REPORT

1952—53

सत्यमेव जयते

THE MINISTRY OF COMMERCE & INDUSTRY

IMMEDIATE.

No. 2-Coord.(8)/52.
Government of India.
Ministry of Commerce and Industry.

New Delhi, the 27th March, 1953.

C_O_R_R_I_G_E_N_D_A

The following additions and alterations may kindly be made in the Annual Report of the Ministry of Commerce and Industry for the year 1952-53:-

Page 7 - para 1

In lines 18-19

For "Rs. 0.85 crores and Rs. 0.27 crores"

Read "Rs. 85 crores and Rs. 27 crores" respectively.

Page 12 - last para

In line 4 insert the word "were" after the word " arrears ".

Page 14 - Para 1

In line 7

For "inplies"

Read "implies"

Page 19 - last para

In line 1 insert the word "solely" after the word "cases".

Page 22 - Para 2

In line 2

For " houre "

Read " houses"

IMMEDIATE.

No. 2-Coord.(8)/52.
Government of India.
Ministry of Commerce and Industry.

New Delhi, the 27th March, 1953.

CORRIGENDA

The following additions and alterations may kindly be made in the Annual Report of the Ministry of Commerce and Industry for the year 1952-53:-

Page 7 - para 1

In lines 18-19

For "Rs 0.85 crores and Rs. 0.27 crores"

Read "Rs. 85 crores and Rs 27 crores" respectively.

Page 12 - last para

In line 4 insert the word "were" after the word " arrears ".

Page 14 - Para 1

In line 7

For "inplies"

Read "implies"

Page 19 - last para

In line 1 insert the word "solely" after the word "cases".

Page 22 - Para 2

In line 2

For " hours "

Read " houses"

MEDIATE.

)53.

ay kindly be
Commerce and

"

ne word

IMMEDIATE.

No. 2-Coord.(8)/52.
Government of India,
Ministry of Commerce and Industry.

New Delhi, the 27th March, 1953.

C_O_R_R_I_G_E_N_D_A

The following additions and alterations may kindly be made in the Annual Report of the Ministry of Commerce and Industry for the year 1952-53:-

Page 7 - para 1

In lines 18-19

For "Rs. 0.85 crores and Rs. 0.27 crores"

Read "Rs. 85 crores and Rs 27 crores" respectively.

Page 12 - last para

In line 4 insert the word "were" after the word " arrears ".

Page 14 - Para 1

In line 7

For "inplies"

Read "implies"

Page 19 - last para

In line 1 insert the word "solely" after the word "cases".

Page 22 - Para 2

In line 2

For " ~~houre~~ "

Read " houses"

Page 27 - Para 2

In line 6

After the words "bales of" insert the words "Indian cotton and 0.5 million bales of".

Page 32 - Para 2

In line 6

For "in"

Read "an"

s/..........

Page 35 - Para 2

In line 7

Insert the word "all" after "felt" and the word "becaus after "acutely".

Page 38 - Para 2

Delete the second entry "Industrial maintenance and packin ....105,000 .....105,000" under Private Demands.

Page 71 - Column 6

Against the entry "vegetable tanned buffalo and cow hides" :-

For "ode"

Read "one"

Page 71 - Column 7

Against the entry "Western type leather footwear":-

For "3,373,785 prs."

Read "3,373,786 prs."

Page 72 - Column 3.

Against the entry "Dipped Rubber Goods":-

For "20,234,500 Doz."

Read "20,234,400 Doz."

Page 76 - Column 1

Add "18" below "17"

Page 77 - Footnote 2

For "December, 752"

Read "December, 1952"

Page 35 - Para 2

In line 7

Insert the word "all" after "felt" and the word "becaus after "acutely".

Page 38 - Para 2

Delete the second entry "Industrial maintenance and packin -------105,000 -----105,000" under Private Demands.

Page 71 - Column 6

Against the entry "vegetable tanned buffalo and cow hides" :-

For "ode"

Read "one"

Page 71 - Column 7

Against the entry "Western type leather footwear":-

For "3,373,785 prs."

Read "3,373,786 prs."

Page 72 - Column 3.

Against the entry "Dipped Rubber Goods":-

For "20,234,500 Doz."

Read "20,234,400 Doz."

Page 76 - Column 1

Add "18" below "17"

Page 77 - Footnote 2

For "December, 752"

Read "December, 1952"

Gainda Ram

(Gainda Ram)
Assistant Secretary to the Government of India.

No. 2-Coord(8)/52.

Copy to:-
1. The Parliament Secretariat, New Delhi (with 580 spare copies) — With the request that cop of the corrigenda may be distributed to the Membe of Parliament.
2. The Council of States Sectt., New Delhi (with 320 spare copies)
3. The Bureau of Public Information, (Shri C. L. Bhardwaj) New Del (with 300 spare copies) with the request that copies may be distributed to the Press Representatives.
4. The Department of Parliamentary Affairs, New Delhi (with 2 spa copies).
5. All Officers in the Ministry.

By order, etc.,

Gainda Ram
(Gainda Ram)
Assistant Secretary to the Government of India.

Page 35 - Para 2

In line 7

Insert the word "all" after "felt" and the word "becaus after "acutely".

Page 38 - Para 2

Delete the second entry "Industrial maintenance and packi ------- 105,000 ----- 105,000" under Private Demands.

Page 71 - Column 6

Against the entry "vegetable tanned buffalo and cow hides" :-

For "ode"

Read "one"

Page 71 - Column 7

Against the entry "Western type leather footwear":-

For "3,373,785 prs."

Read "3,373,786 prs."

Page 72 - Column 3.

Against the entry "Dipped Rubber Goods":-

For "20,234,500 Doz."

Read "20,234,400 Doz."

Page 76 - Column 1

Add "18" below "17"

Page 77 - Footnote 2

For "December, 752"

Read "December, 1952"

Gaindaram

(Gainda Ram)
Assistant Secretary to the Government of India.

No. 2-Coord(8)/52.

Copy to:-

1. The Parliament Secretariat, New Delhi (with 580 spare copies) — With the request that co of the corrigenda may be distributed to the Membe of Parliament.
2. The Council of States Sectt., New Delhi (with 320 spare copies
3. The Bureau of Public Information, (Shri C. L. Bhardwaj) New Del (with 300 spare copies) with the request that copies may be di stributed to the Press Representatives.
4. The Department of Parliamentary Affairs, New Delhi (with 2 spa copies)
5. All Officers in the Ministry.

By order, etc.,

Gaindaram

(Gainda Ram)
Assistant Secretary to the Government of India.

Page 35 - Para 2

In line 7

Insert the word "all" after "felt" and the word "becaus after "acutely".

Page 38 - Para 2

Delete the second entry "Industrial maintenance and packin ....105,000 .....105,000" under Private Demands.

Page 71 - Column 6

Against the entry "vegetable tanned buffalo and cow hides" :-

For "ode".

Read "one".

Page 71 - Column 7

Against the entry "Western type leather footwear":-

For "3,373,785 prs."

Read "3,373,786 prs."

Page 72 - Column 3.

Against the entry "Dipped Rubber Goods":-

For "20,234,500 Doz."

Read "20,234,400 Doz."

Page 76 - Column 1

Add "18" below "17"

Page 77 - Footnote 2

For "December, 752"

Read "December, 1952"

Gainda Ram
(Gainda Ram)
Assistant Secretary to the Government of India.

No. 2-Coord(8)/52.

Copy to:-

1. The Parliament Secretariat, New Delhi (with 580 spare copies) } With the request that copies of the corrigenda may be distributed to the Members of Parliament.
2. The Council of States Sectt., New Delhi (with 320 spare copies).
3. The Bureau of Public Information, (Shri C. L. Bhardwaj) New Delhi, (with 300 spare copies) with the request that copies may be distributed to the Press Representatives.
4. The Department of Parliamentary Affairs, New Delhi (with 2 spare copies).
5. All Officers in the Ministry.

By order, etc.,

Gainda Ram
(Gainda Ram)
Assistant Secretary to the Government of India.

CONTENTS

M of C. & I.

CHAPTER I.—ADMINISTRATIVE SET UP

The Ministry of Commerce and Industry is responsible for a very large sector of the economic life of the country. The entire field of foreign trade including control over imports and exports, the negotiation of Trade Treaties, the determination of tariffs, commercial representation in overseas countries, and participation in exhibitions abroad comes within its sphere. In the internal trade of the country too, the Ministry is responsible for control over inter-State Trade and Commerce, Trade Marks and Patents, Forward Markets and Price Control. Practically, the entire field of privately-owned industry, including Cottage Industries and Plantation Industries like tea, coffee and rubber, is in its charge. In the interests of the consumer, the Ministry exercises control over the production, distribution and prices of essential commodities like cotton textiles, steel, etc., while it is equally responsible for helping the producer in increasing his output and for accelerating the industrial development of the country.

The Ministry is headed by the Minister of Commerce and Industry, assisted by the Minister of Commerce. Its secretariat consists of one Secretary, two Joint Secretaries, six Deputy Secretaries and fifteen Under Secretaries, apart from Section Officers, Ministerial and Class IV staff.

While the Ministry is responsible for the framing of over-all policies, their actual implementation in day to day administration is carried on through a number of organisations attached to it which work under the control and supervision of and in close collaboration with the Ministry. These include:

(1) The Office of the Chief Controller of Imports and Exports in New Delhi. It has branch offices in Calcutta, Bombay, Madras, Amritsar, Shillong and Rajkot, to which has been added the recently opened office at Cochin for the convenience of the trade in Travancore Cochin. This office is responsible for the issue of import and export licences and thus plays an effective part in the control over the foreign trade of the country.

(2) The Textile Commissioner who apart from control over cotton piecegoods has been recently made responsible for all the textile industries other than the jute industry.

(3) The Development Wing consisting of two Industrial Advisers—one dealing with Engineering items and the other with Chemicals and other non-Engineering items

CHAPTER I.—ADMINISTRATIVE SET UP

The Ministry of Commerce and Industry is responsible for a very large sector of the economic life of the country. The entire field of foreign trade including control over imports and exports, the negotiation of Trade Treaties, the determination of tariffs, commercial representation in overseas countries, and participation in exhibitions abroad comes within its sphere. In the internal trade of the country too, the Ministry is responsible for control over inter-State Trade and Commerce, Trade Marks and Patents, Forward Markets and Price Control. Practically, the entire field of privately-owned industry, including Cottage Industries and Plantation Industries like tea, coffee and rubber, is in its charge. In the interests of the consumer, the Ministry exercises control over the production, distribution and prices of essential commodities like cotton textiles, steel, etc., while it is equally responsible for helping the producer in increasing his output and for accelerating the industrial development of the country.

The Ministry is headed by the Minister of Commerce and Industry, assisted by the Minister of Commerce. Its secretariat consists of one Secretary, two Joint Secretaries, six Deputy Secretaries and fifteen Under Secretaries, apart from Section Officers, Ministerial and Class IV staff.

While the Ministry is responsible for the framing of over-all policies, their actual implementation in day to day administration is carried on through a number of organisations attached to it which work under the control and supervision of and in close collaboration with the Ministry. These include:

(1) The Office of the Chief Controller of Imports and Exports in New Delhi. It has branch offices in Calcutta, Bombay, Madras, Amritsar, Shillong and Rajkot, to which has been added the recently opened office at Cochin for the convenience of the trade in Travancore Cochin. This office is responsible for the issue of import and export licences and thus plays an effective part in the control over the foreign trade of the country.

(2) The Textile Commissioner who apart from control over cotton piecegoods has been recently made responsible for all the textile industries other than the jute industry.

(3) The Development Wing consisting of two Industrial Advisers—one dealing with Engineering items and the other with Chemicals and other non-Engineering items

who with the technical staff under them deal with all problems of industrial development. Recently the Development Wing has been made responsible for small scale industries also.

(4) The Iron and Steel Controller who exercises control over the production, distribution and prices of iron and steel.

(5) The Economic Adviser's office which is responsible for the study of price levels and undertakes economic research on matters engaging the attention of the Ministry.

(6) The Tariff Commission which enquires into claims for protection and other allied matters which may be referred to it by the Ministry from time to time.

(7) The Director General of Commercial Intelligence and Statistics who is responsible for the compilation and publication of commercial statistics and other measures intended to help the trade and commerce of the country.

(8) The Director of Industrial Statistics who is concerned with the statistics relating to the manufacture of different items.

In addition, there are four statutory Boards, namely, the Central Silk Board, the Central Tea Board, the Indian Coffee Board and the Indian Rubber Board, which deal with the problems of these particular industries. The activities of the first two are supplemented by the Central Sericultural Research Station and the Indian Tea Licensing Committee respectively.

The Administration of the Patents and Designs Act and of the Trade Marks Act is entrusted respectively to the Controller of Patents and Designs and the Registrar of Trade Marks. The Indian Standards Institution continues to be responsible for drawing up standards with a view to improve the quality of Indian industrial production.

Among the changes introduced during the year, mention should be made of the fact that the work of control over the German and Japanese assets which is the responsibility of the Controller of Enemy Trading and Enemy Firms and the Custodian of Enemy Property has now been taken over by the Textile Commissioner, who has been appointed the Controller.

Among the new organisations set up during the year are the All-India Handloom Board, the All India Handicrafts Board and the All India Khadi and Village Industries Board.

It has been decided to wind up the Directorate of Enforcement which was responsible for the enforcement of various controls and pursuing cases of evasion of Control Orders.

CHAPTER II.—YEAR IN RETROSPECT

The year 1952 was for the world as a whole a year of transition. The general boom following the outbreak of hostilities in Korea which had led to scarcities and high prices, came to an end and was followed by a general decline in prices. The Ministry had to adapt its policies to these rapidly changing conditions and safeguard, as far as possible, the interests of the consumer and producer alike.

The Balance of Trade.—The first necessity of this transition was a reorientation of the country's import and export policies. A considerable liberalisation of the import policy had been given effect to earlier when supplies in overseas markets were scarce and difficult to obtain and when the country was having a favourable balance of trade from month to month. With the turning of the tide, a more restrictive policy became necessary. On the other hand, restrictions imposed on exports, in the interests of the domestic consumer, at a time when overseas demand outstripped our capacity to supply were relaxed. Export duties which had been imposed when world prices were well above the internal prices were reduced. The success of these measures can be judged from the way in which the tendency to develop an adverse balance of trade was arrested and a satisfactory balance achieved before the end of the year.

Over all Balance of Trade of India. (Value in Rs. lakhs)

Months 1952	Imports	Exports	Re-exports	Total of exports & re-exports	Balance Trade
January	93,04	65,97	25	66,22	−26,82
February	83,74	48,84	21	49,05	−34,69
March	91,42	56,51	35	56,86	−34,56
April	81,00	44,57	22	44,79	−36,21
May	78,53	50,85	17	51,02	−27,51
June	62,45	51,54	31	51,85	−10,60
July	59,03	53,88	39	54,27	−4,76
August	58,87	54,94	25	55,19	−3,68
September	48,33	47,38	27	47,65	−68
October	46,83	53,29	61	53,90	+7,07
November	43,51	40,73	36	41,09	−2,42
December	44,35	44,65	45	45,10	+75

Figures are exclusive of transit trade.

Source: Accounts relating to the Foreign (Sea, Air and land) Trade and Navigation of India

Figures are provisional and subject to revision.

Industrial Production.—Partly in sympathy with world trends and partly due to the working of internal forces, something like a recession which many were prepared to describe as a slump set in within the country in the second quarter of 1952. The break in prices was a healthy and welcome development which Government themselves had, through their anti-inflationary policy, helped and hoped for. The Ministry was, however, concerned to see that the downward trend in prices should not act as a deterrant to production. Controls were, therefore, relaxed whenever the changed conditions so warranted. The restriction on imports which became necessary in the interests of the country's foreign exchange position were so planned as to give the maximum scope to the indigenous producer to expand his production. Efforts to achieve an equitable distribution of scarce raw materials, indigenous or imported, were continued. As a result, in spite of the many difficulties and the set back experienced by particular industries, the general index of industrial production at 128·7 in 1952 was higher than in any other year since the war and showed a substantial increase over the indices for 1951 (117·2) and 1950 (105·0). A particularly favourable feature of this increase is that the highest monthly index (137·8) was recorded at the end of 1952 in the month of December showing a rising tendency and even the minimum (121·5) in June was higher than the average of the previous year.

