

succeed in this, the resulting scarcity of cotton would inevitably raise prices. But will the growers be able to hold on?

The morale of the trade, already pretty low, has been further affected by the threat to yarn prices, which have caught the attention of the authorities. Should the present hardening-trend in yarn prices persist, Government, it has been reported, would not hesitate to declare fair prices for yarn as it has done in the case of cloth. The series of steps that Government has been taking in recent weeks indicate that state trading may not be far off. If yarn prices are fixed by Government, it would certainly benefit handloom interests who were the first to complain against high prices of yarn.

Statistics relating to raw cotton imports for the cotton season 1955-56 now available show that as against 529,579 bales of cotton imported in 1954-55 consisting of both sterling and dollar area cottons, 598,030 bales were imported in 1955-56. Imports licensed, however, were much larger, being 649,280 bales and 893,128 bales, respectively. Among cotton from the sterling area, East African topped the list with 223,037 bales (actual arrivals) and Egyptian followed with 219,263 bales. India's offtake of Sudan cotton was also sizeable. Imports of dollar cotton, however, were only a meagre 14,783 bales!

#### Oilseeds

##### **Not Smooth Sailing**

AS compared with the last week, better sentiment prevailed in the oilseeds market during the week under review. Ready as well as future castor rallied on firm foreign advices. Both America and Britain quoted higher rates, although no sizable deals were reported early in the week. Towards the end, however, traders were believed to be making arrangements to charter a ship for exporting a large consignment of castor oil.

Groundnuts presented a quiet steady trend. Local expectations of a large groundnut crop, together with adequate availability of groundnut oil overseas, evidenced by the sale of 3000 tons of African groundnut oil to Britain, affected sentiment adversely. Fresh purchases were, therefore, limited. There was, in addition, the fear that government might extend to oilseeds the credit squeeze now working in

respect of cloth. The oilseeds market did not witness a precipitate fall despite the operation of these bearish factors because of the sustained support it received in the Punjab, Rajasthan and other places. The ready section was increasingly supported by buying from crushers and vanaspati manufacturers.

The firmness in linseed noticed in the previous week continued. Reports that government had called for tenders for export to a communist country also imparted some strength to this market.

#### Bullion

##### **Silver from Tibet**

BULLION market remained steady at the close, after moving either way earlier in the week.

The gold section remained fairly firm throughout the week, due to the emergence of good demand in connection with Pooja, Dassera and Diwali festivals.

Silver, however eased towards the Inter part of the week on the reported deal with Tibet for the import of about 11,000 bars of silver for which import duty, it is reported, has already been paid by bullion importers in Calcutta. Prices of silver, therefore, fell by nearly Rs 2 from 174 to Rs 172 on heavy bull liquidation. At the close of the week, however, rates steadied up.

#### Company Note

##### **Indian Standard Wagon**

A LONG with other Engineering shares, Indian Standard Wagon moved up recently before Lyons Range climbed down under the impact of the fall in Indian Iron. This Company has, in common with other engineering concerns, fared well in recent years. In view of the rapid extension of business, it has become necessary to reorganise capital so as to ensure a proper balance between share capital and working funds. It has a plan to capitalise reserves to the extent of Rs 19½ lakhs. Permission has been sought of the Controller of Capital Issues to issue bonus shares on the basis of one share for each share held.

Directors of the Company have informed shareholders that the Company's plans for rehabilitation and expansion are making rapid progress. Expansion projects will cost Rs 32½ lakhs. Current provisions of Rs 7¼ lakhs for financing expansion plans are adequate so far as present requirements are

concerned. But the directors assure that further allocations to reserves will be made in the near future HO that the expansion plans are not hampered by lack of finance.

#### **Indo-German Trade Agreement**

TALKS between the representatives of the Ministry of Commerce and Consumer Industries and the Trade Delegation from the Ministry of Foreign Trade and Inner German Trade of the German Democratic Republic have been concluded and a fresh agreement has been drawn up to replace the agreement made in 1954 which is to expire on October 15, 1956.

included in the list of exports from India, to the German Democratic Republic are tobacco—manufactured and unmanufactured, mica, chrome ore, ilmenite, iron ore, loyanite ore, manganese ore, shellac, vegetable oils, cashew nuts, cashew shell oil, textiles, (cotton, silk and art silk, woollen and jute) coir, coir manufactures, handicrafts and products of India's chemical and engineering industries.

The important imports from the Gorman Democratic Republic to India are various kinds of machinery, locomotives (electric diesel and steam) plant and equipment for cement and sugar production, and appliances, wireless communications equipment, newsprint and raw films.

It has been agreed that all payments between the two countries will be settled in rupees.

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