

hardening of the arteries or whatever it is that indexes get when they cease to respond to the stimulus of rising prices. The Government has now been persuaded to recall the Advisory Committee to design

a new index on a more permanent basis. For the few years before that can be done, the present one will continue to blink at us owlishly, as if the vagaries of the modern world were really too much for it.

would, if the need arose, purchase stocks at these rates.

### New Sugar Policy

The new sugar policy announced by the Government of India raising the price of sugar from Rs. 28-8 to Rs. 29-12 per Bengal maund and the introduction of a gradation in prices in UP and Bihar rising upto Rs. 33 for South Bihar, in recognition of variations in the cost of production have come as a surprise. It is for the first time that the Government has accepted the principle of differentiation in the costs of production in the same industry. It leaves the door open for spoon feeding and favouritism to certain sections of the industry while from the consumer's view point, such differentiation appears unfair and unwarranted. Worse still, it is likely to lead to further inefficiency in the industry. An inducement has been given to factories to produce in excess of 107 per cent, of the production in 1948-49 or 1949-50 as such excess production will be allowed to be sold in free markets. Whether it will result in higher production or will only lead to malpractices by unscrupulous elements in order to derive benefit from the concession, still remains to be seen.

The minimum prices for sugarcane have been raised from Rs. 1-10 to Rs. 1-12 while price of the best quality gur in surplus areas has been revised upward from Rs. 18 to Rs. 19 and in deficit states, the ceiling prices are to vary from Rs. 20 to Rs. 23. No licenses will be necessary for manufacture of gur. In Bombay State the price for the best quality gur for the

## Commodities

# No Export Surplus in Groundnuts

Thursday, Morning.

THE Oilseeds market has recorded a spectacular rise under the lead of castorseeds which have climbed up to an all time peak level. Export business in castorseeds and its oil at progressively higher rates fanned bullish enthusiasm to such an extent that an orgy of speculation aided by the tight supply position, precipitated a regular crisis. The tense international situation, needless to say, was primarily responsible for the inflationary psychology. The Committee of the Grain and Oilseeds Merchants' Association, however, saved the situation. From some quarters it had been suggested that ceiling levels should be fixed but the idea did not find favour and it was ultimately decided to disallow business in contracts beyond February-March delivery.

Trade quarters are now inclined to lower their crop ideas in groundnuts, due to absence of late rains. The oil content of the new crop is also reported to be not so satisfactory, with the result that the country may face a deficit of about one to two lakh tons. It is estimated that export business in groundnuts, handpicked selected groundnuts and\* groundnut oil, all combined, has been done to the extent of over 1½ lakh tons in all. The Saurashtra Government has relaxed control on export of groundnut and its oil to other States in the Union.

The Food Ministry of the Government of India, it is reported, has been greatly perturbed by the stupendous rise in edible oilseeds and measures are being contemplated to meet the menacing situation. In the meanwhile, Pandit Bhargava's bill for prohibiting the manufacture of Vana-pati has not been referred to a Select Committee as Pandit Jawaharlal Nehru gave an assurance that the Government would appoint a Committee to go into the question of adulteration of ghee.

The groundnut oil market in Madras also faces a crisis. Shippers are not able to get deliveries from the sellers who, apparently taking advantage of the higher spot prices,

have been selling ready instead of giving delivery against old contracts. Huyers in the market have decided not to buy any oil for any position for some time to come. Arrangements are being made by the buyers to pool their resources so as to ease the near shipping positions and all market activities in that centre remain suspended.

The linseed section which had been in the doldrums for the past few weeks has also become very active and many speculators have transferred their attention to this section.

The sensational rise of over Rs. 5 per cwt. has been recorded in castorseeds during the last fortnight. Pull operators have tightened their grip following heavy purchases in seeds and oil by foreign interests.

The Government of Bombay has revised upward the ceiling rates of cotton seeds. The rates have been raised to Rs. 10 from Rs. 8 per Bengal maund in the Northern and Central Divisions and to Rs. 9 from Rs. 7 in Southern Divisions as the reasonable wholesale price for the current season. The Government

### Oilseed Prices

(Seeds per cwt. and oil per quarter in Rs. and as.)

	November 29	High	Low	Dec. 13
<b>Groundnuts</b>				
Khandesh quality	... 42 11	45 10	42 14	45 6
Coromandel	... 42 3	45 0	42 6	44 12
Bold Ready	... 41 10	44 14	41 14	44 6
Bold Dec.-January	... 41 10	44 12	41 13	44 5
Bold Feb.-March	... 41 10	44 15	41 14	44 6
<b>Linseed</b>				
Bold Ready	... 41 4	43 0	41 6	42 8
Bold December	... 41 6	42 15	41 6	42 8
Bold Feb.-March	... 40 2	42 4	40 4	43 0
Bold April-May	... 39 10	42 0	39 14	*
<b>Castor seed</b>				
Fair Average	... 38 12	44 4	39 2	42 0
Madras quality	... 39 2	44 8	39 6	44 4
Madras December	... 38 6	44 4	38 12	44 0
Madras January	... 37 8	43 8	37 12	43 0
Madras Feb.-March	... 36 8	43 4	36 14	42 12
<b>Oils</b>				
Groundnut, ex-mill	... 23 4	25 0	26 6	25 0
Groundnut Rly. receipt	... 22 12	24 6	22 14	24 4
Groundnut December	... 22 7	24 3	22 9	23 15
Linseed	... 21 8	22 4	21 8	22 0
Castor-Commercial	... 20 6	23 4	20 8	23 0

\* Trading suspended.

producer has been fixed at Rs 24 and the dealer's price at Rs 24. The gur situation is still far from satisfactory, but it is hoped that it will improve under the new arrangement.