The position of particular industries is discussed later in this report. Here, it is sufficient to note that the most significant increase in production was in an industry which interests the common man most—the cotton textile industry. The 1952 production was a record one providing a 25 per cent. increase in the *per capita* availability of cloth over 1951. The production of steel and cement, two other items of importance to the average man was higher than in the previous year. There were significant increases in the production of sugar, bicycles, sewing machines, electric lamps, plywood, jute goods, and chemicals, the increases over 1951 being 34 per cent., 71·1 per cent., 12·5 per cent., 33·9 per cent., 24·9 per cent., 8·8 per cent., and 48·3 per cent. respectively.

Help in Industrial Development.—It is necessary to point out here that since the Ministry is dealing with industries which are privately-owned and privately-controlled, it has no direct voice in determining the level of production. No doubt, it has extensive powers of control. As a rule, however, controls are of a negative character. They can prohibit certain acts such as, selling above a certain price. It is not equally easy through controls to achieve positive results. In fact, to a large extent, the year 1952 saw a relaxation of controls in their

actual operation (though the power to exercise control, if circumstances so required, were retained). In its positive task of helping industrial production and, what is more, of promoting industrial development, the Ministry has to rely on the wider effects of the policies which it pursues. It is pleasant to record that the year saw the growth of a greater degree of responsiveness on the part of private enterprise to the policies pursued by the Ministry.

The most encouraging sign in this respect was to be found in the attitude of private industry towards the Industries (Development and Regulation) Act. Prior to its enactment, there was a certain amount of opposition from industrialists. After the Act came into force, far from there being any anxiety to remain outside its purview, a large number of undertakings which, under the Act as it stands, are not required to be registered or licensed, applied for registration. The Central Advisory Council for Industries set up under the Act has met twice and made valuable contributions in the shaping of industrial policy.

The Development Wing of the Ministry continued to render assistance to industry in the task of increasing production. It took active steps to ensure the equitable distribution of scarce raw materials, such as sulphur and iron and steel, to different industries. It also helped in the examination of applications for loans which came before the Industrial Finance Corporation. It also advised Government on projects and proposals of different kinds—schemes for expansion, applications for capital issues, cases involving collaboration with foreign capital—which came before Government for approval. Its services were also made available to other Ministries of Government in the examination of special problems and it played a significant part in the preparation of the Five Year Plan.

A fuller account of the activities of the Ministry connected with the industrial development of the country will be found elsewhere in this report. Here it is sufficient to mention that the various organisations under the Ministry to which a reference has been made in Chapter I were all in their own spheres acting with the common purpose of helping in the task of rapid industrialisation of the country.

Ad Hoc Bodies.—From time to time, problems arose which called for consideration, not at departmental levels alone, but in close collaboration with public opinion and the interests concerned. Not all of these were such as could be remitted to the Tariff Commission. Special Committees to study particular problems were set up as and when necessary. One of the most important Committees of this kind, set up during the year, was the Textile Advisory Committee with comprehensive terms of Reference to examine the entire structure and organisation of all the three sectors of the Cotton Textile Industry, *viz.*, the Mills, Power-looms and Handlooms, and to make recommendations on the lines of their future development. A Handicrafts Board has been set up as a standing organisation to develop cottage and small scale industries. A Commodity Controls Committee has been appointed to examine the existing controls and streamline the various regulations and notifications issued under different Acts. Yet another Committee is studying the question of State Trading. As a preliminary to considering what steps should be taken to put the Pharmaceutical industry on a sound basis, a Committee has been set up to make a comprehensive enquiry into the various aspects of the Pharmaceutical Industry.

Legislative Programme.—It is but natural that a Ministry with such a wide field of responsibility should have a somewhat heavy parliamentary programme. In the Autumn Session of Parliament, an average of 35 questions a day were tabled for answer by the Commerce and Industry Minister. The following Bills introduced by the Ministry were passed by Parliament during the year 1952:—

Bills passed during February—March 1952 Session of the Parliament.

1. The Indian Tariff (Amendment) Bill.
2. The Indian Standard Institution (Certification Marks) Bill.

Bills passed during the First Session, 1952, of the House of the People and the Council of States.

1. The Indian Tariff (Second Amendment) Bill.
2. The Indian Tariff (Third Amendment) Bill.
3. The Indian Tea Control (Amendment) Bill.
4. The Rubber (Production and Marketing) (Amendment) Bill.
5. The Central Tea Board (Amendment) Bill.
6. The Central Silk Board (Amendment) Bill.
7. The Essential Supplies (Temporary Powers) (Amendment) Bill.

Bills passed during the Second Session, 1952, of the House of the People and the Council of States.

1. The Indian Tariff (Fourth Amendment) Bill.
2. The Indian Patents and Designs (Amendment) Bill.
3. The Indian Power Alcohol (Amendment) Bill.
4. The Forward Contracts (Regulations) Bill.
5. The Iron and Steel Companies Amalgamation Bill.
6. Resolution on the Export Duty on Mercury.

Seven other Bills sponsored by the Ministry during 1952 are before the House at present.

CHAPTER III.—FOREIGN TRADE

A process of economic readjustment was the principle feature of
the foreign trade of the year 1952. Both internally and externally,
the sellers' market was giving way steadily to a buyers' market.
This was particularly marked in our major export commodities, such
as, jute manufactures, tea, hides and skins, tobacco, black pepper,
lac and mica. During January—December 1952 India's total trade
amounted to Rs. 1408 crores as compared with Rs. 1610 crores for
1951. The total value of exports made in 1952 amounted to Rs. 617
crores (as against Rs. 767 crores in 1951). This decline in export has
been counter-balanced by a decline in imports also particularly of
rayon yarn, dyes and colours, paper, etc. Imports of foodgrains also
have shown a marked tendency to decline during the latter half of
the year. Thus, of the food imports of over Rs. 200 crores, as much
as Rs. 143 crores were imported in the first half of the year, of which
nearly Rs. 52 crores represented wheat under the Loan agreement.
During the year itself, the level of imports in the second half of the
year was considerably less than in the first half. Thus, imports of
cotton in the first half of the year were Rs. 0·85 crores while in the
second they were only Rs. 0·27 crores. Again, while the value of
jute imports in the first half of the year was about Rs. 20 crores, it
was less than Rs. 10 crores in the second half. The imports of all
other commodities were Rs. 230 crores for the first half but less than
210 crores in the second half. This was largely due to a general
decline in demand and comparative over-stocking of certain
commodities.

Our export commodities generally registered a decline both in
regard to quantity and value. A few articles like, cashew kernels,
manganese ore and raw wool recorded increases both in quantity
and value. In regard to these, however, the rise in our value was
not in proportion to the rise in quantity which indicates lower
prices. Pepper, castor oil, raw cotton and cotton waste, recorded
increases in quantity but the value declined.

Direction of Trade.—The broad pattern of India's direction of
trade remained more or less the same. The United States and the
United Kingdom continued to be India's principal customers as well
as her principal sources of supply. During the first eleven months
of the year, U.S.A.'s share of India's exports was 17·86 per cent.
in 1951, and 18·55 per cent. in 1952. Her share in India's imports
during the same periods was 23·09 per cent. and 34·76 per cent. res-
pectively. As regards U.K., her share of India's exports declined
from 26·23 per cent. to 20·26 per cent. In imports, however, her
share slightly increased, from 17·06 per cent. to 18·57 per cent.

460 M of C. & I.

Import Trade Control Policy.—During 1952, the import policy tended to become cautiously liberal. The flow of imports from Dollar Countries had however, to be regulated on a strict test of essentiality, in view of the heavy dollar gap in the sterling area's trade with the American account countries. Further, the domestic production of various goods had made such strides that an increasing range and quantity of imported goods could be replaced by the locally produced articles.

The usual method of granting import licences to established importers, actual users and new comers was continued.

The scheme of quota registration for miscellaneous hardware, enforced in the latter half of 1951, was extended to a number of other items of the I.T.C. Schedule. According to this scheme, the quotas of all established importers were to be recalculated and a registration number was to be allotted to each established importer, so that, on the basis of this data, the licensing authority could grant an import licence to the quota-holder without calling for documentary evidence on each occasion. The scheme was designed to help the quick disposal of the applications and obviate the need of scrutinising documents from period to period by the licensing authorities.

As trade with certain "enemy" countries and "enemy occupied" territories had been interrupted during the last war, it was decided that importers of goods from those countries should be permitted to have their quota established on the basis of pre-war imports during any one of the three pre-war years, on the production of appropriate evidence.

Another major change was that, since deliveries of many items became prompter once again, the usual validity period of six months was resorted to in the case of many items from the second half of 1952.

Administration of Control.—During the first half of the year, 61,851 applications were received. Of these 59,213 were disposed of before June 30, only 2,638 remained outstanding on July 1, against 2,720 brought forward from the preceding licensing periods. During the second half of the year, the total number of applications declined to 48,635 but quite a number of these were received towards the close of the period, with the result that 10,002 applications remained outstanding on 1st January 1953. This high figure of arrears was attributable mainly to the deliberate delay in the announcement of import policy for a number of items like wood screws, motors and generators, various types of paper, safety razor blades, ball bearings, battery of various types, power driven pumps, chemicals, coaltar dyes, typewriters, musical instruments and other instruments and partly to the policy of splitting up serial numbers so as to permit a more restricted import

of goods which were being produced indigenously in reasonable quantities and quality.

The question of revising the Import Trade Control Schedule received attention during the year. An officer on special duty was appointed to look after this work. This officer has very nearly completed his report, which is expected to be submitted to Government shortly.

Export Control Policy.—The abnormal condition of 1951 had resulted in the tightening of export restrictions on certain categories of goods; but the year 1952 opened with a new perspective. The pre-1951 policy of relaxing export restrictions and of organised export promotion was again vigorously pursued. Exports in our main lines fell sharply and the monthly export earnings, during certain months of the year fell below the Rs. 50 crores figures as against the monthly average of Rs. 65·5 crores in the previous year. In an attempt to reverse the course and step up exports, measures were taken to reduce export duty wherever it was felt that lower prices might lead to a higher volume of exports and increased export earnings. Notable examples are the following. The duty on jute manufactures was reduced, on the 7th May, 1952, to Rs. 275 per ton in the case of hessian and Rs. 175 per ton in the case of sacking. The export duty on groundnut oil, niger seed, kardi seed, raw wool was abolished and that on linseed oil and tobacco seed oil reduced. Duty on Bengal Deshi cotton was also reduced from Rs. 400 to Rs. 200 per bale in the first instance and then to Rs. 125 per bale. Duty on soft cotton waste was reduced from 50% *ad valorem* to 30% *ad valorem*. Last but not the least, the duty on cloth was reduced from 25% to 10% *ad valorem* in January 1953.

Another step to stimulate exports was to liberalise quotas and to simplify the licensing procedure. A number of commodities, which were subject to quotas granted on the basis of past performance, were placed on the free licensing list. In this category were included important commodities like cotton piecegoods, jute goods, certain varieties of cotton yarn and raw wool. Exports of Kardi seeds, niger seeds, kardi seed oil and niger seed oil were also permitted freely without quantitative restrictions, while liberal export allocations were made in the case of caster oil. A few commodities, the exports of which were formerly banned, were also permitted to be exported in limited quantities; and, thus, virtually 90 per cent. of the export trade was freed from export restrictions.

In the Scheme of export control, emphasis was placed on the promotion of export of indigenous manufactured goods. There is no control over the export of Electric ceiling fans, Enamelware, Aluminium ware, Pharmaceutical products, soaps and washing powder, plywood tea chests. Furniture, hand-made paper, clocks and watches. Export was allowed even if some articles were fitted with imported machinery. Exports of rubber manufactures, other than tyres and tubes were also allowed on a liberal basis. It has also been decided to give assistance in the shape of extra allotment of steel to such fabricators of iron and steel articles as were able to develop overseas markets for their products. Thus fabricators who are able to export their products will be entitled to an extra allotment of steel, subject to certain conditions the most important of which is that the value of the exported articles should be not less than Rs. 1,000 per ton and that the extra allotment will be limited to 10 per cent. of the normal quota in the case of sheets and 20 per cent. in the case of other categories of steel.

Weekly bulletins of import and export trade control.—This Bulletin which gives particulars of licences issued by all Import and Export Licensing Authorities in India and important trade notices on import and export trade controls commenced publication in September 1952.

Trade Arrangements.—Among the measures adopted to develop trade, mention may be made of the fact that trade arrangements were renewed or concluded with Poland, Italy, Sweden, Austria, Federal Republic of Western Germany, Finland, Norway, Hungary, Egypt and Indonesia. Trade letters were signed on March 27, 1952, extending the previous Indo-Polish trade arrangements for a further period of one year from the 1st January, 1952. Trade letters were also exchanged between India and Italy on the 7th April, 1952, both Governments agreeing to afford mutual facilities for the promotion of trade between them in 1952. The Indo-Swedish Trade Arrangement which expired on the 31st December 1951 was extended for a further period of 12 months on the 5th May, 1952. The Indo-Finnish Trade Arrangements, the Indo-Norwegian Trade Arrangements and the Indo-Hungarian Trade Arrangement, which expired on the 31st December, were renewed for a further period of 2 years. The Indo-Egyptian Trade Arrangement, which expired on the 29th February 1952, was renewed with some modifications for a further period of 12 months ending 28th February 1953. The Indo-Austrian Trade Arrangement which came into force from the 1st July 1952 and would remain valid only until the end of 1954 and the Trade Arrangement with Western Germany which was renewed for a further period of 1 year from November 1952 provided for the export of several commodities from India.

Agreement with Pakistan.—The period of the Indo-Pakistan trade agreement of February 1951 was originally valid up to the end of June 1952, when it was extended up to August 7, 1952, pending the conclusion of a new agreement. A new agreement was signed on August 5, 1952, and made effective up to June 30, 1953.

The Agreement provides for the mutual supply of certain commodities. The main commodities for import into India are hides and skins, fish, bamboo and spices and those for export to Pakistan include certain categories of iron and steel and machinery, railway materials, wood and timber, Beedies, Beedi leaves; Beedi tobacco, Indigenous medicines and Road Rollers. The two Governments have further agreed that licences issued by either country for imports from or exports to non-dollar currency areas, in regard to commodities whether mentioned in the agreement or not, will also be valid for India and Pakistan, as the case may be.

The current agreement differs from the previous one in two important respects. Firstly, the two major items of the previous agreements, namely, jute and coal, have been left out of the scope of this agreement; and secondly, the special schedules which provided for the movement of certain goods and commodities between India and Pakistan without import and export trade restrictions have also disappeared. No provision could be made for jute and coal owing to Pakistan's levy of discriminatory fees on raw jute exported to India. When efforts to obtain relief amicably through bilateral negotiations failed, the matter was taken to the Seventh Session of GATT in November 1952. Further negotiations have been taking place with Pakistan in accordance with certain suggestions made by the Chairman of the Complaints Panel of that Body.

Commercial Services Abroad.—During the year, there was practically no change in the set up of our commercial Services abroad, except that the Commercial Section at the Embassy in Brussels, which was abolished in 1951, was restored. We have at present seven commercial offices in Western Europe, including the one at London. The Trade office in South America (Buenos Aires) has, with effect from the 1st January 1953, been placed under a First Secretary (Diplomatic). The offices in the Middle East, East Africa, Ceylon, Burma, South East Asia (including the one at Singapore and two offices in the Far East, *viz.*, Japan and the Philippines, and one each in Australia and New Zealand), are continuing to function. Our Diplomatic and Consular offices are continuing to look after our commercial interests in places where there are no separate Commercial Representatives.

A uniform procedure has been introduced for exercising effective control over Indian Commercial Representatives abroad, both in financial and administrative matters. The Heads of Indian Missions abroad are now exercising complete administrative and financial control over the commercial organisations located in their respective spheres.

Another change made in regard to the commercial officers is the change in their designations, in consonance with the present independent status of India and the constitution of an integrated Indian Foreign Service. India's commercial Representatives abroad were known as "Trade Commissioners" in the pre-independent days; and now all commercial officers of the Indian Foreign Service have been re-designated as I & II Secretary—Commercial Attache—Commercial Counsellor etc., which is more in keeping with normal diplomatic usage.

