. BANKING CORPORATION LTD.

Correspondents in all the principal towns in India.

Banking business of every description transacted on terms
 which may be ascertained on application.

W. LOTHIAN BROWN,
General Manager.

Assets—	1935 Rs.	1886 Rs.
Notes	21,48,68,748	11,87,84,768
Rupee coin	4,45,688	6,81,088
Subsidiary coin	4,28,667	2,84,646
Bills discounted:		
Internal	Nil	Nil
External	Nil	Nil
Government of India Treasury Bills	Nil	Nil
Balances held abroad	*17,88,77,970	*14,86,22,645
Loans and Advances to the Government	1,00,00,000	Nil
Other loans and Advances	...	89,000
Investments	5,29,24,719	6,16,81,588
Other assets	21,85,770	1,07,86,907
Total	45,47,81,507	84,07,80,587

* Includes Cash and Short-term securities.

IMPERIAL BANK OF INDIA

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 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 in 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.

Demand was poor up to the middle of December, 1936 after which it improved with the seasonal movement of crops. Advances and bills discounted in India of the Scheduled Banks, which were Rs. 95 crores on 3rd July, 1936, fell to Rs. 88 crores by the end of August, but improved to Rs. 105 crores at the close of the year, while deposits with the Scheduled banks in India rose during the half-year from Rs. 225 crores to Rs. 234 crores. The banks's profits for

the year 1936 have been affected by the poor demand for money and the low return obtainable on its advances and Treasury Bill investments. High security prices have, however, continued to be in its favour. Profits have declined from Rs. 80,42,584 to Rs. 72,87,347. Only Rs. 2.5 lakhs against Rs. 12.5 lakhs has been transferred to Reserve Fund; Rs. 95,000 against Rs. 2,47,500 to Pension Fund and Rs. 2,50,000 against nothing to Premises Account. There has been a decrease of Rs. 11,02,22,331 in cash holding from Rs. 19,58,64,414 to Rs. 8,56,40,083 and an increase of Rs. 5,70,84,931 in investments from Rs. 46,87,72,819 to Rs. 52,58,57,750. Dividend has been maintained at 12 per cent. per annum and the amount carried forward is lower at Rs. 28,02,642 against Rs. 28,60,295 from the previous year. Year ending December.

	1934	1935	1936
(000's omitted)			
Liabilities—	Rs.	Rs.	Rs.
Capital	5,62,50	5,62,50	5,62,50
Reserve	5,85,00	5,47,50	5,50,00
Public Deposits	6,72,20	...	...
Other deposits	74,27,95	79,09,17	78,79,50
Sundries	93,48	88,09	88,18
Profit & Loss Account	...	28,60	28,08
Total	92,91,18	90,85,86	90,58,16
Assets—			
Cash & other Items	19,02,68	19,58,64	8,56,41
Investments	41,55,70	46,87,78	52,58,58
Ways & Means advances to Govt., of India	3,00,00	...	...
Loans and Cash Credit	21,42,44	18,57,47	21,97,12
Bills discounted	2,59,82	3,00,88	4,78,81
Dead Stock	2,45,90	2,81,02	2,22,82
Sundries	85,14	50,62	44,42
Total Rs.	92,91,18	90,85,86	90,58,16
Percentage of Capital & Reserve to deposits	18.5	14.0	18.4
Percentage of Cash to Deposits...	28.5	24.8	10.6
Profit and Loss items—			
Brought forward	26,86	30,65	28,60
Net profit	85,28	80,42	72,87
Dividend Distribution	67,50	67,50	67,50
Allocation to funds	18,99	14,98	5,95
Carry Forward	30,65	28,60	28,08
Dividend per cent	12	12	12

INDIAN JOINT-STOCK BANKS

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 field 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, 1937, deposits were higher at Rs. 10,47,85,510 against Rs. 9,76,36,318 in the previous year. Loans and advances were considerably higher at Rs. 5,89,58,999 against Rs. 3,51,30,575. Consequently profits for the year were Rs. 8,87,271 against Rs. 5,64,585 previously. Cash shows a decrease of Rs. 87,61,273 at Rs. 1,67,60,874 and investments a decrease of Rs. 66,09,665 at Rs. 3,47,60,973. Rs. 1,50,000 against Rs. 2,00,000 has been transferred to Reserve Fund and Rs. 1,50,000 against nothing has been transferred to Contingencies. The dividend and bonus have been maintained at 12 per cent. and 6 per cent. respectively. The amount carried forward is higher at Rs. 5.31 lakhs against 4.03 lakhs in the previous year: Year ending March.

(000's omitted)

	1935 Rs.	1936 Rs.	1937 Rs.
Liabilities—			
Capital ...	85,50	85,50	85,50
Reserves ...	44,50	44,50	46,50
Provident Fund ..	17,94	19,18	18,88
Deposits ...	10,11,55	9,76,86	10,47,86
Other items ...	5,80	5,94	9,88
Profit & Loss Account ...	7,27	8,88	10,61
Total ...	11,22,56	10,89,76	11,69,18
Assets—			
Cash ...	1,65,76	2,55,22	1,67,61
Investments ...	8,55,58	4,07,99	8,42,95
Loans, Advances, etc.	5,47,85	8,72,60	6,04,85
Property ...	46,64	44,05	44,78
Other items ...	6,78	9,90	8,99
Total ...	11,22,56	10,89,76	11,69,18

Percentage of Capital & Reserves to Deposits ...	7.9	8.2	7.8
Percentage of cash to Deposits	16.4	26.2	16.0
Percentage of liquid assets to deposits ...	51.6	68.0	48.9
Profit and Loss items—			
Brought forward	4,91	4,98	4,08
Net profits ...	6,15	5,65	8,87
Dividend Distribution	4,59	4,59	4,59
Allocation to funds ...	1,50	2,00	8,00
Carry forward ...	4,98	4,08	5,81
Dividend Percent	18	18	18

ANDHRA BANK LIMITED.

The Andhra Bank was started in 1923 as a humble institution more or less local in its activities but with the ideas and ambitions which the name given by its founders indicates. After five years of successful working, during which period handsome dividends were declared, the management embarked upon a policy of expansion which has all along been influencing its plans. It was thus the first branch was opened at Coconada in 1929, and since then Branches have been opened at Hyderabad, Bezwada, Governorpet (Bezwada), Ellore, Rajahmundry, Samalkot, Thadepalligudem, Khammameth, Guntur, Narasarpet and Ongole.

The accounts of the Bank for the year ended December, 1936, disclose only a profit of Rs. 13,985 as against Rs. 22,451 in the previous year. The keen competition in the money market, especially in the places where this Bank has branches, was a contributory factor to the decrease in profits. Deposits have risen from Rs. 17,28,287 to Rs. 20,90,206. Loans and advances were slightly lower at Rs. 10,19,462 against Rs. 10,26,731. Cash stands at Rs. 9,37,285 against Rs. 7,15,492, while investments were higher at Rs. 4,25,977 against Rs. 2,95,057 in the previous year. A dividend of 4 per cent. against 5 per cent. previously has been declared. The Bank was able to declare a substantial dividend even in the very first year of its existence. The simple fact that the dividends during the past fourteen years worked at 8 per cent. on the average and on three occasions out of these fourteen years rose to 12 per cent. each

year must commend the Bank and its working.

	1934	1935	1936
	Rs.	Rs.	Rs.
Liabilities—			
Capital ...	1,61,544	2,29,830	2,50,340
Reserves ...	17,247	19,074	21,133
Deposits ...	15,30,221	17,28,287	20,90,206
Bills for collection as per contra	77,848	1,31,967	2,54,236
Other items	66,128	76,574	58,550
Profit & Loss	10,835	22,451	13,985
Total ...	18,63,823	22,08,183	26,88,450
Assets—			
Cash ...	5,22,015	7,15,492	9,37,285
Investments	2,35,816	2,95,057	4,25,977
Loans and advances	9,90,077	10,26,731	10,19,462
Bills Receivable as per contra ...	77,848	1,31,967	2,54,236
Premises, etc.	38,067	38,936	51,490
Total ...	18,63,823	22,08,183	26,88,450
Percentage of capital and Reserves to deposits ...	11.6	14.5	13.1
Percentage of cash to deposits ...	34.1	41.4	45.0
Percentage of liquid assets to deposits	49.6	58.4	67.5
Profit and Loss Items—			
Net Profit ...	10,835	22,451	13,985
Dividend Distribution ...	4,940	10,081	9,558
Allocation to funds ...	3,737	9,053	2,800
Carry forward ...	.....	.....	327
Dividend per cent.	4	5	4

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 Mr. Walchand Hirachand and the General Manager is Mr. W. G. Groundwater.

The year 1936 was an exceptionally good year for the bank. Deposits have increased from Rs. 5,77,39,000 to Rs. 6,94,51,000 as also the loans and advances from Rs. 1,87,30,000 to

Rs. 2,49,72,000. Cash and other balances fell down from Rs. 1,30,91,000 to Rs. 1,22,23,000, while investments have swollen up to Rs. 3,59,63,000 from Rs. 3,01,20,000. Consequently there was a slight increase in profits from Rs. 4,27,702 to Rs. 4,55,695. The dividend has been maintained at 10 per cent. per annum. Rs. 1,50,000 against Rs. 1,00,000 in the previous year has been transferred to the Reserve Fund and the amount carried forward is lower at Rs. 56,824 against Rs. 79,129 in the previous year. The financial position is strong, the per centage of liquid assets to total deposits being 69.4 per cent. Year ending December.

(In 000's omitted)

	1934	1935	1936
	Rs.	Rs.	Rs.
Liabilities—			
Capital ...	80,00	80,00	80,00
Reserve Fund	21,50	22,50	28,50
Provident Fund	4,78	4,16	5,59
Deposits ...	6,28,68	5,77,89	6,94,51
Other items	2,01	5,59	1,91
Profit & Loss A/c.	8,58	3,56	3,85
Total ...	6,90,45	6,44,20	7,59,86
Assets—			
Cash ...	97,86	1,80,91	1,22,28
Investments	3,81,85	3,01,20	3,59,68
Loans & Advances	2,86,64	1,87,80	2,49,72
Property	22,41	22,28	28,68
Other items	1,69	2,56	4,10
Total ...	6,90,45	6,44,20	7,59,86
Percentage of total capital and Reserve to deposits	8.2	9.1	7.7
Percentage of cash to deposits	15.6	22.7	17.6
Percentage of liquid assets to deposits ...	68.8	74.8	69.8
Profit and Loss Items—			
Brought forward ...	56	78	79
Net Profit	4,47	4,28	4,56
Dividend Distribution	3,00	3,00	3,00
Allocation to Funds...	1,00	1,00	1,50
Bonus to staff	25	27	28
Carried forward	78	79	57
Dividend Rate %	10	10	10

BANK OF HINDUSTAN LIMITED

The Bank was started in July, 1929, with an authorized 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

THE BANK OF BARODA, LIMITED.

Under the Patronage of and Largely Supported by the Government of
H. H. the Maharaja Gaekwar of Baroda.

(Incorporated in Baroda in 1908, the liability of Members being Limited.)

Capital Subscribed	...	...	Rs. 60,00,000
Capital Called Up	...	...	„ 30,00,000
Reserve Fund	...	...	„ 25,00,000

Head Office : BARODA.

Calcutta Office : 11, CLIVE STREET.

Branches: Ahmedabad (Bhadra), Ahmedabad (Panchkuva), Amreli, Bhavnagar, Bombay, Calcutta, Dabhoi, Dwarka, Harij, Kadi, Kalol, Kapadwanj, Karjan, Mehsana, Navsari, Patan (N. Gujrat), Petlad, Port Okha, Sidhpur, Surat.

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.

THE BANK OF MYSORE, LIMITED

(Bankers to the Government of H. H. The Maharaja of Mysore)

Authorised Capital	...	Rs. 20,00,000
Subscribed and Paid-up Capital	...	Rs. 20,00,000
Reserve Funds	...	Rs. 25,00,000

Head Office: AVENUE ROAD, BANGALORE CITY

Branches:

Arsikere	Chitaldroog	Fort, Bangalore	Kolar	Saklaspar
Channapatna	Lady Curzon Road,	City	Mysore	Shimoga
Chickballapur	C. & M. Station	Harihar	Oorgaum	Tiptur
Chickmagalur	(Bangalore)	Hassan	Sagar	Tumkur
Chintamani	Davangere			

London Agents: THE EASTERN BANK, LTD.

