

plaint made by the Chairman of Sen Raleigh at the Annual General Meeting of the company that though cycles had been included in the trade agreement with Burma as permissible exports from India, "no import licences for bicycles had been issued as yet by Burma" That was in July. Since then the company has been able to effect a large shipment of their bicycles, having secured an order for 4,500 machines from Burma to be exported within the current year.

Before this consignment, not even half a dozen India-made bicycles had been sold in Burma. though India's engineering exports form a substantial part of our total exports to that country. Under a bilateral trade agreement between Burma and India, which provides for the exchange of Burmese rice for Indian engineering products. India is entitled to export nearly 5,500 bicycles worth Rs 8 lacs by December end, and out of this more than 80 per cent in quantity and 85 per cent in value will be accounted for by Sen Raleigh bicycles.

Burma is a highly selective market for bicycles and the established British brands which are now manufactured by Sen Raleigh explains the ready success of this company in gaining a footing in that market, in his view of her continuing sterling shortage. Burma will remain a market for Indian bicycles at least for the duration of the present Indo-Burma Trade agreement which is to remain in force upto the end of 1963.

What Prospects for Foreign Aid ?

WHAT prospects for external assistance for the Third Plan were held out to the Finance Minister during his last hour? Pretty fine indeed, judging from the statement, he made in Parliament. Though no specific figures were discussed or agreed upon, the Finance Minister said that he had conveyed to our prospective helpers the order of assistance that would be required for the Third Plan, implying therein that no eye brows need be raised at a later stage at the size of the Plan, and no grumbles that we were being over ambitious. This is very confronting but did not the aid givers have any questions to ask? About our capacity to raise resources, for example. After all those who pay must have some concern about the

utilisation of what they pay, even when they are actuated by the highest of motives. Would they not have asked him how much resources India could mobilise herself, what was the measure of her capacity? And if they have doubts, would they not like to be assured that the aid would not feed inflation and that Plan priorities would be shifted in favour of growing more food which we ourselves hold as the best insurance against the Plan going awry? Whether such questions were asked and if they were asked, what answers he gave, the Finance Minister did not tell the House.

What answer he could give, one wonders. There is a certain amount of hush-hush about the preliminary work on the Third Plan and also a lot of kite-flying now and again. For near a year we have been told that everything is O K with a Rs 10,000 crore Plan, the resources have been or can be found and that only the details remain to be worked out. The systematic work on the Plan has been entrusted to various committees of the Panel of Economists. What these committees do is not always public knowledge but it is public knowledge that the Committee on Resources has not yet concluded its labours or been able to satisfy itself that the resource prospects are what they were given out to be. In the

circumstances one can understand why Morarjee would be discreet in not taking Parliament into confidence about any inconvenient questions that he may have been asked.

It is only about the Second Plan that something like a firm commitment has been made. We will still need Rs 140 crores in the last year of the Second Plan though on present showing about Rs 128 crores of aid promised for it will remain unutilised. This is because assistance offered is often tied to particular projects and can be availed of in instalments, as the projects make progress by stages. Another kind of aid which will remain partially unutilised at the end of the Plan are those which are subject to the condition that the aid can be utilised only in the country which offers it. This necessarily depends on the availability of the good which we want and also on their competitive price. Thus the paradoxical situation that we would still need Rs 110 crores to put through the core of the Plan while nearly an equivalent amount would remain unutilised.

That the Finance Minister feels so confident about getting this aid is because of the assurance from the aiding countries obtained through the good offices of the World Bank at the last meeting of India's creditors

The Indian Iron & Steel Company Limited

Notice

NOTICE is hereby given that the Annual General Meeting (being the Forty-second Ordinary General Meeting) of the Company will be held at the Registered office, 12, Mission Row, Calcutta, at 3 p.m. on Monday, the 21st December, 1959, for the following purposes :

1. To receive and adopt the Audited Accounts for the year ended 31st March 1959 and the Directors' and Auditors' Reports thereon.
2. To confirm as the final dividend for the year ended 31st March 1959, the interim dividend on the Ordinary shares declared by the Board on the 11th August, 1959.
3. To appoint Directors in place of those retiring.
4. To appoint Auditors and fix their remuneration.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and a proxy need not be a member.

By Order of the Board,
Martin Burn Limited,

F. G. Liversedge,
Managing Director
Managing Agents.

Calcutta,
24th November, 1959.

in Washington in March, There is reasonable assurance of receiving the required assistance during the next financial year which happens to be the last year of the Second Plan. The actual amounts, however, still remain to be negotiated individually with the countries concerned. These negotiations will start early next year.

Commitment for Second Plan

THE total external assistance during Second Plan, including PI.180 would come to about Rs 1,165 crores. of which the amount utilised would be about Rs 1,340 crores. To this, if the use of Rs 545 crores of sterling-balance is added, the total foreign exchange requirement of the Second Plan would come to about Rs 1,900 crores. The Third Plan requirement would naturally be larger and further. it will have to be obtained wholly in the form of external assistance, as it would not be wise to reduce the sterling balances below Ms 200 crores. the level which they have now reached.

Apart from the exploratory nature of the talks, the Finance Minister also indicated that the possibility of raising a loan in Switzerland was

being seriously discussed. To pave the ground for freer flow of assistance, considerable progress has also been made in negotiating agreements for the avoidance of double taxation, between India on the one hand and U K and Switzerland on the other. A similar agreement with U S A has already been finalised and is awaiting ratification by the U S Senate. The general impression created by the Finance Minister's assessment of the situation is that India will not be left guessing and that there would be definitely less uncertainty about the prospects of external assistance at the time of formulation of the Third Plan. This is itself a considerable improvement, and it should impart a much greater degree of realism to the Third Plan than there was in the case of the Second.

A Long Term Problem

AMONG other things Shri Morarji made the point that the growing stability and strength of the British economy, and impliedly, of the economies of the Western countries from which India expects assistance, was a welcome development from our stand point. In the case of Britain, this meant the prospect of capital flowing out more freely to

the Commonwealth countries. It may be noted in passing that in the same week in which Morarji was making this statement. President Sukarno at the Colombo Conference meeting in Djakarta was bitterly attacking the Western countries for taking away with one hand the aid they give with the other, by dictating or manipulating the prices of the raw materials imported from the under-developed countries and thereby reducing their foreign exchange earnings.

India's position in this respect is significantly different in that her exports do not suffer to the same extent as those of the purely raw material producing countries which Sukarno had in mind. But quite apart from fluctuations in current export earnings, under-developed countries which initiate development have a long-term balance of payments problem to face and Morarji is to be congratulated for emphasizing this in the course of his talks. These difficulties were not short term, he rightly pointed out "but were likely to continue, despite the best possible effort, until development had proceeded some way and the production and export potential of the country concerned built up sufficiently."