Exhibitions and Fairs.—During 1952-53 India participated in sixteen exhibitions and fairs. The exhibitions at Colombo, Izmir, New York, Levant, Oslo and Wellington were conducted on a fairly standard scale and others only in a very limited manner. Special attention was devoted to products of small-scale and cottage industries. The Levant Fair (Italy) and the Izmir Fair (Turkey) were useful in view of the geographical situation of these two centres for the exploration of markets in Europe and the Middle-East. Facilities were also given to business enterprises, particularly big industrialists, whenever they wanted to be present in a fair either personally or through their agencies abroad, for business negotiations and stimulation of their trade. Apart from arranging display at the above exhibitions and fairs, facilities were also provided to such business houses as were interested in publicising their products through exhibitions and fairs in which the Government of India could not participate. Under this category the Philipines—International Fair, Manila and the Hanover Fair, Germany, deserve special mention.

Our Commercial Representatives in different places like Bonn, Hamburg, Prague, Ankara, Colombo, Mauritius, Trinidad, etc., were also supplied with samples of our exportable commodities according to requirements for their day to day publicity.

Commercial Intelligence.—During the war and post-war years, the publications of the Director-General of Commercial Intelligence and Statistics, Calcutta, went seriously into arrears owing to a variety of extraneous reasons. During 1952-53, these arrears cleared off and the publications of the Department are now generally up-to-date. A few improvements were also made in the presentation of statistical materials. Thus, the entire statistics relating to India's foreign trade (Sea, Air and Land) are being published, with effect from April 1952, in the monthly publication "Accounts relating to the Foreign (Sea, Air and Land) Trade and Navigation of India". Simultaneously, the publication of "Accounts relating to the Trade of India by land with Foreign countries" has been discontinued.

Another measure of improvement considered desirable has been the grouping of related statistics. A step in this direction was taken by the transfer of the detailed tables of the gross collection of import and export duties from the monthly Accounts of the Foreign Trade to the "Customs and Excise Revenue statement of the Indian Union".

The Department continued to receive complaints from importers and exporters, both in India and abroad, in regard to non-fulfilment of contracts, undesirable trade practices, supply of unsatisfactory goods or goods not conforming to samples and similar matters. As usual, the Department, with the assistance of the Trade Representatives abroad, tried to bring about an amicable settlement, with success in a reasonable proportion of cases.

The "Indian Trade Journal" (with its supplements containing extracts from the monthly reports of India's Trade Representatives abroad) and the Exporters' Directory continued to make useful information available to the Public. Trade introductions were given by the Department to representatives of Indian firms going abroad on business and trade enquiries were published weekly in the journal. In various other ways, and as the circumstances of each case demanded, assistance by way of information was given to applicants. Similarly, figures relating to the import or export of individual items were collected and furnished to members of the public who required them for the purpose of starting new manufacture in India or for other purposes.

The commercial library and reading room, maintained by the Department at Calcutta continued to be used by the public. The number of visitors to the reading room is about 200 each day, on an average.

CHAPTER IV—INDUSTRIAL DEVELOPMENT GENERAL

As explained in Chapter II of this Report, one of the basic functions of this Ministry is to help in the rapid industrialisation of the country. It is necessary to ensure that the process of development is not wasteful of national resources. Equal care has to be taken to see that the process is one which benefits rather than adds to the burden of the common man. The fulfilment of such a programme of planned development implies that Government should have the power of control over fields in which fresh expansion should take place and also, where necessary, over the prices and distribution of the products of such industries. These powers were conferred by Parliament on the Central Government by the Industries (Development and Regulation) Act.

Industries (Development and Regulation) Act.—The Industries (Development and Regulation) Act, 1951, came into force on May 8, 1952. In accordance with Section 5 of the Act, a Central Advisory Council of Industries has been established consisting of 27 representatives of industry, labour, consumers and primary producers pertaining to the scheduled industries, to advise Government on all matters concerning the development and regulation of these industries. This Council has so far held two meetings—one on May 10, and the other on October 3, 1952. At its first meeting, the Council considered the draft registration and licensing rules and the question of establishment of Development Councils. At its second, it reviewed the progress of registration and licensing and considered the draft of procedure rule for the Development Council and some general problems like location of industry, finance for the rehabilitation and modernisation of industry, etc.

Up to November 7, 1952, which was the last date prescribed for registration under the Act, 3,562 industrial undertakings had applied for registration. Of these, 2,209 were found to be eligible for registration and were registered under the Act.

In pursuance of Rule 10 of the Rules, a Licensing Committee has been set up consisting of representatives of the Ministries of Commerce and Industry, Finance, Railways, Production and of the Planning Commission to examine the applications for licences. This Committee has powers to co-opt one or more representatives of other Ministries of the Government of India or of the State Governments concerned, whenever necessary. Representatives of State Governments attended all meetings. Out of 125 applications for licences received, 81 had been considered by the Licensing Committee and applicants advised of the decisions taken by the end of January, 1953.

STATEMENT SHOWING THE NUMBER OF SCHEMES APPROVED UNDER THE INDUSTRIES (DEVELOPMENT & REGULATION) ACT, 1951 UPTO THE 31st JANUARY, 1953

Scheduled Industry	No. of Applications received	No. of Applications considered	No. of Schemes approved: New industrial undertakings	No. of Schemes approved: Substantial expansions of existing undertakings	Total capacity approved
Coal including coke and other derivetives	1	1	(Orissa)	..	60,000 tons of coal per year.
Sugar	7	5	2 U. P.—1 Madras—1	3 Uttar Pradesh—1 Madras—1 Bombay—1	1983 tons Cane Crushing capacity per day.
Textiles made wholly or in par of Cotton	15	10	6 Madras—4 W. Bengal—1 Orissa—1	2 Madras—1 Mysore—1	300 Looms. 82,296 spindles.
Cement	8	6	1 (Madras)	4 Hysderabad—1 Madras—1 Bihar—1 Pepsu—1	500,000 tons of Cement per annum.
Heavy Chemicals including Fertilizers	10	5	1 (Madras)	2 Madras—1 Travancore-Cochin—1	Caustic Soda—125 tons per month. Ammonium Chloride—670 tons per month. Sulphuric Acid—35 tons per day.

STATEMENT SHOWING THE NUMBER OF SCHEMES APPROVED UNDER THE INDUSTRIES (DEVELOPMENT & REGULATION) ACT, 1951 UPTO THE 31st JANUARY, 1953

Scheduled Industry	No. of Applications received	No. of Applications considered	No. of Schemes approved: New industrial undertakings	Substantial expansions of existing undertakings	Total capacity approved
Machinery and equipment for the Generation transmission and distribution of electric energy.	10	6	1 (Travancore-Cochin)	4 Bombay—1 Mysore—1 Bihar—1 Trav.-Cochin—1	Transformers—85,000 KVA per year. Per insulated cables-584 miles per year. A. C. S. R. Conductors—4,500 tons per year. Copper wire—444 tons per year Cotton & paper covered wire & strips—468 tons per year. Rubber insulated 4,100,000 cables & flexebles core yards per month.
Non-Ferrous metals including alloys.	4	3	1 (Trav.-Cochin)	2 Trav.-Cochin—1 West Bengal—1	Rolled Black Copper rods—6,720 tons per year. Aluminium Rods—4,800 tons per year. Rerolling of aluminium of 2,000 tons per year.
Paper including newsprint and paper Board	6	6	2 (Bombay 2)	2 Mysore—1 Hyderabad—1	Paper and paper board—18,800 tons per year. Pulp—8,000 tons per year.
Rubber Goods	4	1	Nil	1 (Madras)	Tennis Balls—15,000 dozens per year.
Textiles made of wool	2	1	1 (Bombay)	Nil	All varieties of yarn and knitting wool—3 million lbs. per year.
Vanaspati vegetable oils.	27	27	11 Bombay—4 Hyderabad—2 Madras—2 U. P.—2 Madhya Bharat—1	3 Bombay—1 Hyderabad—1 E. Punjab—1	Solvent Extraction Plants. 335 tons of oil cakes per day. Vanaspati—25 tons per day.
Bicycles and parts thereof	2	2	1 (Madras)	Nil	400,000 Rims for Bicycles per annum.
Internal combustion Engines	5	2	1 (W. Bengal)	Nil	1560 Diesel Engines per annum.
Glass and Ceramics	5	1	Nil	1 (Mysore)	Hypodermic Syringes—50,000 pieces per month. Ampoules—10,00,000 pieces per month.

There has been only one case so far in which Government found it necessary to invoke the provisions of Section 15 of the Act, for investigating into the circumstances of an industrial undertaking. This undertaking, however, subsequently resumed work, very largely as a result of the investigation, and action under other Sections of the Act became unnecessary.

It is proposed to expand the scope of the Act in the light of the experience gained and an Amending Bill is already before the House.

Protection to Industries.—Since its inception in January, 1952, the Tariff Commission has been examining cases claiming protection and making recommendations to Government. The industries which were granted protection for the first time during the year were hydroquinine, iron or steel machine screws, electric brass lamp holders and zip fasteners. In the case of the ball bearings industry, Government accepted the recommendation of the Tariff Commission for the grant of protection till December 31, 1954, and legislation in this behalf will be initiated in the current session of Parliament.

Protection in the case of batteries for motor vehicles was continued upto December 31, 1955. In the case of the following industries, it was continued upto December 31, 1954: starch (including sago flour and farina); alloy, tool and special steels; certain categories of grinding wheels and segments and photographic chemicals (sodium sulphite, sodium bisulphite and sodium thiosulphite). Bright drawn bars of alloy, constructional steels and blue reeled bars of all kinds were included in the protected categories of alloy, tool and special steels referred to above.

In the case of the following 27 industries, protection was extended upto December 31, 1953:—

(1) Preserved fruits.
(2) Sago globules and tapioca pearls.
(3) Cocoa powder and chocolate.
(4) Glucose.
(5) Soda ash.
(6) Calcium chloride.
(7) Bichromates.
(8) Oleic and stearic acids.
(9) Pencils.
(10) Coated abrasives.
(11) Plywood and battens for tea chests.

(12) Sericulture.
(13) Artificial silk and cotton and artificial silk mixed fabrics.
(14) Cotton and hair belting.
(15) Sheet glass.
(16) Iron or steel wood-screws.
(17) Iron or steel baling hoops.
(18) Ferro-silicon.
(19) Non-ferrous metals.
(20) Aluminium.
(21) Antimony.
(22) Hurricane lanterns.
(23) Pickers used in textile industries
(24) Cotton textile machinery.
(25) Dry batteries.
(26) Plastics (*i*) Electrical accessories made of plastics, and

(*ii*) Phenol-formaldehyde mounding powder.

(27) Bicycles (including parts and accessories thereof).

Certain categories of grinding wheels and segments were excluded from the scheme of protection in June 1952 for the reason that, *inter alia,* the indigenous industry was not able to meet the demand in those categories. The rate of duty on such wheels and segments was reduced from 100 per cent. to 25 *ad valorem,* exclusive of surcharge. Certain industries which had put up their claims were found ineligible for tariff protection by the Tariff Commission. They were woollen, hosiery and steel balls. Government accepted the Commission's recommendations that the existing rates of import duty or current import restrictions adequately safeguarded the position of these two industries.

Apart from cases relating to protection, the Tariff Commission has also submitted the following reports to Government:—

(1) Fair retention prices of steel produced by the Mysore Iron and Steel Works, Bhadravati.

(2) Continuance of protection to the motor vehicles battery industry.

(3) Woollen hosiery industry.

(4) Ball bearings and steel balls industry.

(5) Fair retention prices of steel produced by the Steel Corporation of Bengal.

(6) Revision of fair prices of superphosphate for the year 1952.

(7) Review of retention prices of tinplate produced by the Tinplate Company of India Ltd., Calcutta.

(8) Revision of prices of raw rubber.

(9) Fair ratio between the ordinary shares of the Steel Corporation of Bengal and the Indian Iron and Steel Company.

(10) Power and distribution transformers industry.

(11) Revision of the fair retention prices of steel produced by the Tata Iron and Steel Company.

(12) Convention charges for bars and rods and the fair retention prices of electric furnace billets produced by the Registered Re-Rollers.

(13) Reduction of import duty on metaminophenol used in the manufacture of paraaminosalicylic acid.

Government's orders on the first nine reports have since been announced and the remaining four are under examination.

Industrial Finance.—The Industrial Finance Corporation of India was established in July 1948 to afford financial assistance, in the form of medium and long-term loans, to industrial concerns in India, particularly in cases where normal banking facilities were inappropriate or recourse to capital issue was impracticable. The function of the Commerce and Industry Ministry, in regard to grant of this assistance by the Corporation, is purely advisory, in the direction indicated by the last year's report. During 1952, there were 82 applications from various industries like textile machinery, cotton textile, mechanical and electrical engineering, chemical glass and ceramic, iron and steel, light engineering, sugar and paper, asking for loans aggregating Rs. 11·26 crores. Thirty-three applications for an aggregate sum of Rs. 4·78 crores were sanctioned.

Foreign Technical Assistance.—Efforts were continued during the year to secure technical help from industrially advanced nations of the West, for the development of Indian industries, under the foreign technical assistance schemes such as the Point Four Programme, the Colombo Plan and the Expanded Programme of Technical Assistance of the United Nations and its Specialised Agencies.

Under the Point Four Programme, an expert on foundries was assigned in March 1952 for one year, to advise on operating conditions and improvement of foundries. The expert has been giving on-the-spot advice to a number of foundries.

Under the Colombo Plan, the services of an expert from the U.K. were obtained to advise the Government of India on the setting up of development councils for any scheduled industry or group of scheduled industries required to be set up under the Industries (Development & Regulation) Act, 1951. The expert came in August 1952 and has since submitted his report.

The services of an expert on handicrafts have been obtained, through the Technical Co-operation Administration of the United States, to advise the Central and State Governments in regard to marketing of handicrafts. The expert arrived recently and has started his work.

The United Nations Technical Assistance Administration have been requested to secure the services of experts to carry out surveys and offer advice on the possibility of developing the carbon black, soda ash, glass and plastics industries and on the manufacture of high tension insulators and solvents by fermentation of molasses.

Foreign Capital.—During 1952, consent was given under the Capital Issues (Continuance of Control) Act, 1947, to the issue of capital aggregating Rs. 39·80 crores, out of which Rs. 32·70 crores were proposed to be invested in industrial companies. Investment of foreign capital to the tune of a little over Rs. 5·50 crores was sanctioned. Among the industries in which foreign capital was permitted to be invested were pharmaceuticals and drugs, rubber tyres and tubes, typewriters and electrical goods.

Apart from cases involving the participation of foreign capital, there were a number of schemes in which manufacturing was undertaken by Indian firms on payment of royalties or fees to foreign firms which supplied the technical 'Know-how'. Some of the important schemes of this kind sanctioned during the year related to the manufacture of Electric House Service Meters, centrifugal pumps, electric meters, shock absorbers, and synthetic stones.

Employment of Indians.—One of the purposes of industrial development must naturally be to provide increasing employment for Indians not only as labour, but in the higher grades. In order to collect information as to the exact state of affairs, the Ministry issued a Public Notice calling upon all firms to submit returns giving information regarding the actual number of Indians and non-Indians employed in different pay-groups. An analysis of returns submitted by 1,060 predominantly foreign controlled concerns showed that in 1952, more than 75 per cent. of the superior posts carrying a salary of Rs. 1,000 and above were occupied by non-Indians.

Indians predominated in the two lower salary groups of Rs. 300—499 and Rs. 500—999, occupying 99% of the posts in the former category and 85% in the latter category. There has been a gradual increase in the percentage of Indians employed in foreign controlled companies since 1947. In the lowest salary group, the proportion of Indians increased from 96 in 1947 to 99 in 1952, in the middle salary group from 58 to 85 and in the highest salary-group from 7·5 in 1947 to 24·3 in 1952. There were 451 Indians and 5,507 non-Indians drawing Rs. 1,000 and above in 1947 and 2,137 Indians and 6,661 non-Indians occupying similar posts in 1952.