Chairman of the Board of Directors:

Dr. Sir K. P. PUTTANNA CHETTY, Kt., C.I.E., LL.D.

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 2½% per annum upto Rs. 5,000.

Banking Business of every description transacted on terms which may be ascertained on application.

T. M. S. SUBRAMANIAM

Ag. Manager

up. It has got a powerful and influential Directorate with Mr. C. H. Divanjee as the Secretary. Deposits have risen from Rs. 30,42,790 to Rs. 37,98,613. Cash has risen from Rs. 8,21,275 to Rs. 11,08,009 while investments have fall down from Rs. 3,99,839 to Rs. 1,00,000.

The object of the Bank is only to improve the indigenous banking on modern lines in all its branches, including Trustee and Executorship business. During the year under report Pandit Vidya Sagar Pandya resigned his Managing Directorship due to failing health and he now continues as a Director at the request of the Board. The Bank has got 10 branches. Year ending December.

(000's omitted)

	1934 Rs.	1935 Rs.	1936 Rs.
Liabilities—			
Capital ...	10,00	10,00	10,00
Reserves ...	20	82	88
Deposits ...	30,45	30,48	37,99
Bills for collection as per contra ...	58	77	1,88
Other items ...	52	79	1,07
Profit and Loss Ac- count ...	62	48	66
Total ...	42,87	42,79	51,88

Assets—

Cash ...	12,00	9,21	11,08
Investments ...	2,98	8,00	1,00
Loans, Advances etc.	25,54	28,88	86,00
Premises ...	88	86	87
Bills for collection as per contra ...	58	77	1,88
Other items ...	99	1,12	1,60
Total ...	42,87	42,79	51,88

Percentage of total of capital and re- serve to deposits ...	38.5	38.9	27.5
Percentage of cash to deposits ...	39.4	30.8	29.2
Percentage of liquid assets to deposits ...	51.1	42.6	31.8

Profit and Loss Items—

Brought forward ...	9	6	68
Net profit ...	58	43	64
Dividend distribution ...	80	80	85
Allocation to funds ...	19	4	17
Carry forward ...	8	8	8
Dividend per cent ...	8	8	8½

BANK OF INDIA LIMITED

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 continues to function satisfactorily. The Bank of India has a most illustrious and influential Board of Directors, with Sir Chunilal V. Mehta, K.C.S.I., as Chairman and with Mr. A. G. Gray as the Manager.

The Bank experienced a successful year in 1936 with an alround increase in business. The profits for the year were Rs. 20,63,182 against Rs. 18,62,016. Thus the bank has been able to declare a bonus of 1 per cent. in addition to the dividend of 10 per cent. owing to increased profits. Deposits have increased by Rs. 83,43,863 from Rs. 16,16,50,414 to Rs. 16,99,94,277 and loans and advances from 8,10,64,857 to Rs. 8,90,75,700. Rs. 2,50,000 against Rs. 1,00,000 has been placed to Bank's Property Account and Rs. 2,50,000 against Rs. 1,50,000 to Reserve for contingencies. Rs. 1,50,000 against the same has been placed to Bank's Reserve Fund. The amount carried forward is higher at

(Established 1911)

**THE BOMBAY PROVINCIAL
CO-OPERATIVE BANK LTD.**

(Registered under Co-operative Societies Act)

Head Office:

APOLLO STREET, FORT, BOMBAY.

(BRANCHES 30)

Apex Bank of the Co-operative Movement

in Bombay Presidency.

Working Capital

Exceeds Rs. 2,00,00,000

Fixed, Current and Savings

Deposits Accepted

Rs. 6,87,172 against Rs. 6,03,990. Year ending December.

(In 000's omitted)			
	1934	1935	1936
Liabilities—	Rs.	Rs.	Rs.
Capital ...	1,00,00	1,00,00	1,00,00
Reserves ..	1,01,50	1,04,00	1,05,00
Deposits ...	14,65,19	16,16,50	16,99,94
Other items ...	6,29	1,18	1,07
Profit and Loss ...	14,97	16,88	20,17
Total ...	16,87,95	18,88,46	19,26,18
Assets—			
Cash ..	1,66,46	2,19,00	2,41,61
Loans & advances ..	7,62,45	8,10,65	8,90,76
Bills ...	22,71	11,22	17,01
Investments ...	7,26,10	7,85,78	7,62,34
Property etc. ...	10,28	11,86	14,46
Total ...	16,87,95	18,88,46	19,26,18
Profit and Loss Items—			
Brought forward ...	4,82	5,21	6,04
Net Profit ...	17,65	18,62	20,68
Dividend Distribution ...	10,00	11,00	11,00
Allocation to funds ...	4,00	4,00	6,50
Carry forward ...	5,21	6,04	6,87
Dividend per cent ...	10	11*	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 experienced a difficult period in 1936 owing to easy money conditions and this was reflected in the profits which were Rs. 4,52,026 against Rs. 5,10,726 in the previous year. Deposits have increased from Rs. 2,13,83,807 to Rs. 2,33,03,151. Loans and advances have jumped to Rs. 1,55 lakhs from Rs. 1,44 lakhs. Bills discounted and purchased have decreased from Rs. 11 lakhs to Rs. 7 lakhs. Investments have swollen to Rs. 87,74,120 from Rs. 61,70,396, while cash stands at Rs. 29,41,598 against Rs. 44,51,906. Rs. 1,50,000 against the same previously has been transferred to the Reserve Fund. The dividend and bonus have been maintained at 12 per cent. and 2 per cent. respectively. The amount carried forward is higher at Rs. 1,10,290 against Rs. 1,07,603. Year ended December.

(000's omitted)			
	1934	1935	1936
Liabilities—	Rs.	Rs.	Rs.
Capital ...	20,00	20,00	20,00
Reserve Fund ...	22,25	28,25	24,25
Staff Provident Fund ...	3,01	8,85	8,28
Deposits ...	1,98,66	2,18,84	2,88,08
Unclaimed Dividend ...	15	14	16
Profit and Loss ...	8,85	8,69	8,45
Total ...	2,42,42	2,64,27	2,84,12
Assets—			
Cash ...	26,69	44,52	29,42
Investments ...	68,50	61,70	87,01
Loans and advances ...	1,87,99	1,48,64	1,54,92
Bills discounted and purchased ...	5,80	10,62	7,11
Property etc.. ...	3,94	3,79	5,66
Total ...	2,42,42	2,64,27	2,84,12
Percentage of capital and reserve to total deposits ...	21.8	20.2	18.0
Percentage of liquid assets to total deposits ...	51.9	54.6	50.8
Percentage of cash to deposits ...	18.8	20.8	12.6
Profit and Loss Items—			
Brought forward ...	85	78	1,08
Net profits ...	4,90	5,11	4,52
Dividend distribution ...	2,80	2,80	2,80
Allocation to funds ...	1,50	1,75	1,50
Bonus to Staff ...	20	21	...
Carry forward ...	75	1,08	1,11
Dividend per cent. ...	12	12	12
Bonus ...	2	2	2

CENTRAL BANK OF INDIA LIMITED

The Central Bank of India was started in 1911 mainly due to the efforts, enthusiasm and organising skill of the late Sir S. N. Pochkhanawala whose services to the bank were extremely valuable. 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 Indian 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 is in the happy position of being able to report an increase in profits for the year ended December, 1936. Deposits rose from Rs. 27,73,41,033 to Rs. 31,48,51,412. The most encouraging movement revealed by the balance sheet is the further rise in loans and advances which are Rs. 11,98,35,078 as against Rs. 9,52,51,466 in the previous year. This is a welcome development common to all the banks. The bank's liquid position has been maintained. Cash and other balances are Rs. 5,23,49,049 against Rs. 8,81,44,539, while investments stand at Rs. 16,01,71,024 against Rs. 10,98,59,631. The net profit is Rs. 22,36,661, an increase of Rs. 2,52,742 as compared with last year. The dividend has been maintained at 6 per cent., but a bonus of 1 per cent. against 2 per cent. has been declared in addition. Rs. 5,50,000 against Rs. 7,00,000 previously has been allocated to funds. The amount carried forward is higher at Rs. 5,52,525 against Rs. 4,05,588. From the facts and figures, it may be fairly concluded, that the Bank has been growing in strength and prosperity.

(000's omitted)			
	1934	1935	1936
	Rs.	Rs.	Rs.
Liabilities—			
Capital ...	1,68,18	1,68,18	1,68,18
Reserve and other Funds ...	79,49	82,69	85,80
Deposits ...	24,47,26	27,78,41	31,48,52
Bills payable ...	5,68	8,46	6,87
Acceptances for customers as per contra ...	54,71	57,07	50,77
Bills for collection as per contra ...	55,70	67,05	82,01
Branch adjustments ...	14,49	18,15	82,88
Other items ...	12,80	11,57	10,25
Profit and Loss ...	10,21	12,46	12,25
Total ...	28,48,42	31,98,99	35,96,48
Assets—			
Cash ...	4,08,64	8,81,45	5,28,49
Investments ...	18,18,67	10,98,60	16,01,72
Loans & advances ...	8,81,07	9,52,51	11,98,85
Acceptances for customers as per contra ...	54,71	57,07	50,77
Bills receivable ...	55,70	67,05	82,00
Premises etc., ...	1,84,68	1,87,81	1,40,10
Total ...	28,48,42	31,98,99	35,96,48
Percentage of capital and reserve to deposits	10·1	11·0	8·1
Percentage of liquid assets to deposits ...	72·6	78·2	67·5
Percentage of cash to deposits ..	16·7	18·1	16·6
Profit and Loss Items—			
Brought forward ...	5,66	5,17	4,06
Net Profit ...	28,85	19,84	22,87
Dividend distribution ...	10,89	18,45	11,77
Allocation to funds ...	18,75	7,00	5,50
Carry forward ...	5,17	4,06	5,50
Dividend rate per cent ...	6*	6	6†
* 2 per cent Bonus for Jubilee Year.			
† 1 per cent Bonus.			

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 16 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, 1937, is Rs. 3,52,190 and Reserve Funds exceed Rs. 5,67,000. Total Deposits of the Bank on that date were higher at Rs. 94,46,968 against Rs. 58,93,602 previously. Cash and Bank

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. 1,05,50,000

Head Office: ORIENTAL BUILDINGS, BOMBAY

Branches:

Bullion Exchange Branch (Shaikh Memon Street, Bombay), Bandra (near Bombay),
Kalbadevi Road, Malabar Hill (8/4, Hughes Road, Bombay), Colaba (Cusrow Baug),
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., <i>Chairman.</i>	Sir Cowasjee Jehangir, Baronet,
Mr. Ambalal Sarabhai.	K.C.I.E., O.B.E.
Sir Joseph Kay, Kt.	Mr. Dinsha K. Daji.
Mr. Andrew Geddis.	Mr. Ramniwas Ramnarain.

Current Deposit Accounts—Interest is allowed on daily balances from Rs. 300 to Rs. 1,00,000 @ $\frac{1}{4}$ % 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.

For Service and Security

COMILLA UNION BANK LTD.

Head Office: COMILLA

Founder: Late Mr. I. B. Dutt, Ex M.L.C., Zamindar.

Listed as Scheduled Bank under the Reserve Bank of India Act
Member, Calcutta Clearing Banks' Association.

DEPOSITS EXCEED A CRORE OF RUPEES

Other Branches at:

Calcutta (10, Clive Street)	Baxirhat (Chittagong)	Gauhati
Dacca	Chandpur	Dibrugarh
Narayanganj	Puranbazar (Tippera)	Tinsukia
Netaiganj	Brahmanbaria	Jorhat
Chittagong	Barisal	Mymensingh
		Rajshahi

Banking as well as Foreign Exchange business of all kinds (including sale and purchase of London Draft and issue of Letters of Credit on London) transacted.