The Central Government have at long last fixed the ceiling price for Khandsari sugar at Rs. 29 per maund for surplus districts in Uttar

Pradesh. For other areas the local wholesale and retail prices will be fixed after adding such charges in respect of transport, wholesale and retail margins and local taxes, if any, as have been approved for fixation of crystal sugar prices. The UP producers are still dissatisfied with this price though it appears fairly high compared with the price of crystal sugar."

would be difficult to take up these plans.

The crux of the problem of expanding productive capacity of the existing main producers is finance as they are not in a position to raise additional capital. The Government of India also recognises these difficulties and has already sanctioned large loans to the Steel Corporation of Bengal and the Indian Iron and Steel Company. A loan of the order of Rs. 10 crores to the Tata Iron and Steel Company now appears to be on the card.

It is also common knowledge, however, that the main impediment in the way of granting such a large loan to the Tatas is the present capital structure of the Company. The Government will probably insist, as a prior condition before extending such assistance, on the conversion of Deferred shares into ordinary shares. The management of the company

*The Stock Exchange*

## Enquiry into Costs of Steel

Thursday, Morning

THE leading equities have been receiving a broad based support, particularly since the end of account day. The earlier hesitancy has perceptibly given place to a confident note, resulting in higher values for the speculative counters.

The volume of business has also been improving, particularly in steel shares. Confidence in steel, construction and shipping companies, is justified; for war or no war, world rearmament is now a certainty and is definitely getting into swing. The Government of India, it is felt, is keenly aware of the repercussions on the Indian economy of world rearmament. It almost goes without saying that production in iron and steel companies and activity of shipping and construction companies will be keyed up to a high pitch.

The Planning Commission met the representatives of the main producers of iron and steel in the country to discuss the possibility of increasing production in the very near future. For some time since the outbreak of the Korean war it has been apparent to the Government that it would be difficult if not impossible to get imports of adequate quantities of steel in view of the prior demand of the steel producing countries on their production of steel to meet the needs of rearmament.

At the Conference which took place on Saturday, it is learnt, the decision was reached to implement the expansion schemes of the wasting main producers which would increase the installed capacity for production of steel by 450,000 tons. The shortage of steel in the country is at least 2,00,000 tons and the freed for aiding; existing concerns to raise their production has become urgent.

The Government's plan for setting up new factories for producing annually 500,000 tons of steel have so far not taken any definite shape and in the existing circumstances it

### STOCK EXCHANGE TRENDS

(In Rupees and Annas)

	This week				1950			
	Previous Closing 6-12-50	Opening 7-12-50	High	Low	Previous Closing 13-12-50	High	Low	
<b>Steels</b>								
Bengal Steel	21-14	21-14	23-0	21-10	22-14	25-11	18-6	
Indian Iron	31-1	30-14	32-0	30-13	31-15	34-12	26-13	
Tata Steel Deid.	1806-4	1792-8	1885-0	1785-0	1885-0	1900-0	1535-0	
Tata Steel Ordy.	349-8	347-0	362-4	345-0	352-4	364-8	309-0	
<b>Textiles</b>								
Bombay Dyeing	1012-8	1008-12	1032-8	1001-14	1032-8	1167-8	920-0	
Central India	257-8	255-0	265-8	254-0	265-8	270-0	224-0	
Finlay	281-0	280-0	289-0	279-0	288-0	289-0	237-0	
Gokak	246-8	246-0	247-8	244-0	248-8	295-0	234-0	
India United Ordy.	13-0	12-15	13-13	12-15	13-13	13-13	10-12	
Kohinoor	333-0	331-8	344-0	331-8	343-0	345-8	285-0	
New Great	170-0	169-0	173-0	169-0	173-0	175-0	125-0	
Simplex	271-0	270-0	276-0	268-0	274-0	294-0	178-0	
Swadeshi	301-0	298-0	318-0	298-0	318-0	318-0	242-8	
<b>Banks</b>								
Central Bank	79-4	78-4	80-0	78-0	80-0	92-0	78-12	
Imperial F.P.	1987-8	1985-0	1990-0	1985-0	1990-0	2085-0	1720-0	
India	177-8	—	178-0	177-8	—	185-8	164-0	
United Com.	44-8	—	46-0	45-0	46-0	51-8	41-8	
<b>Insurance &amp; Electrics</b>								
New India	66-0	66-4	67-8	66-0	67-8	69-0	54-4	
Andhra Valley	1470-0	1462-8	1467-8	1462-8	1465-0	1512-8	1387-8	
Tata Hydro	169-0	158-0	169-8	158-0	—	167-8	158-0	
Tata Power	1630-0	1625-0	1625-0	1615-0	1618-12	1697-8	1532-8	
<b>Miscellaneous</b>								
Alcock	336-4	335-0	346-4	335-0	346-4	346-4	271-4	
A. C.C.	174-8	173-8	176-0	173-4	176-0	177-0	145-4	
Belapur	280-12	279-0	284-0	278-8	283-0	294-0	217-0	
Bombay Burma Old	476-4	474-6	499-2	473-2	499-12	533-12	332-8	
Premier Construction	123-0	122-0	128-8	121-4	127-0	128-8	81-4	
Scindia	15-9	15-8	16-12	15-5	15-9-8	16-12	11-4	
Wimco	261-4	260-0	270-0	260-0	268-14	270-0	205-0	