The proportion of non-Indians to Indians employed in the salary group Rs. 1,000 and above, in different business hours in 1952 was as follows (Figures in brackets indicate the position in 1947):—

Banking	86	(98)
Insurance	72	(87)
Transit & Transport	72	(95)
Automobiles, etc.	57	(82)
Printing, publishing, etc.	67	(85)
Chemicals, Drugs, etc	68	(91)
Metals, etc	66	(100)
Machinery, engineering, etc.	70	(92)
Leather & Rubber	57	(84)
Public utility companies	52	(85)
Managing Agencies	75	(90)
Merchants, Agents etc.	80	(93)
Cotton Mills & Presses	77	(98)
Jute Mills and Presses	93	(99)
Planting companies	93	(99)
Coal companies	63	(80)
Oil companies	60	(87)
Other Minerals, Building Materials etc.	77	(98)
Sugar and breweries	84	(97)
All other companies	72	(87)

International Allocations.—Efforts to secure adequate allocations for import into India of critical industrial raw materials were continued. The allocations for the year 1952 by the International Materials Conference were as follows:—

Commodities	Total requirements (Matric tons)	Total allocations (Matric tons)
1. Copper	40,025	33,300
2. Lead	15,023	Nil.
3. Zinc	34,066	12,500
4. Nickel	1,435	381
5. Cobalt	2·4	Nil.
6. Crude sulphur*	65,000	55,000
7. Tungsten	186	12
8. Molybdenum	104	4

*Long tons.

The allocations of zinc, lead and wool are not now under the purview of the I.M.C. as the supply position of these items has since improved. The supply position of sulphur has become easy. Nickel is still in short supply.

India is a member of the Central Group and the following Commodity Groups: (1) Sulphur and (2) Maganese/Nickel/Cobalt.

Indian Standards Institution.—The Indian Standards Institution continued to maintain the pace of progress in the various fields in which it has been engaged since 1947. In addition to the existing engineering, chemical and textile Divisions, the building Division was inaugurated and work on foodgrain storage structure initiated. The I.S.I. Certification Mark Bill was passed by Parliament in March, 1952, conferring certain powers on, and assigning certain responsibilities to, the Institution for certifying products, materials and process conforming to prescribed standards. Rules and regulations under this Act have been drafted and are under consideration by the Government.

Well over one hundred standards were issued during the year and covered important subjects like ceiling fans, storage batteries, manganese ore, three-phase induction motors, toilet and laundry soaps, bleaching powder, paints and varnishes, lubricating oils, automotive hydraulic brake fluids, bitumen and tar products, cotton yarn and a variety of fabrics, etc. This brings up the total number of standards issued by the Institution to 346, while drafts for 200 additional standards are either in circulation or under final stages of development. Efforts to implement the standards were further intensified by the holding of a conference of the Directors of Industries of all the States.

The support of the industry to the work of the I.S.I. continued to grow at a steady pace. The annual subscription received during the year amounted to Rs. 2·18 lakhs, as compared with Rs. 2·01 lakhs in 1951 and Rs. 1·87 lakhs in 1950. The number of subscribers increased from 719 in 1951 to 777 in 1952, while the Committee membership rose from 2,586 to 3,602.

In the international sphere, the I.S.I. continued to be active and arranged for meetings of the technical committees of lac and mica in New York. Several delegations were also appointed to represent India at intrnational meetings abroad dealing with standardization in fields in which India was particularly interested. These included steel, textiles, certification marks, switchgear, rotating machinery, laboratory glassware, petroleum products, etc.

Patents.—During the year, the Indian Patents and Designs Act, 1911, was amended, empowering the Controller of Patents and Designs to grant compulsory licences in respect of patents relating to food and medicines more freely. There were also pending at the end of the year proposals to amend the Indian Patents and Designs Rules, 1933, in order to implement the provisions of the Indian Patents and Designs (Amendment) Act, 1950.

During, 1952, the Patents Advisory Committee, which is mainly concerned with the issuing of patents for inventions evolved at the research and technical institutes of the Central Government, received 24 new inventions for being patented as against 18 inventions received during 1951.

Cottage Indusries—Boards set up.—In order to encourage more effectively the development of cottage and small-scale industries, various administrative and other measures were adopted during the year. In the first place, the All India Cottage Industries Board, constituted in 1948, was abolished and most of its functions entrusted to two newly set up boards viz., the All India Handicrafts Board and the All-India Khadi and Village Industries Board. The former was constituted in November 1952 and the latter in February 1953.

The functions of the Handicrafts Board are, in general, to advise on the problems of handicrafts and, in particular, to improve and develop production and promote sales of the products in India and abroad. It is also proposed to set up an All-India Handicrafts Museum for the purpose of displaying and popularising cottage industry products. The All-India Khadi and Village Industries Board will advise Government on methods to be adopted to ensure the improved development of khadi and village industries on sound and proper lines. Government proposes to create a Khadi Fund by levying a cess on mill-made cloth. Out of this fund, grants and loans will be made for financing, in whole or in part, activities designed to develop and improve the Khadi industry, so as to improve the quality and bring down cost of production. The Board will also aim at promoting sales. It is also proposed to make funds available for the development and organisation of village industries, with a view to improving the quality of products, affording better marketing facilities, etc.

Directorate Integrated with Development Wing.—Consequent on the creation of these two Boards which have absorbed a part of the staff, the Cottage Industries Directorate ceased to function as a separate unit from January 1953. It has now been merged as a part of the Development Wing under the charge of the Industrial Adviser (Chemicals). This new section will be responsible, generally, for all small-scale industries. To begin with, it will concentrate on the following industries: sports goods, glassware, footwear and leather goods, leather tanning, carpentry and woodworking, brush manufacture, cutlery, manufacture of cycle parts, lock-making, steel-wire products, production of simple types of mathematical and drawing instruments and blacksmithy.

The Production Centre (Women's Wing) of the Directorate continued to produce articles and goods for supply to various Government institutions and private parties. It was considered advantageous to transfer the Centre to the control of the Welfare Board as suggested by the Planning Commission. As some delay is anticipated in the constitution of such a Board, alternative arrangements are under consideration. It has been decided to disband the Central Cottage Industries Experimental Unit at Harduaganj (Aligarh) because of its isolated location and lack of workshop and foundry facilities in the area. Plans for the disposal of machinery and other equipment, as also the building in which it is housed, are under way.

With a view to expanding its activities through effective non-official co-operation, the Central Cottage Industries Emporium was transferred, as from November 1952, to the control of the Indian

Co-operative Union, a co-operative institution which specialises in the export of Indian handicrafts, particularly to the United States and Canada. To expand the business of the Emporium, the Union has been given a loan of Rs. 1,96,000.

In the Central Budget, increasing provision is being made for the development of cottage industries. For instance, in 1952-53, the provision was Rs. 20 lakhs as against Rs. 14·5 lakhs in the previous year. It is proposed to make a provision of Rs. 1 crore in the budget for 1953-54 for handicrafts, village industries and small-scale industries and a similar amount for the development of Khadi.

CHAPTER V—COTTON TEXTILES

The outstanding features of the year for the cotton mill industry were a marked rise in the production of cloth and yarn, a substantial relaxation of internal control measures, a progressive relaxation of restrictions over exports and an all-round decline in prices. The industry, like many others, was affected by the general depression in the first few months of the year; but it was able to tide over this period and production actually improved. The total production for 1952 was a record, being 4,608 million yards of cloth and 1,448 million lbs. of yarn. Deducting exports and with an estimated handloom production of more than a thousand million yards, this meant a per capita availability of nearly 14 yards, as compared with 11·8 yards in 1951.

The increase in production of textiles became mainly possible as the result of larger supplies of cotton. Production of Indian cotton for the cotton year 1951-52 was more than 3·6 million bales. Ample provision had been made for the import of foreign cotton, amounting to nearly 1·4 million bales. The result was that, at the beginning of the 1952-53 season, there was a carryover of 1·8 million bales of foreign cotton. The Indian cotton crop for 1952-53 is estimated at about 3·2 million bales.

The larger quantities of Indian cotton consumed by the mills in 1952, 2·7 million bales as compared with 2·3 million bales in 1951, resulted also in an increased production of coarse and medium varieties of cloth, relatively to fine and superfine.

Cotton Control.—The cotton trade also suffered from the recession in prices and the consequent trade depression during the early part of the year. Cotton prices declined to such a degree that it was feared that they might touch the floor. To enable quicker marketing, Government abolished the system of sub-zones within the cotton growing tracts and also allowed freer movement to consumer centres. The licensing system was considerably relaxed and the qualifications for a B class licence were lowered from 15,000 to 1,000 bales. C class licencees were allowed to sell cotton direct to the mills and their numbers were greatly increased. In order to support prices, Government, in March 1952, reiterated their previous assurance that they would enter the market to buy cotton when it touched the floor and suitable agencies were set up at various places for this purpose.

Cotton prices rallied during the latter part of the year and there was no occasion for Government to purchase cotton at floor prices. As an incentive to the grower, however, floor prices were increased by Rs. 50 for the season 1952-53. Ceiling prices remained unaltered. A number of new varieties such as Jayadhar kalyan, Laxmi and MA5, were brought under price control. The licensing system for 1952-53 was simplified with only two classes of licencees, instead of three as in 1951-52.

In view of the satisfactory supply position, Forward Trading in cotton was permitted from December 1952, within the ring of the East India Cotton Association. Such trading would be within the floor and ceiling prices and necessary safeguards were provided by declaring a state of emergency as soon as the price reached within Rs. 30 of these levels. During the emergency period, transactions have to be under weightage and the purchaser of cotton has to deposit Rs. 50 per bale on all transactions.

Exports.—Export quotas of cotton were also much more liberal than last year. They were first announced in February and further quotas were declared thereafter, the total for the year 1951-52 being 200,000 bales of Bengal Deshi and 152,000 bales of other short staple varieties. The export duty on cotton was reduced from Rs. 400 to Rs. 200 per bale in March. These measures not only stimulated our exports but also toned up the internal market. For the year 1952-53, a quota of 150,000 bales of Bengal Deshi has been announced and 100,000 bales of other short staple varieties while Assam Comillas and Coconadas were made free for export. In order to improve the competitive position of our Bengal Deshi, the duty on that particular variety was further reduced from Rs. 200 per bale to Rs. 125 per bale in November and it was also decided to allow exports of Bengal Deshi upto half of the quotas fixed for the other varieties.

Similar measures were taken in the case of cotton waste. Both hard and soft cotton waste are now licensed freely for export, except for certain varieties. The export duty of 50 per cent. ad valorem was reduced in the case of soft cotton waste to 30 per cent. in March.

Imports.—Imports of long staple cotton were programmed to the extent of about 1·4 million bales, of which more than 1·1 millions were from dollar areas. A quantity of 160,000 bales was programmed for import under a Bulk Purchase agreement, jointly with the U.K. Raw Cotton Commission, from East Africa. As a result of the arrivals of these foreign varieties during the earlier part of the year in fairly large quantities, combined with the general recession in the trade and stricter credit facilities, mills found it

difficult to find the necessary finances to purchase this cotton. The Government, therefore, gave a guarantee that they would under certain conditions, purchase American and East African cottons pledged with Scheduled Banks at certain fixed prices. This had the desired effect and the greater part of this foreign cotton has been lifted by mills. The Government, at the same time, have extended the period of validity for import licences of American cotton up to the end of June 1953, so that deliveries may be staggered. The total imports in 1952 from all sources were 1·14 million bales.

For the year 1952-53, an import quota of 0·5 million bales has been fixed, as this was considered sufficient on the present estimate of the supply position.

Cotton Textiles—Relaxation of Controls.—With larger supplies of cotton available, production of cotton textiles showed an upward trend throughout the year. For the first four months, production of cloth ranged between 340 and 365 million yards. The general depression and low offtake in the early months of 1952 affected the industry also and there were large accumulations of cloth and yarn in the mills, leading to closure notices by as many as 52 units at one time. There were large scale rejections of the offers of cloth and yarn by State nominees. As a result there was a progressive relaxation of control measures and restrictions.

In April, mills were permitted to sell to buyers of their own choice, their entire fine and superfine cloth as well as 50 per cent. of coarse and medium. This was increased almost immediately to 80 per cent. and, at present, control over distribution continues only over 20 per cent. of such coarse and medium varieties of cloth as are under price control.

State Governments were also asked to issue licences freely to wholesale and retail dealers. Restrictions on inter-State movements were relaxed and permits are now necessary only for transport of cloth from Bombay and Ahmedabad zones.

Similarly, in the case of yarn, mills were permitted to sell, in the first instance, their entire yarn made out of foreign cotton to buyers of their own choice and 33½ per cent. of their production of Indian yarn. This was increased later to 50 per cent.

Control over prices.—Prices are usually revised quarterly in accordance with the Tariff Board's formula. In June, however, following an ad hoc enquiry by the Textile Commissioner an increase was allowed owing to the rise in manufacturing costs. The usual revision, according to the prices of cotton prevailing during the previous month, was carried out again in July for the July—September quarter.

In view, however, of the increase in production and the large stocks available, Government reviewed the entire supply and demand position in October, as a result of which prices of a number of varieties, including dhoties, sarees, mulls, voils, poplins and crepes, were decontrolled. With effect from January 1, 1953, prices of coatings and twills and all cloth falling within Group XIII to XV were also decontrolled.

At present, price control remains only on about one-third of the production of cloth. It has been retained however on all counts of yarn. With the large measure of decontrol, the revision, according to the Tariff Board's formula, would have been anomalous and, therefore, the prices prevailing in July—September have been continued for those varieties which still remain under control, as well as for all varieties of yarn.

Exports of Cloth and Yarn.—A quota of 430 million yards of cotton cloth had been originally fixed for the period January—June 1952, composed of 175 million yards of coarse and medium and 255 million yards of fine and superfine. The world wide recession in the textile trade, however, affected our exports badly and the total exports for the first three months of 1952 amounted to only about 82 million yards. With effect from April 1, therefore, fine and superfine cloth were licensed freely for export and coarse and medium cloth were similarly freely licensed for export from May 19. The system of free licensing was extended from time to time and it is now valid for shipment up to the end of June 1953. Previous restrictions on quantities which mills were allowed to pack for export were removed. As a result of these relaxations, there was spurt in the figures of export during the months of June, July and August, the figure for August being as high as 82 million yards. Thereafter, however, exports again declined and our total exports for 1952 were only about 594 million yards.

An officer was deputed to study our South-East Asia markets and ascertain the reasons for the fall in exports. Meanwhile, a conference of textile interests from the major cloth exporting countries had been held at Buxton in September 1952. The results of these conferences and of the study undertaken by our officer showed that there was increasing competition in our foreign markets, especially from Japan. Japan had programmed for a high export target and had recently cut her prices with this object. At the same time, world demand had declined. Under present conditions of production of mill-made cloth in India it is necessary for this country to export about 1,000 million yards, both in order to earn foreign exchange and to prevent closures of mills at home. Such exports of mill-made

cloth also are necessary to help the handloom industry in marketing its produce inernally. In January 1953, therefore, Government reduced the export duty on coarse and medium cloth from 25 per cent. ad valorem to 10 per cent. in order to increase the competitive position of our cloth in foreign markets.

Exports of cotton manufactures were also liberalised during the past year and a number of items were put on the free list.

Yarn exports were initially allowed only to those countries with which India had trade agreements. But, with the increase in production and lack of off-take following the depression in the handloom industry, Government liberalised their export policy. Exports of Indian cotton yarn of April 1952 packings and prior were freely licensed, as well as certain quantities of foreign cotton yarn up to September packings. This system continued till the end of 1952. For the first half of 1953, mills are being allowed export quotas on a percentage basis of the free yarn that they made available in 1952. It is estimated that about 26,000 bales would be exported under this system.

Production Control.—While some of the main control measures on production have been retained, certain relaxations were made from the middle of 1952. The percentage of wide width looms which mills could utilize only for the production of dhoties and saris was first reduced from 50 per cent. to 40 per cent. and in September this restriction was abolished together. Restrictions on dyeing and printing by the mills were altogether removed, except in certain cases.

In order to aid the handloom industry, however, certain new restrictions had to be placed on production by mills at the end of 1952.

The Handloom Industry.—With larger supplies of mill-made cloth available at lower prices, the handloom industry, which provides livelihood for a very large number of people, has been passing through a difficult period. Some time ago, their main handicap was the lack of sufficient yarn. This year, however, the supply of free yarn increased considerably, the average for 1952 being 72,000 bales per month, as against 58,000 bales for 1951. But, with consumer resistance and plenty of mill-made cloth available, stocks of handloom cloth began to accumulate, and the problem this time was to find adequate markets for handloom cloth.