Rates of Deposits on application

London Bankers: BARCLAYS BANK LIMITED.

Managing Director: Dr. S. B. Dutt, M.A., Ph.D. (Econ.) London, Barrister-at-Law.

Balances at call were Rs. 25,14,680 plus a further sum of Rs. 80,123 in the shape of fixed deposit. Investments amount to Rs. 13,49,676 against Rs. 7,78,358 in the previous year.

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.

During the year under review the working showed a net profit of Rs. 53,756 excluding the amount of Rs. 31,870 representing the share premium which has been carried to General Reserve. With a view to strengthen the position of the Bank and to carry forward a decent sum the directors recommended this year a dividend of only 12½ per cent. as against 15 per cent. previously. The amount carried forward is Rs. 10,581 as against Rs. 4,542 previously. Year ending April.

while the paid-up capital is about Rs. 12.79 lakhs. The Reserve Fund, which was Rs. 9 lakhs in 1929 has grown to Rs. 13 lakhs in 1936. There is a Contingency Fund of Rs. 1.63 lakhs and a Dividend Equilisation Fund of 1.80 lakhs. Thus the total reserves are considerably in excess of the total Capital.

Deposits were considerably higher at Rs. 2,98,85,594 against Rs. 2,62,49,343 in the previous year. Loans and advances have slightly increased from 1,33,63,473 to Rs. 1,95,69,681. In spite of the increases in deposits with the corresponding increase in loans and advances, the profits were lower at Rs. 2,39,058 against Rs. 2,58,576 in the previous year. The cheapness of money throughout the period under report coupled with the slack in the trade demand for money has been mainly responsible for the decrease in profits. In view of the tendency for money rates to continue at low levels and the need for maintaining a uniform dividend in future years the rate of dividend has been reduced to 12 per cent. from 15 per cent. The amount carried forward is slightly higher at Rs. 34,455 against Rs. 31,840. Year ending December.

(ooo's omitted)

	1935	1936	1937
	Rs.	Rs.	Rs.
Liabilities—			
Capital ...	2.46	2.91	3.52
Reserves ...	2.73	3.31	5.67
Deposits ...	39.84	59.04	94.47
Other items ...	2.05	6.28	6.59
Profit & Loss Account ...	23	37	48
Total ...	47.31	71.91	1,10.73
Assets—			
Cash ...	7.65	8.96	25.15
Investments ...	7.16	11.75	14.30
Loans & Advances	27.41	44.96	65.01
Bills ...	2.19	3.42	2.54
Other items ...	2.90	2.82	3.73
Total ...	47.31	71.91	1,10.73

Percentage of capital and reserve to deposits ...	13.0	10.5	9.7
Percentage of cash to deposits ...	19.2	15.2	26.6
Percentage of liquid assets to deposits ...	37.2	35.1	41.7

INDIAN BANK LIMITED

The Indian Bank Limited with its head office at Madras has 22 branches and sub-offices distributed throughout South India. Its subscribed Capital is about Rs. 48 lakhs

(In 000's of Rupees.)

	1934	1935	1936
	Rs.	Rs.	Rs.
Liabilities—			
Capital ...	12.79	12.79	12.79
Reserve and other funds ...	15.47	16.57	16.98
Deposits ...	2,20,02	2,62,49	2,98,86
Bills for collection ...	8.74	9.06	9.56
Other items ...	2.18	6.75	4.21
Profit and Loss Account ...	4.02	2.42	1.94
Total ...	2,58,22	3,10,08	3,44,29
Assets—			
Cash ...	88.86	80.55	64.69
Investments ...	75.20	80.29	70.05
Loans, Advances, etc. ...	1,88,59	1,88,68	1,95,70
Bills for collection ...	8.74	9.06	9.56
Premises, etc. ...	1.22	1.42	2.09
Sundries ...	1.11	5.18	2.20
Total ...	2,58,22	3,10,08	3,44,29

INDIAN BANK LIMITED

(ESTABLISHED IN 1907)

Head Office: MADRAS: North Beach Road.

Local Offices: { ESPLANADE: Popham's Broadway
TRIPPLICANE: Big Street
MYLAPORE: South Mada Street
THEAGAROYANAGAR: Prakasam Road
PURASAWALKUM: Purasawalkum High Road.

Branches:

ADONI, ALLEPPEY, BANGALORE, BEZWADA, BOMBAY, COCHIN, COIMBATORE, COLOMBO, GUNTUR, JAFFNA, KARAUKUDI, MADURA, NANDYAL, TIRUPPUR, TIRUVARUR, TRICHINOPOLY, TUTICORIN

Sub Offices:

BEIMAVARAM, DUGGIRALA, GUDIVADA, REPALLE, TENALI, UDUMALPET.

Paid-up Capital: Rs. 12,79,280

Reserve & Other Funds: Rs. 17,63,061

Total Resources exceed 3½ crores

CURRENT ACCOUNTS are opened FREE OF CHARGE and interest allowed on DAILY BALANCES at 1 per cent. per annum. NO INCIDENTAL CHARGES MADE.
SAVINGS BANK DEPOSIT ACCOUNTS opened with sums as low as Rs. 5 and interest allowed on DAILY BALANCES at 2½% per annum. Withdrawals can be made by cheque forms.
FIXED DEPOSITS: Rupees 100 and over at 2½% per annum, for one or 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 Survivor or Survivors of them being at liberty to operate.
LOANS, OVERDRAFTS 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.
FOREIGN EXCHANGE business and all general Banking Business transacted.
A SPECIAL FEATURE of the Bank is its SAFE DEPOSIT VAULT at its Head Office on the latest lines, which offers "Security with Economy."

For Rules of Business and other particulars please apply to any Office.

S. GURUSWAMI PILLAI, Secretary.

INDO-COMMERCIAL BANK, LTD.

Central Office: MADRAS

Regd. Office: MAYAVARAM

Authorised Capital Rs. 25,00,000.

Paid-up Capital & Reserves Rs. 12,88,274

Total Resources exceed Rs. 175 Lakhs

Local Offices: CHINA BAZAAR, MAMBALAM, MYLAPORE and TRIPPLICANE

BRANCHES:

Anakapalle	Karaikudi	Salur	Tiruppur
Bhavani	Kumbakonam	Shevapet	Tiruvapur
Chidambaram	Madura	Shiyali	Trichinopoly
Conjeevaram	Palghat	Tadepalligudem	Tuticorin
Ellore	Parvatipuram	Tanjore	Virudhunagar
Erode	Pudukottah	Tinnevely	and
Gobichettipalayam	Salem	Tirupattur	Vizianagaram

Board of Directors:

Rao Bahadur C. S. Subrahmanyam
Pantulu, B.A., B.L. (Chairman)
T. R. Venkatarama Sastri, C.I.E.
N. V. Raghavan, Retd. Acctt.-Genl.
V. Venkatarama Iyer, M.A., B.L.

R. Viswanatha Iyer, B.A., B.L.
K. Sivaswami Iyer
K. Subbaiyer
R. S. A. Sankara Iyer
S. N. N. Sankaralinga Iyer
(Managing Director)

Percentage of Capital and Reserves to deposits ...	12.9	11.2	9.9
Percentage of Cash to deposits ...	17.4	30.7	21.6
Percentage of liquid assets to deposits ...	58.8	64.8	45.8
Profit and Loss Items—			
Brought forward ...	57	60	82
Net profit ...	4,27	2,59	2,89
Dividend distribution ...	1,79	1,92	1,84
Allocation to funds ...	2,18	78	92
Bonus to staff ...	16	17	Nil
Carry forward ...	76	82	84
Dividend rate %	14	15	12

INDO-COMMERCIAL BANK, LIMITED.

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 has been very satisfactory and it is at the present day one of the leading banks in South India. The total paid-up capital at the end of 1936 stood at Rs. 11,81,770. Deposits have risen from Rs. 51,88,631 to Rs. 1,05,35,974. Loans and advances have also jumped from Rs. 26,96,239 to Rs. 50,09,182. Cash and other balances amount to Rs. 20,08,601 against Rs. 12,89,061 in the previous year, while investments stand at Rs. 50,54,031 against Rs. 23,68,520. The profit for 1936 considerably higher than that for 1935 at Rs. 1,29,000 against Rs. 71,997. The dividend has been maintained at 6 per cent. per annum and the amount carried forward is lower at Rs. 421 against Rs. 35,239.

(In 000's omitted.)

	1934	1935	1936
Liabilities—	Rs.	Rs.	Rs.
Capital ..	4,85	10,88	11,82
Reserve Fund ..	8	27	27
Deposit and Other accounts ...	44,92	51,89	1,05,86
Bills for collection ...	2,97	2,54	3,78
Other items ...	4,16	1,60	5,77
Profit & Loss Accounts	68	49	1,03
Total ...	57,61	67,67	1,28,08

Assets—			
Cash ...	5,22	12,89	20,09
Investments ...	19,42	28,69	50,55
Loans ...	28,78	26,96	50,09
Bills for collection as per contra ...	2,97	2,54	3,78
Property ...	82	71	94
Other items ...	90	98	2,58
Total ...	57,61	67,67	1,28,08

Percentage of capital and reserve to deposits ...	11.9	21.5	11.5
Percentage of cash to deposits ...	11.6	25.0	19.1
Percentage of liquid assets to deposits ...	61.5	75.4	67.04

Profit and Loss Items—

Brought forward ...	1	1	6
Net Profit ...	76	72	1,29
Dividend Distribution ...	25	58	65
Allocation to funds ...	27	...	68
Dividend per cent ...	6½	6	6

TRAVANCORE NATIONAL & QUILON BANK LIMITED

The two important South Indian banks, the Quilon Bank and the Travancore National Bank were amalgamated during the year and the amalgamated bank has been styled the Travancore National and Quilon Bank Limited. The two above-mentioned banks were well-known for their branch banking system and the active policy that they pursued. By the pooling of the resources of these two banks the service to the public can be more effective owing to the vastness of the resources and the elimination of wasteful duplication. An idea of the resources of the bank can be had from the balance sheets of the two banks for 1936. Capital and Reserves amounted to more than Rs. 58 lakhs and deposits to Rs. 2,80 lakhs while cash and other balances were Rs. 60 lakhs, loans and advances Rs. 215 lakhs and investments Rs. 45 lakhs. Since the date of amalgamation, we understand that deposits have further increased.

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. Deposits have increased in 1936-37 to Rs. 1,04,24,489 from Rs. 99,30,277 in 1935-36. 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. 56,06,823 against Rs. 53,99,920. Investments have increased to Rs. 73,42,938 from Rs. 63,36,838 and the cash balance is at Rs. 22,54,585 against Rs. 29,17,046. The profit for the year ended March 1937 was slightly higher Rs. 2,65,048 against Rs. 2,62,409 previously. As in the previous year, Rs. 10,000 is written off premises account and Rs. 25,000 is transferred to Reserve Fund. The dividend is maintained at 5 per cent. per annum and the amount carried forward is higher at Rs. 1,03,614 against Rs. 93,066. Year ended March.

	(000's omitted)		
	1935 Rs.	1936 Rs.	1937 Rs.
Liabilities—			
Capital ...	89,90	89,90	89,90
Amount received on forfeited shares ...	5	5	5
Reserve Fund ...	7,00	7,00	7,25
Deposits ...	66,64	99,80	1,04,24
Bills for collection ...	45	21	66
Other items ...	1,07	1,07	1,74
Profit and loss A/c. ...	8,15	8,48	8,58
Total ...	1,18,26	1,51,01	1,57,42

Assets—			
Cash ...	15,47	29,17	22,55
Investments ...	56,76	68,87	78,43
Loans & Advances ...	40,95	54,00	56,07
Bills receivable ...	45	21	66
Bank premises ...	8,60	8,50	8,40
Other items ...	1,08	76	1,81
Total ..	1,18,26	1,51,01	1,57,42

Percentage of total of capital and reserve to deposits ...	70.5	47.8	45.2
Percentage of cash to deposits ...	28.2	29.4	21.2
Percentage of liquid assets to deposits ...	109.1	98.4	92.1

Profit and Loss Items—			
Brought forward ...	54	85	98
Net Profit ...	261	262	265
Dividend Distribution	200	200	200
Allocation to funds ...	10	25	25
Carry forward ...	85	98	104
Dividend per cent ...	5	5	5

INDIAN CO-OPERATIVE BANKS

BIHAR AND ORISSA PROVINCIAL CO-OPERATIVE BANK LIMITED.

The Bihar and Orissa Provincial Co-operative Bank, registered under the Co-operative Societies Act II of 1912, has a paid-up capital of Rs. 6,11,400. The various reserve funds amount to Rs. 13,31,622. The Bank experienced another unsatisfactory period during the year 1936. The profit was Rs. 36,523 as against Rs. 90,094 in the previous year. The profit was considerably less than the average of any of the past few years. This decrease is due mainly to the concession in rate on advances given by the Bank to weak central banks in order to enable them to rehabilitate their position. The Bank has also promised concession in rate for the next five years in order to enable the weak central banks to give the required concession to their primary societies. The total amount given away by way of concession is expected to amount approximately to one and three quarter lacs per annum for the next five years. Thus the concession promised is far in excess of the average annual profit and with a view to enable the Bank to reduce interest whenever found necessary, the directors have approached the Government of Bihar for a suitable subsidy. Deposits have fallen from Rs. 77,69,963 to Rs. 75,01,099 owing to the weak financial position of some Central Banks which have adversely affect the flow of deposits. Cash stands at Rs. 65,615 against Rs. 75,472, while invest-

ments are Rs. 36,18,851 against Rs. 39,99,285 previously. No dividend has been declared for the past two years. The amount carried forward is higher at Rs. 79,018 against Rs. 57,252 previously. Year ending December.

		(In 000's omitted)		
		1934	1935	1936
		Rs.	Rs.	Rs.
Assets—				
Capital	..	6,11	6,11	6,11
Reserves	...	5,97	7,09	7,21
Deposits	...	78,08	77,70	75,01
Other items	..	8,26	20,08	21,01
Profit & Loss	...	1,02	57	79
Total	...	99,89	1,11,55	1,10,18
Liabilities—				
Cash	...	86	76	66
Investment	...	32,04	39,99	36,19
Loans & Advances	...	59,88	62,72	64,21
Other items	...	6,51	7,53	8,52
Property, etc.	...	60	55	55
Total	...	99,89	1,11,55	1,10,18
Profit and Loss Items—				
Brought forward	...	2	2	57
Net Profit	...	1,43	90	87
Allocation to funds	...	1,02	80	12
Dividend distribution	...	1	Nil	Nil
Carry forward	...	14	57	79
Dividend per cent	...	6	Nil	Nil

BOMBAY PROVINCIAL CO-OPERATIVE BANK LIMITED.

Amongst the central provincial co-operative banks, the Bombay Provincial Co-operative Bank occupies an important place alike by the vastness of its resources, the wide sphere of its activity and the genuine spirit of co-operation actuating those at the helm of affairs. The Bank has a fine net work of branches, there being over thirty branches. It completed 25 years of its working on the 11th October, 1936. To mark the occasion in a suitable manner, out of the profits of the year under report an additional dividend at the rate of 1 per cent. per annum was allowed to the members. A special bonus to the Staff and a special rebate to the borrowing societies have also been allowed. The Chairman of the Bank is Sir Chunilal V. Mehta.

As there has not been any substantial increase in commodity prices there has been no expansion of the normal business of the bank. Deposits have fallen by Rs. 12,16,444 to Rs. 1,93,14,264 from Rs. 2,05,30,708 while loans and advances have jumped from Rs. 85,62,840 to

Rs. 91,35,083. Cash and other balances stand at Rs. 80,40,685 against Rs. 80,95,868 and investments at Rs. 63,78,905 against Rs. 80,30,544. The profit for the year ended June, 1937 was Rs. 98,742 against Rs. 1,28,808 previously. The decrease in profits is mainly brought about by the reduction which was effected during the year in the rates of interest charged by the Bank on advances to primary societies. Another contributing factor was the lower yield obtained on the Bank's investments in securities and on the deposits with approved banks. The dividend declared is 5 per cent. with a Silver Jubilee bonus of 1 per cent. as against only 5 per cent. in the previous year. Rs. 27,273 against Rs. 41,858 is the amount carried forward. Year ended June.

		(000's omitted)		
		1935	1936	1937
		Rs.	Rs.	Rs.
Liabilities—				
Capital	...	12,97	12,97	12,98
Debenture	...	12,80	12,80	12,80
Reserve funds	...	14,89	15,92	16,44
Deposits	...	1,74,56	2,05,81	1,98,14
Bills for collection	...			
as per contra	...	1,11	1,39	1,65
Other items	...	5,09	5,82	5,71
Profit and Loss	...	2,12	1,43	1,41
Total	...	2,28,04	2,55,64	2,44,18

Assets—				
Cash	...	60,69	80,96	80,41
Investments	...	64,88	80,81	68,79
Loans and Advances	...	90,60	85,68	91,85
Bills Receivable as per contra	...	1,11	1,39	1,65
Property, etc.	...	46	48	42
Other items	..	5,80	6,92	6,51
Total	...	2,23,04	2,55,64	2,44,18

Profit and Loss Items—				
Brought forward	...	15	14	42
Net Profit	...	1,97	1,29	99
Dividend distribution	...	81	65	65
Allocation to Funds	...	100	28	10
Carry forward	...	14	42	27
Dividend per cent.	...	5	5	6*

*Includes Silver Jubilee Bonus of 1 per cent.

THE CENTRAL PROVINCES AND BERAR PROVINCIAL CO-OPERATIVE BANK, LIMITED

The Central Provinces and Berar Provincial Co-operative Bank, Limited, was established 25 years ago and has always

continued a cautious policy of finance and sound banking.

The year's working yielded the profit of Rs. 1,19,454. Rs. 70,000 has been transferred to reserve for Bad and Doubtful debts making the total Rs. 2,70,000 which has been further augmented by transferring Rs. 2,80,000 from the reserve for depreciation of Bank's investments. The reserve fund has been raised to Rs. 4,00,000 by appropriation from profits realised on sale of investments. Out of the balance available for distribution a dividend of 5 per cent. per annum has been declared, Rs. 5,000 has been transferred to Reserve Fund and Rs. 12,000 to Building Fund. Year ending June.

	(In 000's omitted)		
	1984	1985	1986
Liabilities—			
Capital ...	5.62	5.46	5.36
Reserve and other funds ...	4.32	7.98	13.02
Deposits ...	1,19,74	1,19,63	1,26,36
Other items ...	...	...	2
Profit and Loss account ...	91	51	51
Total ...	1,30,59	1,33,58	1,45,27
Assets—			
Cash ...	2,76	1,58	2,30
Investment ...	100,09	99,38	1,08,44
Loans and Advances ...	27,27	32,08	33,78
Premises ...	47	54	73
Other items ...	...	...	2
Total ...	1,30,59	1,33,58	1,45,27

Profit and Loss Items—			
Brought forward ...	1	1	2
Net profit ...	91	125	1,19
Dividend distribution ...	22.5	25	27
Allocation to funds ...	66	100	90
Dividend per cent ...	4	4½	5
Carry forward ...	1	2	Nil

THE MADRAS PROVINCIAL CO-OPERATIVE BANK LTD.

The Madras Provincial Co-operative Bank is, perhaps, the most puissant of the Provincial Co-operative Central Banks. The President of the bank is Mr. V. Ramdas Pantulu and the Acting Secretary is Mr. K. Sundar Rao. The Bank has a Reserve Fund of Rs. 15.25 lakhs, a Building Fund of Rs. 1.75 lakhs and a Depreciation Reserve Fund of Rs. 3 lakhs. As some investments matured during the year the cash balance has increased from Rs. 4,62,091 to Rs. 18,28,033. Deposits

were Rs. 1,65,18,105 against Rs. 1,46,19,077 in the previous year.

The profits for the year ended June, 1936 are lower at Rs. 2,02,267 against Rs. 2,04,462 in the previous year. Rs. 50,567 being one-fourth of the net profit is transferred to Reserve. Rs. 15,000 against Rs. 15,350 is transferred to Common Good Fund, Rs. 25,000 against Rs. 20,000 to Building Fund, Rs. 25,000 against Rs. 35,000 to Depreciation Reserve, and Rs. 24,433 against Rs. 23,885 to Reserve Fund. The dividend declared is maintained at 9 per cent. per annum and the amount carried forward is Rs. 36,238 against Rs. 37,356 previously. Year ending June.

	(In 000's omitted)		
	1984	1985	1986
Liabilities—			
Capital ...	6.50	6.59	6.59
Reserve ..	18.86	14.50	15.25
Other Funds ..	8.89	4.22	4.77
Debentures ...	2.15	2.15	2.15
Provident Fund ...	1.04	1.15	90
Deposits ...	1,67,82	1,46,19	1,65,18
Other items ...	8.20	14.17	8.11
Profit & Loss Account ...	2.71	2.47	2.40
Total ...	2,00,26	1,91,44	2,00,85
Assets—			
Cash ...	9.07	4.62	18.28
Investments ...	1,72.04	1,52.51	1,44.88
Loans, Advances, etc.	16.74	81.81	83.11
Lands ...	18	18	18
Other items ...	2.28	2.81	2.40
Total ...	2,00,26	1,91,44	2,00,85

Profit & Loss Items—			
Brought Forward ...	41	42	87
Net Profit ...	2.81	2.04	2.02
Dividend Distribution ...	59	59	59
Allocation to funds ...	165	145	140
Carry forward ...	42	87	86
Dividend per cent ...	9	9	9

BRITISH BANKS

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.

The net profit for the year ended December, 1936 is lower at £496,682 against £498,643 in the previous year. Deposits amount to £48,184,255 against £45,986,111, while loans and advances have declined from £21,117,077 to £20,599,361. Investments have increased from £19,439,188 to £23,140,467. Cash and other balances are £6,602,898 against £5,260,778. £35,000 against 50,000 previously is transferred to Officer's Pension Fund; £40,000 against nothing is transferred to Contingencies Fund and nothing against £25,000 is written off Premises Account. The dividend, has been maintained at 14 per cent. per annum. The amount carried forward is higher at £182,720 against £181,038. Year ended December.

(000's omitted)

	1934 £	1935 £	1936 £
Liabilities—			
Capital ...	8,000	8,000	8,000
Reserve Fund ...	8,000	8,000	8,000
Notes in circulation ...	1,851	1,685	1,609
Deposits ...	46,548	45,986	48,184
Bills payable ...	1,721	1,699	1,892
Acceptances on customer's account ...	885	598	1,658
Other item's ...	4,184	8,129	4,597
Profit & Loss Account ...	462	466	468
Total ...	61,651	59,558	64,508
Assets—			
Cash ...	7,846	5,261	6,608
Investments ...	17,860	19,489	28,141
P & O Banking Corporation ...	2,806	2,818	2,816
Bills of Exchange including Treasury Bills ...	9,611	8,946	8,289
Bills & Loans ...	21,646	21,117	20,599
Acceptances for customers ...	885	598	1,658
Bank Premises ...	1,585	1,585	1,552
Other Items ...	422	804	408
Total ...	61,651	59,558	64,508
Percentage of capital & reserve to deposits ...	12.9	18.0	12.5
Percentage of cash to deposits ...	17.0	11.4	18.07
Percentage of liquid assets to deposits ...	74.8	78.2	61.7
Profit and Loss Items—			
Brought forward ...	206	177	181
Net Profit ...	466	499	497
Dividend Distribution ...	420	420	420
Allocation to funds ...	75	75	75
Carry forward ...	177	181	188
Dividend... ..	14	14	14

EASTERN BANK LIMITED

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 prosperous year in 1936 owing to the fact that trade had been very active during the year and there was a general improvement in the prices of commodities.

The net result of the past year is a profit of £131,865. Deposits have increased from £6,799,954 to £7,771,799 while there was a good increase in the total advances from £2,268,705 to 2,756,907. Investments shew an increase of £472,000 at £6,084,238 while cash and other balances fell down from £1,202,691 to £1,123,248. £50,000 against £55,000 has been allocated to funds. The dividend has been increased by 1 per cent. to 7 per cent., less income-tax. The carry forward is £74,018 against £62,152 in the previous year. Year ending December.