Little progress, however, has been made so far in organising such markets and in the technique of production, research, the art of designing and similar measures which would assist the handloom industry to cater to their particular markets. The Government, therefore, constituted an All-India Handloom Board, replacing the present Standing Handloom Committee and this Board held its first meeting in December 1952. The functions of this Board are to examine schemes for the development of the Handloom Industry and make suitable recommendations to Government. Such Schemes will be assisted out of a Handloom Fund, to be raised by levying a cess of 3 pies per yard on all mill-made cloth except cloth exported out of the country. This levy is expected to yield about Rs. 5 crores per year and will be utilised for the development of the khadi and the handloom industry. Legislation for this purpose has been introduced.

Certain varieties, including sarees using dyed yarn sarees and dhoties with borders exceeding a certain width, lungies, sarongs etc. have already been reserved for the handloom industry. Representations were received from various quarters that the entire production of bordered dhoties should be reserved for the handloom industry. As in interim measure and pending examinations by the Cotton Textile Enquiry Committee which has been recently set up, the Government have restricted production by mills of such bordered dhoties to 60 per cent. of their production during the year 1951-52.

Khadi Industry.—As in the case of Handloom Industry, with larger supplies of mill-made cloth available at lower prices, the Khadi Industry which plays an important role as a Village Industry and which offers relief through part-time employment to a large number of persons, has been passing through a difficult period. The main handicap of the industry has been accumulation of stocks and comparatively high prices. It was, therefore, felt that by suitable measures of assistance and encouragement, the demand for khadi could be substantially raised, especially if adequate attention is given to research and improvements in equipment, marketing and distribution which would help to reduce the gap that now exists between the cost of production of khadi and that of medium mill-made cloth. It is primarily in the interest of securing a better occupational balance and the use of the manpower resources in the rural areas that the demand for khadi has to be stimulated. It was, therefore, felt that to achieve this object and for the development of khadi there was need for a special organisation outside the normal machinery of Government. The Government, therefore, constituted the All-India Khadi and Village Industries Board consisting of prominent social workers who have intimate knowledge of the

subject dealt with and who have an outstanding record of public service in the field. The function of this Board is to advise Government on the methods to be adopted for effecting all round improvements towards ultimate development in the fields of Khadi and Village Industries. The Board will also be responsible for preparing and organising programmes for the production and development of Khadi and Village industries including training of personnel, manufacture and supply of equipment, supply of raw-materials, marketing and research and study of the economic problems of different village industries.

The Board will also function as a clearing house of information and experience relating to these industries.

The Government also propose to create a Khadi Fund by levying a cess of 3 pies per yard on mill-made cloth. Out of this Fund, grants and loans will be made for financing, in whole or part, activities necessary for the development and improvement of the Khadi Industry. The objectives for which loans or grants may be made are such as to foster Scientific, technological and Economic Research, Collection of Statistics, fixing of quality and graded standards, assistance to organisations to develop self-sufficiency in Khadi and promotion of Co-operative centres.

2. The Board was inaugurated by the Prime Minister on the 2nd February, 1953 and it held its first meeting on the 3rd and 4th February, 1953. During these meetings it recommended a grant of Rs. 9 lakhs and a loan of Rs. 30 lakhs to the All-India Spinner's Association. The grant is to be spent on production and training centres for subsidising wages and sales, and the loan is intended for the purchase of cotton and Khadi production. The recommendations were accepted by Government and the amounts have been sanctioned for the purpose specified above.

The Board has also set up a Committee to work out programmes for the development of Village Industries.

In spite of the general depression which affected most industries, the textile industry has been able to maintain a very high level of production during the year. The threatened closures were averted and the figures of production for December, 1952, were in fact the highest so far—426 million yards of cloth and 135 million pounds of yarn. With the increase in production and the relaxations in controls, emphasis has now shifted to the development side of the industry. The Working Party for Textiles which was set up in 1950 to examine the Mill Industry submitted its report in July, 1952 and this is under examination. New problems have, however, arisen. A comprehensive enquiry into the various sectors of the cotton textile industry, namely the mills, power loom and the handlooms, appeared necessary to Government with a view, to determining the place of each in the national economy. A Cotton Textile Enquiry Committee has accordingly been set up in November, 1952, to conduct such an enquiry and it is expected to complete its work and make its recommendations by about middle of 1953.

CHAPTER VI—JUTE

As the largest earner of foreign exchange for India, the jute industry enjoys a unique place in the economy of the country and in the balancing of its foreign trade. Unfortunately, ever since Partition, this industry has been facing serious difficulties on account of the loss of its normal sources of raw jute supply. It was a matter of considerable satisfaction, therefore, that thanks to the increase in Indian raw jute production from about 12 lakh bales in 1947 to over 46·8 lakh bales in 1951-52, the industry could, during the year get its raw material without serious difficulty.

It had, however, to face many other problems. While the Indian mills were experiencing difficulties in getting adequate supplies of raw jute and while there was a boom in the demand for jute goods due to the outbreak of hostilities in Korea, the production of jute goods in countries outside India had considerably increased. This competition has become a powerful obstacle for the Indian industry. This was felt the more acutely with the lull on the Korean front there was a curtailment of the stock piling programmes of many countries. As a result, the working hours of the industry had to be curtailed from 48 to 42½ hours per week with effect from the 30th March, 1952.

To help the Indian industry to recapture its markets in the altered conditions of demand, the Government of India reduced the export duty on hessian from Rs. 750 to Rs. 275 per ton and that on sacking from Rs. 350 to Rs. 175 per ton. The Indian Jute Mills Association, faced with a buyers' market, took steps to intensify its publicity programme in overseas countries, particularly, in the U.S.A. A Good-Will Mission was sent out by the industry which visited U.S.A., Canada, and U.K. Towards the cost of the publicity in the U.S.A., the Government of India decided to make a grant of $25,000 to the Indian Jute Mills Association.

The efforts made to revive export demands proved successful in recapturing the American market and, at the lower prices prevailing in the second-half of 1952, American consumption of jute goods increased substantially. The monthly export of hessian during July—December, 1952, was well above the monthly average of the preceding 12 months. Much of the market which had been lost to cotton and paper was regained for jute during the course of the year.

Unfortunately, while the American demand for hessian revived, there was a sharp decline in the demand for sacking. Most countries which had built up stocks when supplies were uncertain refrained from buying further quantities of jute goods. As a result, the overall level of exports declined and towards the end of the year prices came down to very low levels. The fall in the price of jute goods also affected the price of raw jute and this again was a matter of considerable anxiety because, unless the grower received an economic price for his product, he could not keep up the production of raw jute at the levels which had been attained. One of the factors which, according to informed opinion, precipitated a fall in the price of jute goods, was speculation and towards the close of 1952, West Bengal Government banned the Fatka market to curtail speculative activities.

The importance of maintaining production of raw jute in the country has, in no way, diminished. In fact, the need for it has been further emphasised by Pakistan's recent policy of encouraging exports of raw jute to other countries rather than to India. This encouragement has been given by charging a licensing fee on raw jute exported to India though no such fee is levied on exports to other countries. In addition, Pakistan is levying a high export duty on kutcha bales which is what only India normally buys while there is a lower rate of export duty on pucca bales which are shipped to overseas countries. This point was taken up with the Pakistan Trade Delegation when the renewal of the Indo-Pakistan Trade Agreement was discussed in the middle of 1952. As no satisfactory agreement could be reached on the point, the matter was raised by India in the GATT. of which both India and Pakistan are members. The GATT. has not yet given a final decision on the subject.

When prices of raw jute fell, there was a certain amount of agitation in favour of fixing minimum price and allowing exports of raw jute. The matter was very carefully considered by the Ministry which came to the conclusion that neither of these courses were really in the interests of the country's economy. As jute goods are mostly manufactured for export, the fixation of minimum prices for raw jute would not be a workable proposition since prices in overseas countries cannot be controlled. Moreover, with growing competition from manufacturers in other countries which were getting raw jute from Pakistan at more favourable prices, it was obviously undesirable to place the Indian industry at a disadvantage by raising the price of Indian jute artificially. Further since most of the difficulties of the Indian industry were due to competition from overseas mills, it was not considered in the country's interest that they should get Indian raw jute in addition to the Pakistan raw jute and thus be enabled

to intensify their competition against the Indian industry. In any case, the Indian crop was well below the internal requirements of the industry, and, in fact, imports from Pakistan continued to be necessary, though the level of the import was lower than in any of the preceding years. It was, therefore, decided that no export of raw jute should be allowed.

To sum up, the year 1952, as a whole, was a difficult one, for the jute industry. Among the favourable developments, mention has already been made of the regaining of the American market for hessian. The total production for the year at 952,000 tons too was higher than in the previous three years. The actual figures were:

Year	Yearly Production	Monthly Average
	Tons	Tons)
1949	922,800	76,900
1950	836,500	69,708
1951	872,000	72,666
1952	952,000	79,333

On the other hand, the overall exports declined from a monthly average of 63·3 thousand tons in 1951-52 to a monthly average of 42·5 thousand tons in November-December 1952. Efforts to increase exports therefore will have to be continued and intensified during the coming year.

CHAPTER VII—IRON AND STEEL

The indigenous production of steel in 1952 was 1,101,000 tons, which was a slight improvement over the production in 1951, *viz.*, 1,074,000 tons. Imports continued to be small, although about 195,000 tons were imported as compared with 150,000 tons in the previous year. The total availability thus continued to be very much less than the demand, which is estimated at about 2·4 million tons per annum.

Steel Allotments.—The total allotment of steel in 1952 amounted to 1,097,000 tons as compared with 1,131,000 tons in 1951. A rough break up of the allotments for the years 1952 and 1951 is given below:—

	allotment in tons in : 1952	1951
Government demands—		
Defence	11,000	13,000
Railways	156,000	241,000
Govt. development Schemes	148,000	120,000
Displaced persons' Housing Schmes	24,000	29,000
Private Demands—		
~~Industrial maintenance and packing~~	106,000	105,000
Industrial maintenance and packing	105,000	105,000
Steel processing industries	287,000	252,000
Private industrial development schemes	58,000	41,000
Agriculture	133,000	192,000
States	119,000	130,000
Government sponsored housing scheme	5,000	8,000
	1,047,000 plus 50,000	
	1,097,000	1,131,000

Heavy rails and structurals outside regular allotment in Period IV/52.

In 1952, the demands of the Defence Services and those of the Railways were met in full. The essential agricultural demands were also met. Increased allotments were made under the heads "Government Development Schemes", "Private Industrial Development Schemes" and "Steel Processing Industries".

Prices and Control.—The selling prices of steel were increased twice in 1952, once, by Rs. 50 per ton from July 1, 1952, and, again, by another Rs. 50 per ton on the average from September 22, 1952.

Owing to the general money market conditions, poor off-take of iron and steel materials was reported by the various stockists early in the year. In order to facilitate the speedy disposal of stocks from the yards of the stockists, such stocks as were acquired by them before January 1, 1952, and were not lifted till April 1952 were allowed to be disposed of without permits. In July, distribution control over heavy structurals and heavy rails, the off-take of which was relatively low was removed. In September, registered stock-holders in the various States were allowed to sell without permits, but at controlled prices, such of their stocks of iron and steel, including pipes, as were not lifted by consumers within 60 days from the date of receipt.

American Steel for Agricultural Purposes.—Under the Technical Co-operation Scheme of the U.S.A. Government, an agreement with that Government was entered into on behalf of the Government of India in May 1952, which provided for the supply of 55,000 tons of steel to India during the year ending June 30, 1952, for agricultural purposes. In December 1952, another agreement was entered into with the U.S.A. Government which provided for the supply of a similar quantity during the year ending June 30, 1953. This steel will be made available to India as a free gift by the U.S.A. Government and will be distributed at controlled price to the States for use for agricultural purposes, over and above the normal allotments. The proceeds on the sale of this steel will be credited to a separate fund to be utilised in accordance with the terms of the Technical Co-operation Scheme. Against the first agreement, orders for 36,750 tons have already been placed by the India Supply Mission, Washington, which is arranging for the procurement of the steel, in consultation with the Technical Co-operation Administration Authorities in U.S.A. So far about 7,000 tons have arrived in India and the rest is expected to arrive shortly.

Retention Prices.—On the recommendation of the Tariff Commission, the fair ex-works retention prices of steel produced by the Mysore Iron and Steel Works, Bhadravati, were revised and fixed as follows:—

(i) Rs. 308 per ton for 1950-51;

(ii) Rs. 329 per ton for April-September 1951;

(iii) Rs. 384 per ton from October 1951 to March 1954, against Rs. 331 per ton fixed in September 1949 for the period ending April 30, 1951.

On the recommendation of the Commission, the retention prices for different gauges of tinplates payable to the Tinplate Company of India for the year 1952 were also fixed. The revised retention price fixed for 30 G. tinplate worked out to Rs. 792 per ton against Rs. 726 per ton fixed for 1951.

On the recommendation of the late Tariff Board, the retention prices of steel payable to the Tata Iron and Steel Company Ltd., and the Steel Corporation of Bengal Ltd., were revised, with effect from July 1, 1951 and will remain in force up to June 30, 1954. As a result of a representation from the Steel Corporation of Bengal, the Tariff Commission were requested, in May 1952, to re-examine whether any revision of the retention prices payable to the Company for the year 1951 was necessary, in the light of the actual production of steel by the Company during that year. Subsequently, the Commission were also informed that if, in re-examining the prices for 1951, the Commission considered that any revision of the retention prices for 1952 and onwards was called for, Government would be glad to consider their recommendations. The Commission submitted their report in September 1952. On the recommendation of the Commission, the following average retention prices were fixed:—

January-June 1951	...	Rs. 309 per ton.
July-December 1951	...	Rs. 303 per ton.
January-December 1952	...	Rs. 319 per ton.

as against the existing average retention price of Rs. 284 per ton.

Consequent on the fall in the price of spelter, the controlled selling prices of galvanized, telegraph, signal and barbed wire produced by the Indian Steel and Wire Products Ltd., were reduced, with effect from November 15, 1952. The reduction in prices was Rs. 114 per ton in the case of tested wire and Rs. 68 per ton for untested wire.

Expansion Schemes: Tatas.—The Tata Iron and Steel Co. have taken in hand an expansion scheme which aims at increasing their existing production of 750,000 tons of steel per annum to about 931,000 tons per annum by 1956-57. The scheme is estimated to cost Rs. 22·71 crores. The Government are considering a proposal to make available to the Company a loan of Rs. 10 crores. The balance will be met by the Company from its own resources. Orders for plant and machinery have been placed for a plate mill, steam and power equipment, calcining plant and a skelp mill. Orders for the other items of equipment are being placed. Construction work at site in respect of items for which orders have been placed has already begun. The scheme is progressing according to the Company's programme.

Indian Iron and Steel Co.—World Bank Loan.—With a view to ensuring greater efficiency in the production of steel by the erstwhile separate companies—The Steel Corporation of Bengal Ltd., and The Indian Iron and Steel Co. Ltd.,—the former has been merged with the latter, under the Steel Companies Amalgamation Ordinance 1952 (which has since been replaced by the Steel Companies Amalgamation Act, 1952). The amalgamated company, *viz.* the Indian Iron and Steel Company Ltd., will take up the further expansion of their works, which will raise their production to 620,000 tons of finished steel and 500,000 tons of pig iron or, alternatively, 700,000 tons of finished steel and 400,000 tons of pig iron, by the end of 1956 at an estimated cost of Rs. 35 crores. In order to enable the company to obtain necessary finances for the purpose, a delegation of senior officials of the Ministries of Commerce and Industry, Finance and Production was sent to the U.S.A. in November, 1952, to discuss with the International Bank for Reconstruction and Development the possibility of obtaining a suitable loan from the Bank for the execution of the Company's expansion schemes. As a result of these discussions, the Bank has agreed to grant a loan of about Rs. 15 crores to the Company, under Government guarantee. In addition to this loan, the Government propose to make available to the Company a repayable advance of Rs. 10 crores and an ordinary loan of Rs. 2·9 crores.

Mysore Iron and Steel Works.—Government advanced a loan of Rs. 40 lakhs to the Mysore Government in 1951-52 for financing a part of the expansion scheme of the Mysore Iron and Steel Works which has already been taken in hand. The question of giving a further loan is under consideration, pending detailed technical examination of the scheme.

Construction of two electric pig iron furnaces each with a capacity of 100-110 tons of pig iron per day has already been completed and trial operations have begun. When these come into production it is expected that an output of 70,000 tons of pig iron per annum would become available. The Works propose to place orders immediately for a Bessemer Electric Duplex plant and for a billet and light structural mill, at an estimated total cost of Rs. 315 lakhs.