(000's omitted)

	1934	1935	1936
Liabilities—			
Capital ...	1,000	1,000	1,000
Reserve Fund ...	500	500	500
Deposits ...	6,450	6,800	7,772
Bills of Acceptance ...	998	982	950
Loans payable against Bills and securities ...	1,544	1,165	1,470
Other items ...	52	45	49
Profit and Loss A/c....	152	147	164
Total ...	10,696	10,689	11,905
Assets—			
Cash ...	1,165	1,202	1,128
Investments ...	5,600	5,612	6,084
Bills receivable ...	658	514	950
Customer's Liabilities for Acceptance ...	781	788	774
Loans and Advances... ..	2,196	2,268	2,787
Property ...	190	198	168
Other Items ...	111	67	49
Total ...	10,696	10,689	11,905
Percentage of total of capital and reserves to deposits ...	28.3	22.6	19.8
Percentage of cash to deposits ...	18.1	17.7	14.5
Percentage of total liquid assets to deposits ...	115.0	107.8	92.7
Profit and Loss Items—			
Brought forward ...	52	52	62
Net Profit ...	180	125	182
Dividend distribution ...	90	60	70
Allocation to funds ...	40	55	50
Carry forward ...	52	62	74
Dividend rate percent ...	6†	6	7

† Plus bonus of 8s. per share

GRINDLAY AND COMPANY, LTD.

Grindlay and Company, which was founded in 1828, caters mainly for the Indian service, at Bombay, Calcutta, Simla, Delhi, New Delhi, Lahore, Peshawar City, Peshawar Cantonment, Quetta and Karachi. The bank is controlled by the National Provincial Bank, which acquired the partners' interests in 1923. The partnership was converted into a private limited liability company in 1924 under the name of Grindlay and Company, Limited, with a paid-up capital of £250,000.

The company's deposits have shown a steady upward trend over the past decade, the only setback having been in 1931, which was, of course, an exceptional year. Much of the increase in resources has been employed in investments, the ratio of which to deposits amounted at the end of the past financial year to no less than 54.3 per cent., following a still higher ratio at the close of the previous year. The investments consisted mainly of India Government Securities of £1,086,597, British Government Securities of £549,669 and Colonial Government stocks of £96,159. Provision for doubtful debts and reserve for contingencies were, as in previous years, included in deposits.

	1934	1935	1936
Liabilities—	Rs.	Rs.	Rs.
Capital ...	250,000	250,000	250,000
Reserve Fund ...	100,000	100,000	100,000
Deposits ...	8,122,576	8,848,062	8,485,858
Acceptances etc.,	158,455	171,274	160,409
Total ...	8,626,031	8,864,886	8,946,267

	1934	1935	1936
Assets—			
Cash ...	159,888	217,002	251,892
Call money ...	199,068	152,500	180,000
Investments ...	1,850,469	1,962,229	1,867,487
Loans, bills etc.,	1,209,464	1,807,264	1,482,790
Acceptances as per contra ...	158,455	171,274	160,409
Premises ...	54,242	54,067	54,189
Total ...	8,626,031	8,864,886	8,946,267

LLOYDS BANK LIMITED

Lloyds Bank, the second largest commercial bank in England, was incorporated in 1865 as an amalgamation of two Birmingham banks. By 1913 it had acquired 45 other banks, and had, largely through these absorptions, widely distri-

buted branches in 45 of the 52 counties, including offices in the Metropolitan area. In 1918 the Company absorbed the Capital and Counties Bank, a purchase which greatly strengthened its position in London and gave it 473 additional branches, including 259 in the Eastern countries and other areas in which it had previously been almost entirely unrepresented. In the same year it further extended its territory by acquiring control of the National Bank of Scotland, and in 1919 by absorbing the West Yorkshire Bank, an institution closely associated with the woollen and worsted industries, with deposits of over £10 millions. In 1918 Lloyds Bank acquired the London and River Plate Bank. The latter, with head office in London, became amalgamated with the London and Brazilian Bank, the new institution being known as Bank of London and South America, Limited. Branches in Egypt, India and Burma were secured for the first time in 1923, on the acquisition of Cox and Company, which with deposits of £16,600,000, possessed seven branches in India and two in Egypt.

Deposits in 1936, in common with those of the other London clearing banks, reached a new high record having risen from £400,369,970 to £406,060,950. Loans and advances have also expanded from £141,307,257 to £149,278,901. Cash and other balances amount to £102,365,019 against £92,858,929 in the previous year, while investments have shown a sharp decline from £163,619,256 to £157,177,481. The profit for the year ended December, 1936 is £1,743,955 against £1,642,785 in 1935. £250,000 against the same has been transferred to Contingencies Account. The dividend is maintained at 12 and 5 per cent. on the 'A' and 'B' shares respectively. The amount carried forward is higher at £539,667 against £515,635 in the previous year. Year ending December.

(In 000's omitted)

	1934	1935	1936
Liabilities—	£	£	£
Capital ...	15,810	15,810	15,810
Reserve Fund ...	8,500	8,500	9,000
Deposits ...	372,036	400,258	406,061
Acceptances ...	8,702	8,825	4,055
Endorsements etc. ...	42,518	27,916	28,917
Other items ...	111	118	6
Profit and Loss Account ...	1,211	1,212	1,225
Total ...	448,888	457,689	465,074

Assets—			
Cash ...	98,167	92,859	102,865
Investments ...	187,449	168,619	157,177
Bills receivable	7,505	6,787	4,020
Investments in subsidiary companies ...	5,091	5,089	8,880
Loans and Advances ...	186,302	141,807	149,279
Customers acceptances ...	8,702	8,825	4,055
Endorsements, etc. ...	42,518	27,916	28,917
Property ...	11,594	10,181	9,469
Other items ...	6,560	6,106	6,412
Total ...	448,883	457,639	465,074

Percentage of Capital and Reserve to deposits ...	6.5	6.1	6.1
Percentage of Cash to deposits ...	25.0	28.2	25.2
Percentage of liquid assets to deposits ...	68.4	65.7	68.9

Profit and Loss Items—			
Brought forward	507	515	516
Net profit ...	1,652	1,643	1,744
Dividend distribution ...	1,892	1,892	1,892
Allocation to funds ...	250	250	350
Carry forward	515	516	540
Dividend per cent.	(a) 12 (b) 5	(a) 12 (b) 5	(a) 12 (b) 5
	'A' Shares		
	'B' Shares		

for 1935, the balance to be carried is £172,829 against £174,097 for the previous year.

	(In '000's omitted.)		
	1934	1935	1936
Liabilities—	£	£	£
Capital ...	1,050	1,050	1,050
Reserve Fund ...	1,075	1,075	1,075
Notes in circulation ...	156	160	254
Current, fixed deposits etc.	12,974	18,917	14,675
Bills payable ...	587	512	621
Loans payable against security ...	450	...	250
Balance due to subsidiary companies ...	88	88	88
Acceptance for customers ...	214	17	269
Profit and Loss account ...	236	287	286
Total ...	16,780	17,160	18,468

Assets—			
Cash and bullion	1,761	2,025	1,847
Deposits against note issue ...	328	304	389
Investments ...	6,146	6,668	6,687
Bills receivable	1,888	2,180	2,752
Bills discounted	29	19	28
Loans and advances ...	5,902	5,108	5,866
Customers liabilities for acceptances ...	214	171	269
Premises ...	351	342	387
Other items ...	166	343	348
Total ...	16,780	17,160	18,468

Percentage of total of capital and reserve to total deposits	16.4	15.8	14.5
Percentage of cash to deposits ...	18.6	14.6	12.6
Percentage of liquid assets to total deposits ...	77.7	64.7	60.5

Profit and Loss Items:—			
Brought forward	172	178	174
Net Profits ...	178	174	182
Dividend distribution ...	126	126	126
Allocation to funds ...	47	47	57
Carry forward...	178	174	178
Dividend rate percent ..	12	12	12

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 to report an increase in profit for the year ended December, 1936 which was a better year for Eastern Banking than 1935. The net profit before allocation is £181,723 against £174,266 for the previous year. This has enabled the directors to allocate £20,000 to Premises Account as against £10,000 in the previous two years. The other allocations are the same as for 1935 namely, £12,000 to Pension Fund and £25,000 additional provision for contingencies. After providing the same dividend of 12 per cent. per annum as

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	MWANZA	
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: 104, Clive Street.

N. W. CHISHOLM, *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:—117-122, LEADENHALL STREET, LONDON, E. C. 3.

West End Branch:—14-16, Cockspur Street, S. W. 1.

BRANCHES:

CALCUTTA, BOMBAY, MADRAS, COLOMBO, CALICUT, COIMBATORE, POLLACHI, 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.

J. E. MOIR, *Manager.*

NATIONAL BANK OF INDIA, LD

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. It has important business in East Africa, Kenya and Uganda. The General Manager of the Bank is Mr. E. H. Lawrence and Mr. R. L. Hird has been appointed as London Manager. The accounts for the year ended December, 1936, show an increase in deposits at £30,027,681 against £29,382,941 in the previous year, while loans and advances show a slight decline at £10,004,846 against £10,283,643. Investments were £145.2 millions against £148.1 millions, while cash and other balances were £5,411,234 against £4,608,316. In view of the above facts, the profits for the year amounting to £456,286 are satisfactory. In spite of the decline in profits the dividend has been maintained at 18 per cent. per annum. £50,000 against the same has been transferred to the Officers' Pension Fund and £50,000 against the same to the Contingencies Account, leaving a balance of £243,955 against £247,669 to be carried forward. Year ending December.

	(In thousands of £)		
	1934	1935	1936
	£	£	£
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 ...	28,708	29,888	30,028
Bills payable ...	756	660	646
Acceptances for customers ...	851	408	880
Profit and loss account ...	580	528	524
Total ...	34,540	35,179	35,728
Assets—			
Cash and bullion	4,069	4,608	5,411
Investments ...	14,682	14,810	14,524
Bills of Exchange including Treasury Bills ...	4,281	4,427	4,809
Loans and discounts ...	10,516	10,284	10,005
Customers liabilities for acceptance ...	851	408	881
Premises, etc. ...	691	642	648
Total ..	34,540	35,179	35,728

Percentage of total capital and reserves to deposits ...	14.6	14.8	18.9
Percentage of cash to deposits ...	14.2	15.7	10.8
Percentage of total of liquid assets to deposits ...	81.8	82.5	66.4

Profit and Loss Items—

Brought forward	250	250	248
Net profits ..	460	458	456
Dividend distribution	860	860	860
Allocation to funds ...	100	100	100
Carried forward	250	248	244
Dividend rate per cent. ...	18	15	18

P. & O. BANKING CORPORATION

The P. and O. Banking Corporation was founded in 1920 and among the original allottees of shares in this Bank were the Westminster Bank, Lloyds Bank, the National Provincial Bank and the P. and 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. and O. Bank, in its turn, was affiliated to the Chartered Bank of India, Australia and China.

The net profits for the year was £102,481 against £111,610 in the previous year. £5,000 against £4,500 has been transferred to Pension Fund and the dividend has been maintained at 5 per cent. The amount carried forward is £52,971 against £56,014 brought in.

	(In 000's omitted)		
	1935	1936	1937
	£	£	£
Liabilities—			
Capital ...	2,594	2,594	2,594
Reserve Fund ...	180	180	180
Current and other accounts ...	7,170	6,844	7,870
Secured loans ...	5,916	4,475	5,281
Acceptances etc. ...	441	464	564
Profit and Loss Account ...	161	157	154
Total ...	16,462	14,714	16,098

THE CENTRAL BANK OF INDIA, LIMITED

Subscribed Capital	...	...	...	...	Rs.	3,36,00,000
Paid-up Capital	...	...	...	...	"	1,68,00,000
Reserve Liability of Shareholders	...	...	...	...	"	1,68,00,000
Reserve and Contingency Fund	...	...	...	...	"	70,00,000
Total Deposits exceed	...	...	...	...	"	30,50,00,000

Head Office:—BOMBAY

Managing Director and Chairman:—Sir Phiroze Sethna Kt. O. B. E.

Branches and Agencies:—THROUGHOUT INDIA

*London Subsidiary:—THE CENTRAL EXCHANGE BANK OF INDIA, LIMITED
49—53, Bishopsgate, London, E. C. 2.*

New York Agents:—GUARANTY TRUST CO.

TRANSACTS BANKING BUSINESS OF EVERY DESCRIPTION

Home Savings and Current Deposit Accounts, Fixed Deposit and Cash Certificate received and Executor Trustee Services rendered on terms available on application.

OFFERS INSURANCE

Free Insurance against Cash Certificate and Fixed Deposit. Endowment and Whole Life Insurance for the benefit of Home Savings Depositors.

For further particulars apply to any one of our Branch.

Calcutta Branches:

100, Clive Street. 10, Lindsay Street. 71, Cross Street. 133, Cornwallis Street.
8-A, Russa Road.

MERCANTILE BANK OF INDIA, LIMITED

(INCORPORATED IN ENGLAND)

Authorised Capital	£3,000,000	Paid-up Capital	£1,050,000
Subscribed	„ £1,800,000	Reserve Fund	£1,075,000

LONDON BANKERS:

THE BANK OF ENGLAND and THE MIDLAND BANK LTD.

HEAD OFFICE:

NO. 15, GRACECHURCH STREET, LONDON, E. C. 3.

BRANCHES and AGENCIES:

Calcutta	Madras	Singapore	Kuala	Bangkok
Howrah	Rangoon	Ipoh (F.M.S.)	Trengganu	HongKong
Delhi	Colombo	Kuala Lumpur	Kota Bharu	Shanghai
Simla	Kandy	(F.M.S.)	(Kelantan)	Mauritius
Karachi	Galle	Kuala Lipis	Kuantan	New York
Bombay	Penang	(F.M.S.)	(Pahang)	(U.S.A.)

The bank transacts banking business of every description throughout the world. Current Accounts opened.

FIXED DEPOSITS

Deposits are received for fixed periods on terms which may be ascertained on application. The Bank undertakes Trusteeships and Executorships.

A. P. POWLES, Manager

Clive Buildings, 8, Clive Street, CALCUTTA

Howrah Agency—11, Grand Trunk Road, MAIDAN

Assets--				
Cash and bullion	...	1,796	1,487	1,197
Investments	...	5,446	4,562	4,885
Bills	...	8,710	8,201	8,426
Loans and Advances	...	4,944	4,884	5,978
Acceptances etc.	...	489	464	547
Premises etc.	...	127	116	115
Total	...	16,462	14,714	16,098

Percentage of capital and reserve and to deposits	...	40.5	48.1	87.6
Percentage of cash to deposits	...	25.2	21.2	16.2
Profit and Loss Items—				
Brought forward	...	52	55	56
Net profit	...	118	112	102
Dividend distribution	...	101	101	101
Carried forward	...	55	56	58
Dividend per cent.	...	5	5	5

THOS. COOK & SON (BANKERS) LTD.

This institution dates in its present form from 1924, when Thos. Cook and Son, tourist agents and English and foreign bankers, decided, for family reasons, to convert their business into two limited liability companies, one of which, named Thos. Cook and Son (Bankers), Limited took over the banking section. The parent company retained the whole of the capital of the banking subsidiary, and subsequently that of Thos. Cook and Son, Limited was itself acquired by the International Sleeping Car and European Express Trains Company. Each company has retained its separate identity, but works in close co-operation with the others.

The bank has always maintained a very liquid position, the vast bulk of its resources being in the form of cash. The ratio of this item to deposits amounted at the end of last year to no less than 66.2 per cent., and in addition a large amount was placed at call and short notice. Deposits, in which there was a satisfactory expansion, included provision for bad and doubtful debts and reserves against investments and contingencies. The bank does not publish a profit statement.

(In 000's omitted)

Liabilities	1934	1935	1936
	£	£	£
Capital	125	125	125
Reserve Fund	125	125	125
Current deposits and other accounts	8,188	8,242	4,017
Balance due to Subsidiary companies	55	66	41
Liability to customers as per contra	15	18	24
Total	8,508	8,576	4,882

Assets				
Cash and other balances	...	2,585	2,688	8,885
Investments	...	551	487	608
Bills discounted	...	164	108	10
Investment in subsidiary companies	...	20	20	20
Advances	...	160	209	288
Bank premises	...	58	56	57
Liability to customers for engagements as per contra	...	15	18	24
Total	...	8,508	8,576	4,882

Percentage of capital and reserve to deposits	...	7.8	7.7	6.2
Percentage of cash to deposits	...	70.2	82.8	83.2

FOREIGN BANKS

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. Year ending December.

(In 000's \$ omitted)

Liabilities—	1934	1935	1936
Capital	6,000	6,000	6,000
Surplus and Undivided Profits	2,184	2,240	2,270
Reserves	871	898	1,092
Deposits	18,914	17,585	18,928
Cheques and drafts not yet presented for payment	3,717	4,681	3,995
Acceptance and letters of credit for customers	548	549	656
Other Liabilities	3,270	2,908	2,106
Total	35,499	34,811	35,047
Assets—			
Cash	15,128	10,629	10,858
Accounts with Affiliated and Subsidiary Companies	11	...	...
Investments	6,589	18,222	18,655
Loans and discounts	6,468	5,275	5,087
Property	2,628	2,564	2,490
Customers' liability for acceptances and letters of credit	548	549	656
Other assets	4,142	2,572	2,356
Total	35,499	34,811	35,047

Percentage of total of Capital and Reserve to deposits..	48'3	47'0	49.5
Percentage of cash to deposits ...	80'0	60'4	57'4

BANK OF TAIWAN, LIMITED

Especially chartered by the Japanese Government and the *only* Currency Note issuing Exchange Bank in Formosa, Japan, the Bank of Taiwan was established in June, 1899 in Formosa. There are branches and Agencies throughout the world. Bombay Branch was established in December, 1917.

(Yens-000's omitted)

Liabilities—	1934	1935	1936
Capital ...	15,000	15,000	15,000
Reserves ...	8,104	4,064	5,100
Notes in circulation	62,654	70,191	79,198
Deposits ...	264,471	255,783	266,871
Bills ...	69,775	60,578	98,878
Acceptances ...	4,827	6,816	5,584
Other items ...	2,672	1,972	2,857
Profit & Loss Account	728	916	1,187
Total ..	422,781	414,760	469,010
Assets—			
Cash ...	86,120	27,682	25,928
Bills discounted ...	212,951	212,765	217,428
Acceptances as per Contra ...	4,827	6,816	5,584
Investments ...	89,055	100,095	122,484
Other items ...	75,495	68,118	92,861
Premises ...	4,788	4,889	5,825
Total ...	422,781	414,760	469,010
Profit and Loss Items—			
Brought forward ...	92	118	198
Net Profit ...	686	808	943
Dividend distribution	197	197	197
Allocation to funds	400	500	600
Dividend per cent ...	8	8	8
Carry forward ..	106	168	290

COMPTOIR NATIONAL D'ESCOMPTE DE PARIS

The Comptoir National d'Escompte de Paris was incorporated in France in 1889, to reconstitute the old Institution the Comptoir d'Escompte de Paris, already established in Bombay for over 85 years.

The Comptoir has its Head Office in Paris and branches throughout France and the French Colonies. In addition, Branches are maintained in London, Liverpool, Manchester, Brussels, Alexandria, Cairo, Port-Said, Sydney, Melbourne and Bom-

bay to facilitate the handling of the large volume of international trade that has always formed an important part of the Comptoir's business.

The key-note of the Comptoir's policy has always been prudence, and the composition of the balance-sheet reflects the conservative policy that has always been followed by the Board. "Cash, etc." accounts for 28 per cent. of the deposits, and "Bills Receivable and French National Defence Bonds" for a further 54 per cent. The Reserves have been built up to a figure in excess of the Capital of the Bank.

Liabilities—

	(000's French frs. omitted)		
	1935	1936	1937
Capital ...	400,000	400,000	400,000
Reserves ...	441,662	443,909	445,720
Shareholders' account ...	6,239	6,515	6,566
Deposits ...	7,071,242	6,196,307	7,684,056
Fixed-date bonds ...	28,225	32,853	32,042
Acceptances ...	91,971	88,062	157,927
Sundry accounts ...	372,779	379,903	377,654
Fr.	8,412,118	7,547,549	9,103,965

Assets—

Cash and Bank of France	1,227,121	853,251	740,497
Balance with banks ...	223,783	225,950	1,012,959
Bills Receivable and French National Defence Bonds	4,129,068	3,800,145	4,172,823
Contango ...	15,681	21,950	50,810
Banking Correspondents ...	864,054	798,835	757,246
Advances ...	1,208,168	1,106,933	1,543,026
Investments ...	1,451	1,447	1,443
Financial participation ...	6,200	6,200	6,200
Advance against Security ...	331,003	326,866	387,714
Acceptances as per contra Branches outside Europe	91,918	88,009	157,833
Sunday accounts	5,757	7,214	45,347
Property ...	292,914	295,749	213,067
	15,000	15,000	15,000
Fr.	8,412,118	7,547,549	9,103,965

HONGKONG & SHANGHAI BANKING CORPORATION.

The Hongkong & 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. The figures of the bank's balance sheet have been taken at 1s. 2½d. against 1s. 3½d. the previous year. The accounts of this Bank for 1936 suggest that the devaluation of the Chinese dollar and the demonetisation of silver in November, 1935 have ultimately had a beneficial effect. Evidence of increased activity is to be found in the rise in the notes of circulation from \$119.0 millions to \$127.6 millions, and the increase in Current Accounts from \$568.1 to \$649.3 millions at the expense of a slight fall in Fixed Deposits. Discounts and Loans have also risen from \$435.9 to \$493.8 millions.

As a consequence of the compulsory surrender of silver Stocks to the Hong-kong Government, silver coin to the value of \$141.5 millions has been handed over in return for certificates of Indebtedness, which are included in the item "Cash". The lowering of the exchange rate from 1s. 3½d. to 1s. 2½d. has made a difference of nearly 5 per cent., in the calculations of the items in terms of sterling, so that the increases appear less in the Sterling equivalent. Profits have been substantially higher, being \$15.1 millions against \$12.1 millions in 1935. The dividend remained at £5-10-0 per share compared with £6 in 1934.

Percentage of capital and reserve to deposits	15.4	16.1	16.9
Percentage of cash to deposits	46.1	28.6	25.7
Profit and Loss Items—			
Brought forward	3,463	3,295	3,327
Net profit	13,005	15,386	15,107
Dividend distribution	12,110	10,996	14,014
Allocation to funds	1,000	1,000	1,000
Carry forward	3,295	3,327	3,341
Dividend per share	£6	£5½	£5½

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 \$77.5 millions. Surplus is \$42.5 millions and undivided profits are \$18.46 millions.

The business recovery which became evident in 1935 continued with increased momentum during 1936. But with a marked revival in business unaccompanied by a corresponding increasing demand for money and the influx of money from abroad resulted in a new all time low interest rate. The net earnings, after deducting customary reserves amounting to \$2,168,000 and reserves for depreciation of bank premises of \$1,721,000 amounted to \$18,248,674 exclusive of recoveries.

Dividends on common stock, amounting to \$6,200,000 were paid or reserved for out of the year's earnings. After the transfer of \$8,125,000 to Surplus Fund and after setting aside \$1,100,000 to cover estimated assessments for Federal Deposit Insurance for the year 1937, the balance of net earnings, amounting to \$2,818,674 was added to Undivided Profits, which account at the end of the year stood at \$18,462,958. The Surplus Fund on the same date stood at \$42,500,000. Deposits at the end of the year amounted to \$1,718,840,229. This includes only a small amount of trust deposits of \$106,445,871.

During the year Preferred Stock of \$50,000,000 held principally by the Reconstruction Finance Corporation was retired, Year ending December.