The ferro-sillicon, cement and acetic plants included in the expansion scheme have been completed and operation has commenced. Construction in respect of auxiliary service *i.e.* ore mines, tramways, etc., is also nearing completion.

Pig Iron.—During the year, the procedure for the distribution of pig iron was slightly modified from the October—December 1952 period to indicate separately in the allotments issued to foundries the limit up to which each grade of pig iron could be drawn. This was done to ensure that allottees did not draw against their allotments an undue proportion of the good grade pig iron, the production of which is limited, as they used to do previously, and that the available limited production of good grade pig iron was conserved for purposes for which it was essentially needed.

In order to ensure more equitable and rational distribution of the available supplies of pig iron amongst the different foundries, the consuming capacity of the foundries, to which allotments were directly made by the Central Government, was reassessed on the basis of their actual past performance and in consultation with the leading Indian associations representing foundary interests in the country.

Foundry Pig Iron.—The production of foundry pig iron for sale declined in 1952 to 203,000 tons from 286,000 tons in 1951. This reduction in output was due to the increased offtake of steel-making (basic iron) by the late Steel Corporation of Bengal (since amalgamated with the Indian Iron & Steel Co.) and the closing down at times of the blast furnaces of the Indian Iron and Steel Company for relining or repairs. The overall supply position of pig iron to foundaries in 1952 was, however, not relatively worse than in 1951 as, with the recession of demand since March, 1952, there was a slightly reduced offtake of pig iron by certain sections of the engineering industries.

The allotment of pig iron to foundries in 1952 amounted roughly to slightly less than 50 per cent. of average assessed capacity. With the increasing use of basic iron by the Indian Iron and Steel Company in 1953 and 1954, the supply of foundry iron from this source will be correspondingly reduced. It has, therefore, become even

more necessary to provide alternative materials like cast iron ingot bolts to companies and encourage them to use it. Every month steel works throw out about 2,000 tons of ingot bolts. These are far too heavy for use by foundries. Arrangements have therefore been made to break them into pieces of a size which foundries can handle.

Consequent on the increase in railway freight rates on raw materials, the prices of all grades of pig iron were increased by Rs. 10 per ton with effect from June 16, 1952.

CHAPTER VIII—ENGINEERING

As stated earlier, a general economic depression prevailed in the country during the first half of 1952. Coupled with very low purchasing power and acute shortage of some essential industrial raw materials, it affected certain industries adversely. The more important industries which registered a decline in production were diesel engines and automobiles. Other industries affected in a similar manner were antimony, copper. hurricane lanterns, power driven pumps, dry batteries and razor blades. On the whole, however, the industrial production during the year was better than during the previous year. Important industries which showed an improvement in production include electric lamps, power transformers, electric motors, insulators, grinding wheels and machine screws. In a number of industries the production was steady, at almost the same level as in 1951. Notable examples are machine tools, ring and spinning frames, oil pressure lamps and electric lamps.

New Items Produced.—Several new items were produced locally for the first time on a commercial basis. Among these may be mentioned the following:—

(a) Industrial boilers
(b) Auto jiggers
(c) Interlock knitting machines
(d) Card and gill pins.
(e) Fluorescent tubes
(f) Radio components:—
  (i) Loudspeakers
  (ii) Potentiometers and band changing switches.
  (iii) Plastic moulded cabinets.
(g) Pick-up heads for radio-gramophones
(h) Machine tools:
  (i) Wood planning machine—12″×4″.
  (ii) Power press all geared 40 tons capacity.
(i) Small tools:—
  (i) Ground thread and relieved taps
  (ii) Adjustable reamers
  (iii) Tangential and coventry chasers.

(j) Surveying and mathematical instruments:—
  Pilot models of theodalites, planimeter, sextant nautical, have been successfully completed.
(k) Non-ferrous metal:—
  Flat products of 38 and 57S aluminium alloys containing manganese and magnesium are being rolled.
(l) Water meters
(m) Pistons
(n) Bicycle spokes
(o) Industrial sewing machines
(p) Duplicators (Power operated)
(q) Grinding media for cement industry
(r) Grey iron cylinder blocks for automobile engines.

New Ranges of Production.—In addition to the above new items, manufacture of new ranges were established in the following items during 1952:—

(a) Power & Distribution Transformers of 2,000 K.V.A.
(b) Slipring motors up to 100 H.P.
(c) All geared bead lathes—8½″ centre, 10′ bed.
(d) Scroll Chucks—10″ and 12″ capacity.
(e) Four Jaw independent lathe chucks—24″ and 30″ dia.
(f) Drill Chucks—3/16″ to ¾″ capacity.
(g) Ball Bearings—up to 2″ bore.

Development of Existing Industries

Non-Ferrous Metals

Aluminium.—At present there are two units engaged on the production of aluminium. Their existing annual capacity of production is 4,000 tons of ingots and 3,500 tons of sheets and circles. Both these units are going ahead with an expansion plant, to be completed by the end of 1953. The total capacity will then be increased to 7,000 tons of ingots and 8,000 tons of sheets and circles. One of these companies has also the intention of putting up a new unit in the Hirakud area. It is to produce 10,000 tons of ingots. It also proposes to put up a new rolling plant there for the manufacture of 6,000 tons of sheets and circles per annum. Both these new units will take nearly three years to go into commission. With the completion of these projects, India will become self-sufficient in aluminium.

A scheme for the installation of an extrusion press of 1,000 tons per annum capacity to manufacture aluminium extruded sections has been sponsored.

Copper and Silver.—A plant for the recovery of silver from old coins has been taken up for implementation at the Alipur Mint. This plant will also be able to recover about 3,600 tons of electrolytic copper from copper scrap of 99 per cent. purity in its initial stages.

Ferro Manganese.—A scheme for the establishment of a ferro-manganese plant, with an annual capacity of 10,000 tons has been approved. This plant is proposed to be installed at the Hirakud Dam site, in collaboration with an Italian firm.

Textile Machinery

Card and Gill Pins.—A pin manufacturing company of Calcutta commenced manufacture of card and gill pins required by the Jute mill industry since July. The proposal of a Madras company to manufacture card and gill pins, in its factory which now produces only gramophone needles, has been approved.

Boilers.—A textile machinery factory of Calcutta for the manufacture of Lancashire type of Industrial Boilers, with the technical assistance of a noted U.K. firm came into production in March. The factory has an installed capacity of 20 boilers per annum.

Hosiery Needles.—A Calcutta firm for the manufacture of hosiery needles has been approved. The plant will have a capacity of 10,000 needles per day of 8 hours working. Production is expected to commence late in 1953.

Automobile Components

Springs.—A Bombay company commenced production of laminated springs for automobiles in January 1952.

Pistons.—A factory for the manufacture of pistons was established at Madras in collaboration with a U.K. Firm.

Sparking Plugs.—A Madras firm is taking up the manufacture of sparking plugs in collaboration with a London concern. The capacity of its plant in the initial stages will be 100,000 nos. per year, to be increased to 500,000 nos. in the final stage. The firm expects to get the plant and machinery during 1953 and commence production before the end of the year. Another Madras firm is expected to go into production by the end of 1953 with a capacity of 500,000 spark plugs per year. This will be in collaboration with a German firm. A Bombay company's scheme for manufacture has also been approved.

The capacity of its plant in the initial stages will be 100,000 plugs per year, to be increased to 500,000 per year in the final stage. It will work in collaboration with a U.K. Firm.

Electric Horns.—A Madras Factory for the manufacture of electric horns is expected to go into production in 1953. The capacity of the plant will be 6,000 horns per year, to be increased to 10,000 per year later. The firm is to work in collaboration with a U.K. company.

Fuel Injection Equipment.—The scheme for the production of fuel injection equipment for diesel engines by a Madras company is expected to commence by the end of 1953. The firm will do so, in collaboration with a well-known German firm.

Bore Hole Turbine Pumps

The scheme of a Calcutta company for the manufacture of bore-hole turbine pumps has been approved. This company which has been floated by a U.S.A. firm, has now started manufacture of some components. Its capacity after 18 months will be 1,440 pumps.

Centrifugal Pumps.—A Calcutta factory commenced production of centrifugal pumps in June, 1952.

Small Tools.—A Calcutta company commenced production of twist drills, reamers and cutters since January.

Tungsten Carbide Tools.—A Calcutta firm has imported the major portion of the machinery for the manufacture of tungsten carbide tips and tipped tools. This factory is expected to go into production during 1953.

Wood Screws.—Eight factories with an aggregate annual capacity of 1·7 million gross woodscrews were established during the year. They are distributed as follows:—

Madras	Bombay	Calcutta	Delhi	Lucknow
2	1	3	1	1

Hinges.—A Bombay firm commenced production of hinges from March. When the complete plant is installed, its annual capacity will be 10 lakh dozen pairs per annum on single shift basis.

Electrodes.—A Bombay company commenced production of electrodes since December in technical collaboration with a Swiss Firm. They have an installed capacity of 50 million feet of mild steel electrodes, although in the initial stage the production will be restricted to 25 million feet.

Layer-Built Batteries.—A company is expected to commence production of layer-built batteries at Calcutta from the middle of 1953. It has also completed erection of its plant and machinery in its Madras factory.

A.C.S.R. Conductors.—Another existing company has placed orders for the import of additional plant for its expansion scheme for the manufacture of A.C.S.R. conductors. The plant is expected to arrive by the middle of 1953.

Insulating Winding Wires.—A Bombay scheme for the manufacture of insulating winding wires has been approved. To begin with, the firm concerned will take up the manufacture of enamelled copper wire. Licence for the import of necessary plant has been issued.

Switchgear.—A Calcutta firm has received licence for the import of plant and machinery and raw materials and components. It is expected to commence production in 1953.

House Service Meters.—Three factories were established at Calcutta, Jaipur and Bangalore. They are now capable of producing 135,000 meters a year. The ultimate capacity may be of the order of 270,000 meters.

Electric Lamps.—A factory at Kanpur has started experimental production of minature and auto lamps. The capacity of the plant is 3 million lamps per year. A Delhi firm has imported plant and machinery: the capacity is 3 million lamps per year.

Radio.—In Calcutta a factory commenced assembly and partial manufacture of radio receivers in January. The installed capacity of the factory is 10,000 radio receivers per year.

Typewriters.—A Calcutta firm has received sanction for the manufacture of typewriters in India of a well-known foreign make.

Bicycles.—Three factories which had been established at Madras, Asansol and Sonepat about a couple of year ago with the ultimate object of manufacturing cycles, commenced their manufacturing operations. It is hoped that steadily they would manufacture larger number of parts and minimise imports. The present activities of these firms in the manufacturing field has made it possible to reduce the value of imported parts for cycle by 7½ per cent. per half year.

Bicycle Parts.—An application from a Bombay Firm for import of machinery for the manufacture of free wheels is under consideration. A Delhi Firm went into production of bicycle Stokes since January 1952.

Hurricane Lanterns.—A firm at Lucknow commenced production of hurricane lanterns in May, with an annual installed capacity of 150,000 lanterns.

Umbrella Ribs.—A Calcutta factory started regular production of umbrella ribs early in 1952 with a capacity of 30,000 dozen sets per annum.

Razor Blades.—In addition to the factories already put up, a firm has completed the installation of plant and machinery for the manufacture of razor blades. Its installed capacity is 15 million razor blades per annum.

CHAPTER IX—CHEMICALS, GLASS AND CERAMICS

The shortage of sulphur continued to be a problem for many chemical industries in the early part of the year with the result that their production was lower than it would otherwise have been. The general recession in prices also affected the off-take of certain products and caused a decline in production. Nevertheless, the record of the year as a whole is a satisfactory one.

A striking increase in the production of ammonium sulphate (fertiliser) occurred during 1952 owing to the Sindri plant coming into fuller production. There was also an increase in the production of caustic soda, liquid chlorine, benzene, toluene, solvent naphtha, soaps, crude glycerine, carbon-disulphide and cosmetics in 1952 over 1951.

Among drugs, the production of shark oil showed a considerable increase, while that of tinctures and galenicals, liver extracts and strychnine was maintained, more or less, on the previous year's level. The manufacture of caffeine, which had to be suspended in 1951 owing to non-availability of tea dust, was restarted in 1952.

The upward trend in the production of power alcohol continued during 1952 also. There was, simultaneously, an increase in the consumption of power alcohol as motor spirit (by blending it with petrol). The number of depots for mixing power alcohol with petrol increased from 43 in 1951 to 56 in 1952.

New Items of Production.—In the chemicals group, calcium carbide used for making acetylene, was produced for the first time in India during the year under review. The present productive capacity of the industry is 825 tons per annum. A second unit, with a capacity of 3,300 tons per year, is under construction and expected to go into production in 1953-54. The production of benzene hexachloride, which is an important insecticide, was undertaken during the year; the present annual capacity is 500 tons. The production of rayon grade, caustic soda by the mercury cell process was initiated during the year. The productive capacity is 6,000 tons per annum. The regular commercial production of ferric chloride in quantities sufficient to meet the entire domestic requirements also commenced during the year. Among minor chemical items produced for the first time in the country in 1952, mention may be made of medicated soaps and Binaca tooth paste.

In the drugs group, the production of three important anti-bacterial drugs, *viz.*, sulfathiazol, sulphappyridine and sulpha-diazine was commenced during the year. The existing capacity for these drugs is adequate to meet all internal requirements. Further, the production of standard quality nikethiamide, which is a cardiac and respiratory stimulant, was undertaken. Also, processes for the synthesis of the latest anti-tubercular drug, hydrazide of isonicotinic acid, were successfully worked out. The regular production of these drugs is expected to commence shortly.

A number of schemes made substantial progress during the year. For instance, although the production stage has not yet been reached, the schemes for the establishment of—

(i) a unit near Calcutta, with an annual capacity of 3,000 tons per annum for making calcium carbide;

(ii) a unit for the manufacture of 7,500 tons per annum of ammonium chloride; and

(iii) a unit for the manufacture of phosphoric acid and triple super-phosphate;

made good progress during the year. Some of these schemes are likely to be completed in 1953. A scheme for the manufacture of sulphuric acid by the gypsum process has been approved; when this factory is completed, it will be the first unit of its kind in the country. Two plants are being installed for the production of glycerine; they are expected to commence operation in 1953.

Among drugs, schemes for the manufacture of (1) important derivatives of salicylic acid like soda salicylate and acetyl salicylic acid, (2) saccharine and (3) chloromycetin made progress during the year. The year also saw further progress in the Government scheme for the manufacture of penicillin.

Some items, however, suffered a decline in production. These included super-phosphates, soda ash, bleaching powder, bichromates, refined glycerine and stearic acid.

Glass and Ceramics.—Although the actual production of glass showed a decline during 1952, there was a good increase of 30,000 tons in the capacity on account of 8 new units coming into existence. A factory has installed modern machinery for making window sheet glass upto 36 ozs., planned capacity being 27,000 tons and installed capacity 18,000 tons. Another factory has installed—the only plant of its kind in the country—automatic machines for making bottles, pressed ware and lampware; capacity being 10,800 tons.

Another important development in the glass industry was the diversification of production. New plans for setting up altogether new lines of production were formulated during the year and the present position of the more important of them is summarised below:—

(1) A plant was installed for the manufacture of thermos flasks with an annual capacity of 10,000 dozen flasks. The plant is expected to come into production in 1954.

(2) A company was registered under the Industries (Development and Regulation) Act for the manufacture of a similar quantity of thermos flasks per annum.

(3) A factory is being installed for the manufacture of synthetic stones, in collaboration with a Swiss firm, with an annual capacity of 12 tons. Permission for capital issue of Rs. 35 lakhs and import licences for capital goods worth 29 lakhs was given to the firm concerned during the year. Production is expected to commence before the end of 1953.

(4) A proposal to manufacture gilded glass beads and artificial pearls has been approved and the import of the requisite capital goods has been sanctioned.

(5) A scheme to manufacture, with the assistance of foreign experts, hypodermic syringes and thermometers has been helped with a loan of Rs. 4 lakhs from the Industrial Finance Corporation and licensed under the Industries Act.

(6) A plant is being installed for the manufacture of penicillin vials, with an annual capacity of 50,000 gross. Import of capital goods has already been sanctioned.

Thirteen new ceramic factories came into production recording an increase of over 20,000 tons in the installed capacity.