(£,000's omitted)

	1934	1935	1936
	\$	\$	\$
Liabilities—			
Capital ...	20,000	20,000	20,000
Sterling reserve	76,097	99,840	104,874
Silver reserve	10,000	10,000	10,000
Notes in circulation	133,946	119,011	127,636
Deposits, etc.	683,398	776,160	837,944
Bills payable	9,690	12,424	14,822
Acceptances on Account of constituents	4,917	2,366	3,307
Profit and Loss Account	9,914	11,700	12,085
Total	947,962	1,051,501	1,130,668
Assets—			
Cash and bullion	315,309	196,091	197,465
Investments	194,414	262,233	301,420
Loans and Advances, etc.	318,955	435,863	493,813
Bills receivable	92,248	132,777	112,891
Liabilities of constituents as per contra	4,917	2,366	3,307
Bank premises	22,119	22,171	21,772
Total	947,962	1,051,501	1,130,668

	(\$ 000's omitted)		
	1934 \$	1935 \$	1936 \$
Liabilities—			
Capital ...	127,500	127,500	77,500
Reserve ...	10,576	16,112	18,822
Surplus ...	80,000	30,000	42,500
Deposits ...	1,894,604	1,652,866	1,718,840
Acceptances and Bills ...	65,780	44,058	48,675
Other items ...	8,878	...	...
Undivided profits	8,278	10,644	18,463
Total ...	1,640,111	1,880,680	1,904,800
Assets—			
Cash ...	450,286	527,491	468,259
Investments ...	567,456	690,551	754,919
Loans & Advances	482,885	547,224	588,849
Acceptances for customers ...	56,678	80,684	28,662
Stock in Federal Reserve Bank	6,600	4,725	8,600
Bank Premises ...	58,162	54,216	52,687
Other items ...	18,094	25,889	18,874
Total ...	1,640,111	1,880,680	1,904,800

NEDERLANDSCH INDISCHE HANDELS BANK N.V.

This Bank 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 the year 1936 the Capital was reduced to 33 million guilders owing to the Reconstruction Scheme. 20 per cent. was written off Capital and 20 per cent. was returned to shareholders in cash.

	(000's guilders omitted)		
	1935	1936	1937
Liabilities—			
Capital ...	55,000	88,000	88,000
Reserve Funds ...	27,688	18,200	18,200
Deposits ...	86,458	89,978	94,602
Acceptances & Bills payable	8,028	7,968	9,470
Profit and Loss ...	29	1,187	1,654
Total ...	177,198	145,278	151,926
Assets—			
Cash ...	15,968	10,794	9,184
Bankers Abroad ...	11,488	10,821	9,371
Loans ...	7,729	11,810	21,110
Investments ...	80,788	20,587	18,094
Advances to customers ...	68,791	46,858	54,004
Premises ...	8,667	2,898	1,959
Other items ...	48,767	43,550	88,194
Total ...	177,198	145,278	151,926

YOKOHAMA SPECIE BANK LIMITED

After due provision for all bad and doubtful debts, rebate on bills, etc., the net profit for the half-year ended December, 1936 was Yen. 17,458,920 inclusive of Yen. 10,446,652 brought forward from last account. Deposits have been lower at Yen. 599,001,305 against Yen. 651,760,676, while loans and advances have shown a slight increase to Yen. 385,911,980 from Yen. 352,354,374. The decrease in deposits was reflected in both cash and investments which were Yen. 66,174,571 and Yen. 411,261,421 against Yen. 144,315,344 and Yen. 494,515,174 respectively in the previous year. Yen. 1,750,000 against Yen. 1,700,000 was added to the Reserve Fund. The dividend is repeated at 10 per cent. per annum. The carry forward is Yen. 10,708,920 against Yen. 10,060,937. Year ended December.

THE UNION BANK OF INDIA, LIMITED.

Established in Bombay 1919

Head Office: APOLLO STREET,
Fort, Bombay.

Branch: RAJKOT (Civil Station)

CAPITAL PAID-UP ... Rs. 39,90,000
RESERVE FUND ... ,, 7,50,000

Directors:

Sir Hormusjee C. Dinshaw Adenwala,
Kt., M.V.O., O.B.E. (*Chairman*).

Lachhmandas Harkhchand Daga, Esq.,
M. S. Captain, Esq., K. R. P. Shroff, Esq.,
Vithaldas Kanji, Esq. and B. N. Karanjia,
Esq.

Current Deposit Accounts opened and
Interest allowed at 1 per cent. per annum
on daily balances up to Rupees One Lac.

Fixed Deposits for long and short period
received on favourable terms.

Savings Bank Accounts interest allowed
at 2 per cent. per annum on minimum
monthly balances. Withdrawals allowed
twice a week. Operation by cheques
allowed.

Advances made on approved securities.
All kinds of Banking business transacted.

The Hon'ble Sir Phiroze Sethna,
Kt., O.B.E.,
Mg. Director.

B. M. Bhargava,
Secretary.

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."

Table I

(a) Number of Societies for all India showing the increase since 1910-11

	Average for 5 years from 1910-11 to 1914-15	Average for 5 years from 1915-16 to 1919-20	Average for 5 years from 1920-21 1924-25	Average for 5 years from 1925-26 to 1929-30	1931-32	1932-33	1933-34	1934-35
Central (including Provincial and Central Banks and Banking Unions) ...	281	804	506	587	605	607	618	626
Supervising and Guaranteeing Unions (including Re-insurance Societies ...)		688	1,802	1,894	1,091	988	879	789
Agricultural (Including cattle Insurance Societies)	10,891	25,878	51,716	83,098	98,598	92,749	92,467	98,160
Non-Agricultural	664	1,662	4,188	8,862	10,756†	10,918‡	11,124‡	11,436*
Total	11,786	28,477	57,707	98,986	1,06,050	105,262	105,088	106,011

‡ Including six Insurance Societies
 † Including three Insurance Societies
 * Including eight Insurance Societies

(b) Number of Societies by Provinces and States for 1933-34

Province	Popu- lation (millions)	Central	Supervis- ing and guaran- teeing unions	Agricul- tural	Non-Agri- cultural	Total No. of societies	No. of societies per 1,00,000 inhabi- tants
Bombay	28.0	16	116	4,781	907	5,770	25.1
Punjab	24.8	119	...	18,215	3,549	21,888	88.2
United Provinces	49.7	71	8	6,258	869	6,696	18.5
Bihar & Orissa	89.3	67	82	8,468	217	8,882	22.6
Bengal	51.5	118	8	21,118	2,187	28,426	45.5
Assam	9.1	21	...	1,275	108	1,404	15.4
Burma	18.8	12	256	1,708	163	2,189	15.5
Madras	48.6	83	326	11,525	1,485	18,819	27.6
Central Provinces & Berar	16.2	86	6	8,588	110	8,785	28.1
N. W. F. Province	2.5	8	...	487	89	529	21.2
Coorg	0.2	1	18	212	80	256	128.0
Ajmer-Merwara	0.6	7	2	605	119	788	122.2
Hyderabad Administered Area	0.2	...	1	...	25	26	18.0
Delhi	0.7	1	...	215	70	286	40.9
Total (British India)	280.2	505	758	78,498	9,428	89,184	81.8
Mysore	6.3	12	...	1,546	440	1,998	29.4
Baroda	2.6	8	1	895	200	1,404	42.5
Hyderabad	15.8	40	1	2,385	488	2,909	18.4
Bhopal	0.7	22	...	921	22	9,65	187.9
Gwalior	8.7	18	...	4,241	42	4,801	116.2
Indore	1.4	5	...	651	68	719	51.4
Kashmir	8.8	14	...	2,578	857	2,949	37.6
Travancore	5.6	1	29	1,871	841	1,742	81.1
Cochin	1.8	1	...	129	110	240	18.5
Total (Indian States)	41.2	121	81	14,667	2,008	16,827	40.8
GRAND TOTAL	321.4	626	789	94,160	11,486	106,011	83.0

Table II

(a) Number of Members for all India showing the increase since 1910-11

	Average for 5 years from 1910-11 to 1914-15	Average for 5 years from 1915-16 to 1919-20	Average for 5 years from 1920-21 to 1924-25	Average for 5 years from 1925-26 to 1929-30	1933-34	1934-35
Central (including Provincial and Central Banks and Banking Unions.) ...	23,677	89,925	1,68,822	2,12,098	197,683	196,508
Supervising and Guarantee- ing Unions (including Re- insurance Societies) ...		10,971	24,437	34,621	85,880	85,870
Agricultural (including Cattle Insurance Societies) ...	4,59,096	9,02,980*	16,61,098	27,91,562	2,988,667	2,011,698
Non-Agricultural (including other insurance Societies)	89,957	2,26,081	4,98,509	8,97,279	1,827,535	1,897,989
Total Number of Members of primary Societies ...	5,43,253	11,28,961	21,54,607	86,18,841	4,816,222	3,409,687

*Excluding members of Cattle Insurance Societies at the end of 1915-16 and 1916-17 those in Bombay and the United Provinces at the end of 1917-18,

(b) Number of Members by Provinces and States for 1933-34

Province	Population (million)	Central Including (Provincial & Central Banks and Unions)	Supervising & guarantee unions (including Reinsurance Societies)	Agricultural (including cattle Insurance Societies)	Non-Agricultural (In- cluding other insu- rance Societies)	Total No. of members of primary Societies	No. of Members of pri- mary Societies per 1,000 inhabitants
Madras ...	48.6	16,874	9,248	504,291	291,700	875,901	18.0
Bombay ...	28.0	15,814	8,384	801,843	215,282	616,625	26.8
Bengal ...	51.5	25,258	247	512,988	270,715	788,798	15.2
Bihar & Orissa ...	89.8	11,221	9,227	280,794	81,564	262,298	6.7
United Provinces ...	49.7	10,962	109	186,993	40,588	177,545	8.6
Punjab ...	24.8	86,805	...	604,279	181,608	785,087	29.7
C. P. & Berar ...	16.2	46,002	6,915	37,024	20,478	71,958	4.4
Assam ...	9.1	2,025	...	51,475	15,208	64,185	7.1
N. W. F. Province ...	2.5	458	...	48,982	2,469	19,206	7.7
Coorg ...	0.2	877	215	16,742	8,928	16,159	80.8
Ajmere-Merwara ...	0.6	1,670	45	12,231	7,055	20,780	84.6
Hyderabad Administered Area ...	0.2	...	25	..	1,045	10,045	50.2
Delhi ...	0.7	485	...	5,518	5,647	11,170	16.0
Total (British India) ...	280.2	168,494	81,140	2,586,179	1,181,489	3,787,618	18.8
Mysore ...	6.8	2,827	...	66,188	75,888	142,071	20.9
Baroda ...	2.6	2,097	89	28,983	17,986	41,919	18.0
Hyderabad ...	15.8	4,972	2,222	46,252	28,216	69,468	4.5
Bhopal ...	0.7	2,218	...	17,551	548	18,099	25.9
Gwalior ...	8.7	6,714	...	74,504	665	75,209	20.8
Indore ...	1.4	2,084	...	11,808	9,089	21,642	15.5
Kashmir ...	8.1	3,445	...	48,866	6,884	52,750	18.9
Travancore ...	5.6	3,555	19,69	158,251	67,810	221,061	89.5
Cochin ...	1.8	151	..	10,681	14,169	14,169	19.1
Total (Indian States) ...	41.2	28,014	4,280	455,519	216,500	672,019	16.8
Grand Total ...	321.4	196,508	85,370	3,011,698	1,897,989	4,409,687	18.7