CHAPTER X—OTHER INDUSTRIES

The Cement industry continued to make satisfactory progress during 1952. Total production during the year was 3·5 million tons as against 3·2 million tons during 1951. The installed capacity increased from 3·6 million tons to 3·97 million tons per annum, with the coming into production of one new unit and extensions and improvements in a few old ones. There are now 23 units in operation in the country.

The present production is sufficient to meet almost all the essential requirements of the country. There were, however, some pockets of scarcity, particularly in the Northern regions, where some hardship was felt, specially in meeting the large demands of the river-valley projects, *e.g.*, D.V.C., Bhakra-Nangal, etc.

The supply position is expected to improve considerably during 1953. One unit, with an annual capacity of 165,000 tons, has already been completed and is to go into production early in 1953. Extensions and modernisation of three existing units are also expected to be completed in the course of 1953. The total production capacity will then be about 4·34 million tons per annum and the actual production is expected to be 3·2 million tons a year. By 1955-56, nine more expansion schemes approved by the Government of India are expected to be completed. This will increase the annual capacity to 5·6 million tons. India will then not only be self-sufficient in cement but will also have some surplus for export.

There were practically no imports of cement during the year, except for a small quantity from East Pakistan to Assam.

Recently representations were made by producers that their expenses had gone up and that the price of cement should, therefore, be increased. The Tariff Commission has accordingly been requested to conduct an enquiry into the costs and to recommend a fair price for the future.

Paper.—Progress in the paper industry was maintained. More important developments are summarised below:—

(1) A factory, which is now under construction, is expected to go into production by the middle of 1953. Its capacity will be 8,000 tons of paper a year.

(2) The expansion scheme of another factory, to increase production from 5,000 tons to 15,000 tons a year, is expected to be completed in 1953.

(3) A third factory proposes to complete in 1953 the erection of an additional Yankee paper-making machine for manufacture of thinner varieties of paper. This will increase the capacity of the mill by 6,000 tons a year.

(4) A fourth mill has a scheme for increasing its capacity which is expected to be implemented by 1954.

(5) The construction of a newsprint factory in Madhya Pradesh made some progress during the year. The mill, which is expected to be completed by 1954, will have an installed capacity of 30,000 tons of newsprint per annum.

When the above schemes are completed, the installed capacity of paper and paper-boards is expected to go up to 171,500 tons per year by 1953 and to about 175,000 by 1954. By the end of 1954, there will also be available a capacity of 30,000 tons for the manufacture of newsprint.

Rubber.—In the rubber industry, sectional air and steam bags, essential for the repair of damaged tyres, were produced on a small scale during the year. The annual capacity for these is only 2,000 pieces now, but it is expected to be doubled during the coming year. The manufacture of suedette was also undertaken, the present capacity being 300,000 yards per annum. Further, the production of certain rubber components for radio manufacture and also certain articles required by the Defence Services, which were so far being imported, were made for the first time in the country during the year.

A few new schemes for the manufacture of the undermentioned rubber goods were sanctioned during the year: Off-the-road tyres and tubes, tennis balls, elastic surgical suspensories and long length moulded hoses. The plant and equipment for these schemes have already been ordered and it is expected that production of these goods will commence during the course of 1953.

The trade recession caused a slackening of demand for certain types of rubber goods. Consequently, production was lower in such items as automobile tyres and tubes, rubber footwear and vacuum break hoses. On the other hand, other items like bicycle tyres, railway rubber-springs, rubber hoses, fan belts, dipped rubber goods and foam sponage rubber, showed an increase over the previous year. The case of the tyre industry and tyre prices has been referred to the Tariff Commission for investigation.

The range in sizes of tyres and tubes manufactured in India has been widened. As carbon black is vital to this industry, a beginning

in the commercial manufacture of this important raw material in this country was made by the establishment at the close of 1952 of a plant with an annual capacity of 800 tons. The manufacture of improved types of fan belts and V-belts also commenced during the year.

Beltings.—A Calcutta company started production of rubber ply transmission belting in June.

A Calcutta firm is expected to go into production of rubber belting early this year. Erection of plant and machinery has been completed.

Micanite and Mica Products.—Two firms have on hand schemes for the production of micanite and mica products. Of these, plant and machinery of one Madras firm, is being put up, under the supervision of a German technician. Production is expected to commence in 1953. The scheme of the other, a Bombay firm, has been approved. The necessary plant and machinery have been imported and the company is now negotiating with D.V.C. for a suitable site for its factory in the area.

Plastics.—In the plastic industry, as a result of the co-operative effort of a U.K. firm, Indian manufacturers and the Hyderabad State Government, the manufacture of phenolic rasin laminated sheets, using indigenous paper and textiles as raw materials, was established during the year. These laminates are used for panelling transport vehicles, electrical insulation and for the manufacture of industrial accessories such as bearings, gears and textiles bobbins. The present installed capacity of the industry is 100 tons per annum.

The plastic industry started the manufacture of radio cabinets by compression moulding. This is the biggest moulding operation attempted so far by the compression process in the country.

The production of P.V.C. coated leather cloth has started.

A factory is being installed in Calcutta for the manufacture of polyethlene films. The scheme of another firm to manufacture unsupported P.V.C. sheets made progress.

Paints.—An additional plant has been installed by a Bombay factory, with an annual capacity of 800 tons, for the manufacture of zinc oxide. The existing capacity for the manufacture of nitrocellulose lacquers was increased to 150,000 gallons per annum. A factory for the manufacture of titanium dioxide, equipped so far for the production of anatase pigment only, has now been equipped for the production of rutile pigment, which is mainly in demand in India.

Miscellaneous.—The rayon industry showed a substantial improvement in production in 1952 over 1951. Accumulation of stocks of imported art silk yarn, as a result of the liberal licensing policy followed in respect of the imports of this commodity created a feeling of uncertainty in the minds of the people who run rayon plants in India. Government, therefore, decided to centralise the responsibility for looking after the interests of the rayon plants and has placed control over imports of art silk yarn in the hands of the Textile Commissioner. The experiment has so far been successful.

Considerable progress was also made by the project to set up a plant in Madhya Bharat for the manufacture of rayon (staple fibre) with a daily capacity of 15 tons. The plant is scheduled to come into production in 1953.

There was a fall in the production of enamelware, mainly due to lack of demand for the types of goods manufactured. Steps have been taken for the diversification of production so as to develop the export market. The production of scientific instruments remained steady.

The general recession in trade, in the early part of 1952 affected the leather industry adversely and production in the organised sector of the industry was lower than in the preceding year.

There was an increase in the production of plywood; the current year's production was the highest achieved by the industry so far.

Three factories started production of battery separators, of approved quality, with a combined installed capacity of 20 million separators per year.

In order to make the country self-sufficient in respect of vegetable tanning materials, the question of growing wattle trees in the country was taken up with the various State Governments. The Government of Madras sanctioned two schemes for the cultivation of wattle; these schemes, on completion, are expected to yield about 11,000 tons of wattle bark a year. Nursery and small scale field tests for the location of suitable areas for the cultivation of wattle are also being carried out in the States of Assam, West Bengal, Orissa, Bombay, Punjab (I) and Uttar Pradesh. Bulk trials under tannery conditions have been carried out with indigenous Karda bark. These tests have shown that this bark is a potential vegetable tanning material which can replace wattle in heavy leather tanning.

CHAPTER XI—PLANTATION INDUSTRIES

Tea.—The tea industry is one of the major industries of the country. The annual production of tea is over 600 million lbs. of which about 150 million lbs. are consumed in the country, the rest being exported. Tea ranks after jute as the second largest item in the country's export trade. It earns foreign exchange of about Rs. 94 crores and a revenue of about Rs. 14 crores by way of excise and export duties. The State Governments also levy sales tax and agricultural income tax on tea grown within their States and derive considerable amounts of revenue therefrom.

2. As on 31st March 1952, there were 6,241 gardens with a total area of 785,884 acres. Of these, over 580,000 acres are in Assam and West Bengal, while Madras, Mysore and Travancore-Cochin account for nearly 170,000 acres. Tea is also grown in a limited scale in Bihar, U.P., Punjab (Kangra) and Tripura. The industry as a whole gives employment to a labour force of over a million.

3. The industry has had its ups and downs, and following the depression of 1930, it had entered a period of relative prosperity, particularly since the establishment of the International Tea Regulation Scheme in 1933, under which the then tea producing and exporting countries of the world, namely, India, Ceylon and Indonesia, combined to operate a scheme of regulation of production and exports, under which supply of tea was adjusted to world demand. With the outbreak of hostilities in 1939 and commencement of bulk buying at pre-arranged prices by the United Kingdom, which takes nearly 2/3rd of our exports, the Indian tea industry experienced a period of high prosperity, which continued upto the end of 1951. During this period, India's production of tea rose from 450 million lbs. in 1939 to 620 million lbs. in 1952, and this vast increase in production became possible under conditions of assured demand which "bulk buying" offered.

4. With the cessation of "bulk buying" in April, 1951 and the reopening of the London auctions for the first time since the outbreak of the last war, the tendency was only for better class teas to do well at the auctions, with their emphasis on selective buying. The consumer's preference for quality tea under conditions of free trading started asserting itself since early 1952. Under these new conditions, while the better class teas continued to fetch good prices,

the prices of the poorer quality teas had slumped and a large number of estates producing such teas were badly hit. A number of estates began sustaining losses and, faced with the prospect of having to close down their operations unless some relief was granted by Government, appealed to Government for the abolition of excise and export duties on tea, supply of foodgrains to the estate labour at controlled prices and the elimination of the foodgrains concession previously granted by the estate managements to their labour force.

5. The Government of India deputed a team of officials in May, 1952 to report on the difficulties facing the industry and suggest remedial measures. The team submitted its report in September, 1952. In accordance with their recommendations, the Industry was afforded relief in such directions as:—

(a) Deferred payment of excise duty.

(b) Government guarantee to make reimbursements to Scheduled Banks or Apex Co-operative Banks of a portion of the deficit in the hypothication accounts of the gardens for the 1953-54 tea season, subject to a limit of 20 per cent. of the total amounts repaid by the borrowing garden in discharge of loans availed of by it for financing the 1952-53 tea season, if the borrowing gardens was situated in Cochin, Tripura, Dooars and Terai areas and to 15 per cent. of such amounts of repayments, if the borrowing garden was situated in other areas.

(c) Increased allotment of wagons for the movement of coal by the all rail route to tea gardens.

(d) Relaxation, subject to certain conditions, of the provisions of Income-tax Act in the matter of advance payment of income-tax.

6. While about a hundred estates had closed down during 1952-53, throwing out of employment about 60,000 workers, the indications at the close of the current financial year were that with the improvement of the prices fetched at auctions and with costs of production substantially cut down, the industry is beginning to turn the corner.

7. To place the future of the industry on a more secure footing, the Government had announced their intention of setting up a Committee of Experts to go into the cost structure of the industry, and the marketing of tea.

Central Tea Board.—The Central Tea Board, constituted under the Central Tea Board Act, 1949, is charged with the responsibility of developing the tea industry and the tea trade of the country, and in particular for promotion of the sale and consumption of tea in India and elsewhere. Hitherto, its activities in this direction have been confined to India only. Consequent on India's withdrawal from the International Tea Market Expansion Board, which has been conducting external propaganda on behalf of India and certain other countries, the Central Tea Board has become concerned with propaganda in the external markets also. As a first step in this field, arrangements have been made for operating a joint tea promotion campaign in the U.S. market, in co-operation with American tea trade and other tea producing countries like Ceylon. Government propose to extend these arrangements to other markets in which the Indian tea industry is interested.

The Indian Tea Licensing Committee, constituted under the Indian Tea Control Act, 1938, continued to perform the functions allotted to it, *i.e.* control of tea exports and regulation of tea cultivation.

Steps have been taken for the enactment of a new legislation, called the 'Tea Bill', the object of which is to combine in one Act the provisions of the two existing enactments, *viz.*, the Indian Tea Control Act, 1938, and the Central Tea Board Act, 1949, with a view to achieving simplicity and administrative convenience and also to ensure better co-ordination between the Board and the Central Government.

Rubber.—Of an area of about 1,70,000 acres under rubber cultivation in India, nearly 75 per cent. is located in the State of Travancore-Cochin. Other rubber growing areas are the districts of Malabar, Coimbatore, Salem, Nilgiris, Madura and South Canara in the Madras State and Coorg. Cultivation on a small scale exists in Mysore and Assam.

2. There are about 250 estates owning over 100 acres and comprising an area of nearly 103,000 acres. Small holdings below 100 acres in size number about 14,000 with a total area of about 67,000 acres. Thus, approximately 40 per cent. of the total planted area in India is held by small holdings.

3. The Indian Rubber Board, constituted under the Rubber (Production and Marketing) Act, 1947, is charged with the development of production and marketing of raw rubber and also of regulating its export and import. One of the problems, with which the Rubber Board had to deal with during 1952-53, was the accumulation of raw rubber brought about by increase in production and

decrease in consumption. Compared to the 17,148 tons of raw rubber produced in 1951, production went up to 19,863 tons during 1952, whereas consumption fell from the 22,427 tons of 1951 to 21,061 tons in 1952. This circumstance added to the stock carried forward from 1951, amounting to nearly 5,800 tons, and the imports of foreign rubber during 1952 had created a problem for producers of indigenous rubber who, with undisposed stocks on their hands, experienced hardship in securing the finance necessary to run their plantations. The Rubber Board, therefore, asked the permission to export 1,500 tons of indigenous rubber. The Government, while unable to agree to this request, removed in December, 1952 the control over the movement of raw rubber imposed in 1950 under the Supply and Prices of Goods Act, in order to facilitate the lifting of stocks by manufacturers. The position now is that manufacturers with licences issued by the Indian Rubber Board are free to purchase any quantity of raw rubber they like without any permit.

4. In October, 1952, on the recommendation of the Tariff Commission, the prices of indigenous raw rubber were revised and fixed at Rs. 138 per 100 lbs. for grade I rubber, with suitable differentials for other grades.

5. In December, 1952, a Bill was introduced in Parliament to amend the Rubber (Production and Marketing) Act of 1947, with a view to ensuring better co-ordination between the Board and the Central Government.

6. In view of the strategic importance of rubber, Government's policy is to encourage production, with a view to attain national self-sufficiency in this commodity. India is at present deficient in rubber and has to depend upon imports from other countries like Malaya and Ceylon to meet a portion of the requirements of her manufacturing industry. With a view to help rubber growers to increase production and place at their disposal the benefits of modern research into the problems of rubber production, Government have under consideration a rubber development scheme and another for the setting up of a research institute.

Coffee.—Coffee is one of the major plantation crops of India, particularly in the South. The capital investment in the industry is estimated to be over 15 crores of rupees and the average value of the annual crop is about Rs. 8 crores. The industry employs nearly 200,000 people drawn chiefly from Malabar, South Canara and the Mysore State. Mysore, Coorg and Madras State are the centres of the industry where the bulk of the total land cultivated with coffee, amounting to 2,28,586 acres, is concentrated.

2. Many of the coffee estates are inter-planted with orange trees, cardamom and pepper vines. There are about 50 species and sub-species of coffee plants in the country, the one most extensively cultivated is coffee Arabica, the best in quality, with Robusta coming next in importance.

3. Looking after the interest of the coffee industry as well as of the coffee consuming public is the India Coffee Board, which continued during 1952-53 to perform the functions allotted to it under the provisions of the Coffee Market Expansion Act of 1942. One of the serious problems that the Board had to contend with during the period under report was the growing rise in the price of coffee. From April, 1952, coffee prices, which then stood at Rs. 207 per Cwt. of Plantation type, showed a tendency to rise and reach the record figure of Rs. 316 per Cwt. in the following September. As this steep rise caused a severe hardship to the consumers of coffee, Government had to take energetic measures to bring prices down. As a result of various measures taken by them through the Coffee Board, such as increased sales of coffee through local auctions and prohibition of exports, despite the fact that production during 1951-52 which amounted to 21,041 tons, was higher by 2,500 tons than in the 1950-51, prices started coming down from October, 1952. Government's policy is to see that coffee is made available to the consumers at reasonable prices without at the same time affecting the interests of the grower. Towards this end, a number of measures are under contemplation, including the opening of more local auction centres and increased sales through the propaganda units of the Indian Coffee Board.