(b) Working Capital by Provinces and State for 1934-35

Loans & Deposits held at the end of the year from

Province	Population	Share Capital Paid-up	Members	Societies	Provincial or Central Banks	Non-members and other sources	Government	Reserve and other funds	Total	No. of annas per head of popula- tion
Madras	43.6	2,28,96	1,08,77	1,18,08	4,58,28	22,80	4,87,52	2,06,26	16,15,12	58
Bombay	28.0	2,22,15	8,87,91	98,78	2,69,61	48,08	5,40,51	1,74,58	16,81,49	117
Bengal	51.5	2,28,45	1,84,56	80,45	5,19,85	45	6,24,15	2,88,88	18,21,24	57
Bihar & Orissa	33.8	5,80	22,25	4,64	2,19,98	42	2,06,89	66,16	5,79,64	24
United Provinces	40.7	61,70	16,61	6,80	48,90	20	41,57	56,06	2,26,84	7
Punjab	24.8	1,99,03	76,01	69,56	5,27,76	6,07	5,45,08	8,98,54	18,17,05	117
Burma	18.8	89,78	18,12	9,45	28,87	2,28	16,27	70,16	2,41,88	28
C. P. & Berar	16.2	95,02	4,71	29,70	1,95,86	11	1,82,47	90,04	5,87,41	58
Assam	9.1	8,20	8,45	2,70	18,68	85	84,80	17,10	90,28	16
N. W. F. Provinces	2.5	8,86	1,85	77	7,46	..	5,81	1,81	21,06	18
Coorg	0.2	8,82	88	1,12	8,62	19	8,11	8,58	15,27	122
Ajmer-Merwara	0.6	7,48	6,79	2,76	11,09	..	18,91	11,89	58,42	142
Hyderabad Administered Area	0.2	2,80	8,18	..	..	21	4,29	1,00	10,96	88
Delhi	0.7	2,99	8,97	88	5,66	..	11,12	4,58	28,65	65
Total (British India)	280.2	11,47,04	7,48,54	8,64,64	28,04,07	98,00	27,17,00	18,70,96	87,89,81	50
Mysore	6.8	51,64	88,74	9,62	25,19	8,05	60,28	42,58	2,81,05	54
Baroda	2.6	8,74	20,12	8,07	18,79	2,21	19,50	18,82	81,25	50
Hyderabad	15.8	51,56	6,20	4,16	67,19	2,95	52,20	40,21	2,24,47	28
Bhopal	.7	1,29	8	89	6,88	8,26	..	10,88	22,19	51
Gwalior	8.1	15,41	2,86	10,92	..	25,18	17,79	29,18	1,00,74	44
Indore	1.4	6,48	15,85	1,68	15,77	2,22	21,02	16,66	79,68	91
Kashmir	8.8	27,07	80	2,08	25,02	1,58	2,22	22,64	97,24	41
Travancore	5.6	85,40	8,85	2,51	9,69	..	1,58	11,26	87,59	25
Cochin	1.8	8,61	3,41	1,80	8,44	26	26	5,65	25,05	81
Total (Indian States)	41.2	1,00,15	95,86	85,68	1,66,92	40,61	2,16,71	1,92,28	9,49,21	48
Grand Total	321.4	12,47,19	8,44,40	9,50,32	29,71,00	1,38,61	29,33,71	19,63,24	97,39,02	48

Table III

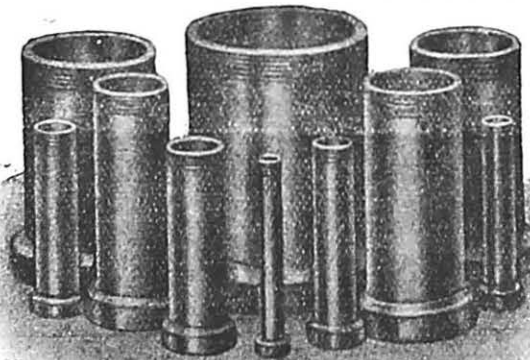
(a) Working Capital for all India showing the increase since 1910-11

	Average for 5 years from 1910-11 to 1914-15.	Average for 5 years from 1915-16 to 1919-20.	Average for 5 years from 1920-21 to 1924-25.	Average for 5 years from 1925-26 to 1929-30.	1932-33.	1933-34.	1934-35.
	R(1,000)	R(1,000)	R(1,000)	R(1,000)	R((1,000)	R(1,000)	
Share capital paid up ...	88,87	2,51,97	5,25,66	9,94,17	12,90,59	18,11,90	18,48,19
Loans and deposits held at the end of the year from Members	88,28	96,85	2,54,45	5,03,42	7,58,01	7,80,88	8,89,40
Loans and deposits held at the end of the year from Societies	1, 8,42*	47,81	1,49,98	2,92,88	4,15,29	4,11,77	4,00,32
Loans and deposits held at the end of the year from Provincial or Central Banks ...		5,08,19	12,29,88	24,62,48	27,24,19	25,56,50	24,70,89
Loans and deposits held at the end of the year from Government ...	1, 87	25,58	67,69	1,68,84	1,56,56	1,48,79	1,23,67
Loans and deposits held at the end of the year from Non-Members and other sources ...	1,41,98	4,70,25	10,96,22	23,59,69	29,85,94	29,66,40	29,88,71
Reserve and other Funds ...	25,00	1,28,82	8,12,88	7,13,21	12,58,81	14,01,89	11,27,98 b
Total ...	5,48,42	15,18,47	86,86,26	74,89,18	95,88,89	95,72 58	96,88,52

*Includes loans from Provincial or central Banks.

STONEWARE PIPES

(MANUFACTURED TO B.S.S. NO. 65/1914)



SIZES FROM 2" TO 24" DIAMETER

As Supplied to:

PUBLIC HEALTH DEPT., PUBLIC WORKS DEPT.
CORPORATIONS OF CALCUTTA, BOMBAY, MADRAS, RANGOON, ETC., ETC.
ALL SIZES HELD IN STOCK

BURN & CO. LTD.

THE POTTERIES
JUBBULPORE

ESTABLISHED 1781

THE POTTERIES
RANIGANJ

12, MISSION ROW, CALCUTTA

POPULATION STATISTICS

AREA AND POPULATION OF PRINCIPAL COUNTRIES

Countries	Area in Square Miles	Latest Census year	MALES		FEMALES		Total population
			In Millions				
India	1,805,882	1981	181.9	171.1	353.0		
Australia	2,974,581	1982	8.4	8.2	16.6		
Union of S. Africa (Whites only)	472,847	1981	9	9	1.8		
Canada	8,729,665	1981	5.4	5.0	10.0		
Great Britain and North Ireland	94,668	1981	22.1	24.0	46.1		
United States of America	2,978,776	1980	62.1	60.6	122.8		
Brazil	8,275,510	1920	15.4	15.2	30.6		
Mexico	767,198	1980	8.1	8.3	16.4		
China	4,278,852	1982	.....	.....	474.8	
Japan	147,592	1980	2.4	32.1	64.5		
Germany	181,723	1981	81.4	88.3	64.7		
France	212,659	1981	.....	.....	41.8	
Italy	119,718	1981	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	1980	1981	1982	1983*
	1921-25	1926-80					
(British) India	192	177	178	180	...	...	...
Union of S. Africa (White population only)	78	67	64	67	65	59	60
Canada	98	93	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

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	8.8	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	18.2	18.1	12.5	...
Australia ...	14.4	11.7	10.7	11.8	9.5	8.8	7.9
United Kingdom ...	8.0	4.9	8.1	5.1	8.8	8.5	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	18.2	15.2	18.8
Germany ...	8.8	6.6	5.8	6.4	4.8	4.8	8.5
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	38.2	32.7	32.9	34.8	...	...
Union of S. Africa ...	27.1	26.1	26.2	26.4	25.5	24.8	28.7
Canada ...	27.4	24.1	28.5	28.9	28.2	22.4	...
Australia ..	28.9	21.0	20.8	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	16.8	15.8	14.9
Japan ...	34.6	38.4	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 ...	19.8	18.2	17.7	18.0	17.4	17.8	16.8
Italy ...	29.7	26.8	25.6	26.7	24.9	28.8	28.5

*Provisional figures

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	9.8
Canada	11.2	11.1	11.8	10.7	10.1	9.9	...
Australia	9.5	9.8	9.6	8.6	8.7	8.1	8.9
United Kingdom	12.4	12.3	13.6	11.7	12.5	12.3	12.5
U. S. A.	11.3	11.3	11.9	11.3	11.1	10.9	10.0
Japan	21.6	19.3	19.3	18.2	19.0	17.7	17.3
Germany	13.3	11.6	12.6	11.1	11.2	10.3	11.2
France	17.2	16.3	17.9	15.6	16.3	15.3	15.3
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)

	1931 Census			1921 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	18.3	18.3	34.0	16.3	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.	48.4	25.4	23.0	45.4	23.3	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	7.3	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	126.3	120.1
Total States and Agencies	31.2	14.9	13.8	22.1	11.2	10.9
Total Indian Populations	308.9	155.0	145.4	269.0	137.5	131.0

Population of the Indian Cities.

	Population in 1931	Population in 1921
Ajmer-Merwara—		
Ajmer	119,524	118,512
Bengal—		
Calcutta Proper	1,196,888	1,077,264
Howrah	222,488	195,801
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	826,911
Madura	182,007	188,894
Trichinopoly	141,640	120,422
Salem	102,181	52,244
N.-W. Provinces—		
Peshawar	121,866	104,432
Punjab—		
Lahore	429,747	281,781
Amritsar	264,840	160,218
Multan	119,487	84,806
Rawalpindi	119,284	101,142
United Provinces—		
Lucknow	274,659	240,566
Cawnpore	248,756	216,496
Benares	205,815	198,447
Agra	229,764	185,582
Allahabad	188,914	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	98,691
Hyderabad State—		
Hyderabad	877,006	404,187
Jammu and Kashmir—		
Srinagar	178,849	141,785
Mysore—		
Bangalore (including Civil and Military Station)	806,865	287,496
Rajputana Agency—		
Jaipur	144,179	120,207

TRUST of INSURANCE SHARES LIMITED

*Incorporated under the Companies Act, 1929.
Authorised Capital £200,000 : Issued and fully paid £110,000.*

*Managers of
Trust of Bank Shares
Trust of Insurance Shares
Trust of Bank & Insurance Shares
Investment Trust Units.*

*Agents for
Scottish Bank Insurance & Investment Trust Units.*

DIRECTORS

The Right Hon. C. A. McCURDY, K.C. (Chairman)
*Chairman, Bedford General Insurance Company Limited,
Director, Equity and Law Life Assurance Society.*

J. H. BATTY, Esq.
Director, Atlas Assurance Company Limited.

Sir B. E. HALSEY BIRCHAM (formerly Halsey), G.C.V.O.
*Deputy Chairman of the Equity & Law Life Assurance Society,
Director of the British Law Insurance Company Limited.*

ALLAN E. MESSER, Esq., C.B.E.
*Director, British Law Insurance Company Limited,
Guildhall Insurance Company Limited
Equity and Law Life Assurance Society.*

R. W. SHARPLES, Esq., O.B.E.
Director, Guardian Assurance Company Limited.

GEORGE FABER, Esq., O.B.E., M.C. (Managing Director)
Director, Scottish Bank Insurance & Trust Shares Limited.

REGISTERED OFFICE

**THIRTY CORNHILL
LONDON, E.C.3**

CABLES: INSURTRUST, LONDON



LLOYDS BANK

Limited.

(INCORPORATED IN ENGLAND)

Subscribed Capital	::	::	::	£ 73,302,076
Paid-up Capital	::	::	::	£ 15,810,252
Reserve Fund	::	::	::	£ 9,000,000

Head Office:

LONDON, E. C. 3.

Eastern Department:

39, THREADNEEDLE STREET, LONDON, E. C. 2.

West End:

6. PALL MALL, LONDON, S. W. 1.

GENERAL BANKING AND EXCHANGE BUSINESS
of every description transacted.

WORLD LETTERS OF CREDIT & TRAVELLERS CHEQUES,
payable throughout the world.

Foreign Currency Drafts, Telegraphic & Mail Transfers.

SAVINGS BANK ACCOUNTS OPENED, INTEREST ALLOWED
WITHDRAWABLE BY CHEQUE.

Over 1,900 Offices in England and Wales.

Agents and Correspondents throughout the World.

Branches in the East:

BOMBAY (2 Offices), CALCUTTA (2 Offices), DARJEELING,
KARACHI, RANGOON (2 Offices), DELHI, NEW DELHI, SIMLA,
LAHORE, AMRITSAR, PESHAWAR CANTT., PESHAWAR
CITY, RAWALPINDI, MURREE, SRINAGAR, GULMARA