4. In December, 1952, a Bill was introduced in Parliament to amend the Act of 1942 for the purpose of ensuring better co-ordination between the Board and the Central Government and of providing adequate representation of consumer interests on the Board.

Coir.—Due to decline in exports, the coir industry, one of the most important small-scale industries in the country, has been passing through a period of active depression since the middle of 1952. To meet the situation, Government adopted certain relief measures, for giving employment to the unemployed workers through public works in the affected area. To improve the conditions of the workers in this industry on a permanent basis, Government propose to set up a Statutory Board to deal with the various aspects of the industry including research, standardisation and marketing. Legislation is being introduced for this purpose.

APPENDIX I(a)

Industrial Capacity and Production of Engineering Industries 1951 and 1952

Industry	1951 No. of Units	1951 Capacity	1951 Production	1952 No. of Units	1952 Capacity	1952 Production
CAPITAL GOODS—						
Agricultural Implements	66	25,644 tons	18,873 tons	67	25,476 tons	16,000 tons*
Boiler—						
(a) Industrial	1	20 Nos.	Nil	1	20 Nos.	6 Nos.
(b) Locomotive	1	96 Nos.	Nil	1	96 Nos.	41 Nos.
Diesel Engines	5	5,300 Nos.	7,246 Nos.	12	24,925 Nos.	4,247 Nos.
Machine Tools	16	Rs. 1 Crore worth of machine tools.	Rs. 47,30,699/- worth of machine tools.	17	Rs. 1 Crore worth of machine tools.	Rs. 45,87,665/-* worth of machine tools.
Power Driven pumps	9	34,600 Nos.	41,492 Nos.	20	42,800 Nos.	32,051 Nos.
Piston Rings	1	1,200,000 Nos.	1,396,085 Nos.	1	1,800,000 Nos.	1,425,519 Nos.
Portable Air Conditioners	...	...	...	2	600 Nos.	[illegible] Nos.
Refrigerators (Domestic)	2	3,600 Nos.	524 Nos.	2	3,600 Nos.	[illegible] Nos.
Sewing Machines	2	37,500 Nos.	44,461 Nos.	2	[illegible] Nos.	[illegible] Nos.
Small Tools (Twiss Drill Reamers, Cutters, Taps and Dies and Files).	9	2,055,825 Nos.	1,141,473 Nos.	17	[illegible] Nos.	[illegible] Nos.*
Textile Machinery—						
(a) Ring Frames	2	360 Nos.	274 Nos.	2	396 Nos.	276 Nos.*
(b) Looms (Plain Auto, Semi-auto and Drop-Boxes).	2	3,600 Nos.	2,711 Nos.	2	6,600 Nos.	1,861 Nos.
(c) Carding Engines		600 Nos.	103 Nos.	1	600 Nos.	134 Nos.*
ENGINEERING—						
Abrasives	4	80,000 Reams	37,276 ~~22,093~~ Reams	4	80,000 Reams	55,059 Reams
Bolts, Nuts, Rivets and Dogs-spikes.	13	30,132 tons	6,898 tons	12	30,148 tons	16,085 tons
Building and Hardware Fittings (Hinges Tower Bolts, Hasps, Staples, etc.)	15	4,028 tons	1,518 tons	18	4,888 tons	1,725 tons
Ball Bearings	1	600,000 Nos.	234,389 Nos.	1	600,000 Nos.	416,769 Nos.
Expanded Metals	4	2,840 tons	1,899 tons	4	2,940 tons	2,017 tons
Steel Belt Lacing	3	228,000 boxes	151,745 boxes	3	228,000 boxes	96,837 boxes
Steel Furniture	18	19,948 tons	6,008 tons	18	30,988 tons	7,215 tons
Stoves (Kerosene Oil Pressure)	5	57,000 Nos.	13,591 Nos.	9	111,000 Nos.	25,575 Nos.*
Steel Castings	10	27,000 tons	10,000 tons	10	27,000 tons	5,253 tons.*
Shafting	4	3,372 tons	353 tons	4	3,540 tons	228 tons*
Steel Tubes	3	12,000 tons	458 tons	10	20,700 tons	226 tons
Steel Structures	73	119,432 tons	30,486 tons	71	118,952 tons	29,120 tons
Woodscrews	9	1,561,000 gross	796,346 gross	17	3,316,100 gross	1,303,441 gross

Industry	1951 No. of Units	1951 Capacity	1951 Production	1952 No. of Units	1952 Capacity	1952 Production
(a) Wire Gauze . . .	2	184 tons	107 tons	6	1,314 tons	470·05 tons*
(b) Wire Netting . .	..	..	..	3	684 tons	148·50 tons*
(c) Chain Link Fencing .	..	..	..	2	600 tons	117·50 tons*
Zip Fasteners . . .	1	900,000 ft.	120,605 ft.	1	900,000 ft.	28,023 ft.
Cement	23	3,567,000 tons	3,195,422 tons	23	3,845,000 tons	3,537,056 tons
METALS—						
Non-ferrous alloys, such as white metals, anti-friction, bearing metals, solder, gun-metals, bronze, type metals etc.	13	68,000 tons	11,683 tons	13	68,000 tons	7,650 tons
Semi-manufactures—						
(a) Brass and Copper sheets, strips and circles.	14	48,000 tons	16,400 tons	14	48,000 tons	9,185 tons*
(b) Aluminium Sheets, Circles and Strips.	8	7,000 tons	6,985 tons	8	8,000 tons	4,062 tons
(c) Lead Sheets . . .	2	2,800 tons	113 tons	2	2,800 tons	43·5 tons
(d) Zinc Sheets . . .	1	300 tons	36 tons	1	300 tons	18·65 tons
(e) Electrolytic Black Copper Rods.	1	24,000 tons	4,523 tons	1	24,000 tons	6,544 tons
(f) Brass and Copper Wires for non-electrical purposes.	4	2,150 tons	1,444 tons	4	2,150 tons	3,771 tons

Industry	1951 No. of Units	1951 Capacity	1951 Production	1952 No. of Units	1952 Capacity	1952 Production
(g) Brass and Copper Rods (including arsenical copper rods, bars and sections etc.)	4	3,500 tons	763 tons	4	3,500 tons	732 tons
(h) Aluminium Wires for ACRS.	2	2,500 tons	1,578 tons	2	2,500 tons	2,022 tons*
(i) Aluminium foils . .	1	1,100 tons	838 tons	1	1,100 tons	582·13 tons
(j) Brass Copper Pipes, and Tubes.	1	360 tons	20 tons	1	360 tons	39 tons
(k) Lead Pipes	3	4,800 tons	226 tons	3	4,800 tons	332 tons
(b) Virgin metals—						
(a) Aluminium . . .	2	4,000 tons	3,848·7 tons	2	4,000 tons	3,565 tons
(b) Copper . . .	1	7,000 tons	7,083 tons	1	7,200 tons	6,079 tons
(c) Lead	1	6,000 tons	859 tons	1	6,000 tons	1,132 tons
(d) Antimony . . .	1	700 tons	328 tons	1	700 tons	181 tons
ELECTRICAL—						
A. C. S. R. Conductor . .	2	2,500 tons	1,720 tons	2	4,500 tons	2,381 tons
Cables & Wires—						
(a) Bare Copper conductors .	2	20,000 tons	2,996 tons	2	20,000 tons	5,929 tons
(b) Winding Wires . .	2	450 tons	296 tons	2	450 tons	398 tons
(c) Rubber Insulated Cables and Wire.	2	45,000,000 yds.	41,086,585 yds.	2	45,000,000 yds.	32,867,125 yds.
Dry Cells	3	184,500,000 cells	143,358,805 cells	4	196,500,000 cells	130,181,499 cells
Conduit Pipes . . .	7	7,560,000 ft.	3,968,881 ft.	7	7,560,000 ft.	3,694,463 ft.

Industry	1951 No. of Units	1951 Capacity	1951 Production	1952 No. of Units	1952 Capacity	1952 Production
ELECTRICAL—contd.						
Electric Motors	*11*	*152,500 H. P.*	*142,799 H. P.*	*12*	*200,000 H. P.*	*157,477 H. P.*
Electric Lamps	*10*	*23,000,000 Nos.*	*15,522,550 Nos.*	*11*	*26,000,000 Nos.*	*20,881,831 Nos.*
Electric Fans	*19*	*276,500 Nos.*	*212,495 Nos.*	*18*	*293,600 Nos.*	*195,400 Nos.*
Electrical Steel Sheets	*1*	*4,500 Tons.*	*4,296 Tons.*	*1*	*4,500 Tons*	*5,183 Tons*
Electrical House Service Watt-hour meters.	*1*	*50,000 Nos.*	*1,736 Nos.*	*4*	*185,000 Nos.*	*39,793 Nos.*
Radio-Receivers	*12*	*87,200 Nos.*	*82,786 Nos.*	*15*	*153,100 Nos.*	*71,495 Nos.*
Welding Electrodes	*1*	*36 Million ft.*	*29·3 Million ft.*	*2*	*61 Million ft.*	*40,836,018 Ft.*
Storage Battery	*11*	*318,000 Nos.*	*212,621 Nos.*	*14*	*350,100 Nos.*	[illegible] Nos.
Power and distribution Transformers.	*6*	*300,000 KVA*	*195,106 KVA*	*7*	[illegible] KVA	[illegible] KVA
TRANSPORT—						
Automobiles	12	71,700 Nos.	22,269 Nos.	12	[illegible] Nos.	[illegible] Nos.
Bicycles	2	120,000 Nos.	114,275 Nos.	6	[illegible] Nos.	[illegible] Nos.

Industry	1951 No. of Units	1951 Capacity	1951 Production	1952 No. of Units	1952 Capacity	1952 Production
MISCELLANEOUS—						
Asbestos Cement Sheets	5	117,000 Tons.	83,206 Tons.	5	117,000 Tons.	87,70 6 Tons.
Belting	6	1,220 Tons.	676 Tons.	6	1,220 Tons.	710 Tons.
Crown Corks	6	3,696,000 Gross.	2,601,834 Gross.	7	3,552,000 Gross.	2,289,361 Gross.
Clocks	4	45,636 Nos.	13,580 Nos.	4	51,636 Nos.	12,575 Nos.
Duplicators	3	4,200 Nos.	1,560 Nos.	3	4,800 Nos.	1,015 Nos.
Fire Extinguishers	3	63,000 Nos.	22,000 Nos.	3	63,000 Nos.	20,296 Nos.
Grinding Wheels	1	400 Tons.	316 Tons.	1	500 Tons.	386 Tons.
Gramophone Needles	1	230 Million Nos.	63·75 Million Nos.	1	460 Million Nos.	239·5 Million Nos.
Gramophones	1	21,000 Nos.	10,713 Nos.	1	21,000 Nos.	10,156 Nos.
Hurricane Lanterns	11	4,260,000 Nos.	3,976,671 Nos.	12	4,410,000 Nos.	3,522,973 Nos.
Incandescent Lamps	8	85,800 Nos.	62,936 Nos.	7	82,200 Nos.	35,004 Nos.
Razor Blades	4	153 Million Nos.	29·2 Million Nos.	5	200 Million Nos.	12·9 Million Nos.
Refractories	25	293,599 Tons.	238,209 Tons	25	290,599 Tons.	243,602 Tons.
Umbrella Ribs	3	103,000 Doz. Sets.	46,849 Doz. sets.	4	165,000 Doz. sets	120,329 Doz. Sets.
Mathematical Instruments (Geometry Boxes only).	6	30,000 Gross Sets.	9,041 Gross Sets.	5	37,800 Gross Sets.	7,449 Gross Sets.

* Items marked asterisk show the estimated production figures in 1952 only, as actual figures for December, 1952 were not in hand at the time of writing this report.

APPENDIX I (*b*)

INDUSTRIAL CAPACITY AND PRODUCTION OF CHEMICAL INDUSTRIES 1951 AND 1952

Item	1951 No. of Units	1951 Installed Capacity	1951 Production	1952 No. of Units	1952 Installed Capacity	1952 Production
1. CHEMICALS—						
Sulphuric acid	48	201,320 Tons.	106,935 Tons.	45	191,970 Tons.	96,000 Tons.
Ammonium sulphate	7	427,030 Tons.	52,705 Tons.	7	432,110 Tons.	220,000 Tons.
Caustic soda	9	27,548 Tons.	14,722 Tons.	10	34,945 Tons.	17,000 Tons.
Soda ash	2	54,000 Tons.	47,528 Tons.	2	54,000 Tons.	44,000 Tons.
Superphosphate	14	174,060 Tons.	61,018 Tons.	15	197,780 Tons.	45,000 Tons.
Liquid Chlorine	6	13,080 Tons.	5,268 Tons.	6	13,517 Tons.	6,000 Tons.
Bleaching powder	3	7,800 Tons.	3,583 Tons.	3	7,800 Tons.	800 Tons.
Bichromates	9	5,550 Tons.	3,271 Tons.	9	5,916 Tons.	[illegible] Tons.
Copper sulphate	11	1,727 Tons.	505 Tons.	11	1,949 Tons.	400 Tons.
Crude coal tar	10	92,500 Tons.	90,800 Tons.	10	92,500 Tons.	103,000 Tons.
Benzol/motor spirit	3	1,713,600 Galls.	1,360,900 Galls.	3	1,713,600 Galls.	1,317,400 Galls.
Benzene	2	88,500 Galls.	31,500 Galls.	2	88,500 Galls.	37,200 Galls.
Toluene	3	309,500 Galls.	172,000 Galls.	3	309,500 Galls.	[illegible] Galls.
Solvent naptha	3	...	84,000 Galls.	3	...	107,600 Galls.
Coal tar distillation	5	70,000 Tons.	55,300 Tons. (distilled)	5	70,000 Tons.	61,200 Tons. (distilled).
Light creosote	4	...	151,900 Galls.	4	...	150,000 Galls.
Pitch	4	...	3,025 Tons.	4	...	2,500 Tons.
Road tars	4	...	37,500 Tons.	4	...	42,000 Tons.
Napthalene	5	950 Tons.	840 Tons.	5	950 Tons.	700 Tons.
Glycerine (80 per cent) crude	7	6,300 Tons.	4,900 Tons.	7	7,200 Tons.	5,200 Tons.
Glycerine refined	6	6,500 Tons.	2,400 Tons.	6	3,500 Tons.	2,300 Tons.
Calcium lactate	3	183,700 Lbs.	89,900 Lbs.	3	237,400 Lbs.	67,400 Lbs.
Bromides	1	120 Tons.	78 Tons.	1	120 Tons.	38 Tons.
Phthalic anhydride	1	60 Tons.	12 Tons.	1	60 Tons.	13 Tons.
Carbon di-sulphide	5	2,100 Tons.	1,080 Tons.	5	2,100 Tons.	1,229 Tons.
Stearic Acid	3	1,400 Tons.	390 Tons.	3	1,400 Tons.	270 Tons.
Sodium sulphite	1	360 Tons.	200 Tons.	2	370 Tons.	210 Tons.
Sodium bisulphite	2	600 Tons.	260 Tons.	2	600 Tons.	290 Tons.
Sodium thiosulphate	4	1,730 Tons.	610 Tons.	4	1,890 Tons.	630 Tons.
Hydro-quinone	2	21 Tons.	9 Tons.	2	21 Tons.	4 Tons.
Benzene hexa-chloride	...	...	...	1	500 Tons.	70 Tons.
2. DRUGS—						
Caffeine	2	20,000 Lbs.	...	2	20,000 Lbs.	5,998 Lbs.
Strychnine	1	15,600 Lbs.	11,416 Lbs.	1	15,600 Lbs.	12,494 Lbs.

Item	1951 No. of Units	1951 Installed Capacity	1951 Production	1952 No. of Units	1952 Installed capacity	1952 Production
2. DRUGS—contd.						
Shark liver oil	4	36,333 Galls. of 6,000 I. U.	9,123 Galls.	3	26,333 Galls.	19,244 Galls.
Galenicals	44	1,188,580 Galls.	711,988 Galls.	44	1,188,580 Galls.	651,964 Galls.
Lever extract (i) oral	17	1,460,600 Lbs.	319,000 Lbs.	17	1,460,000 Lbs.	311,931 Lbs.
(ii) Injectible	17	23,800,000 c.c.	10,682,543 c.c.	17	23,800,000 c.c.	10,816,514 c.c.
Sulphapyridine	...	...	...	1	135,000 lbs.	14,207 lbs.
Sulphadiazine	...	...	...	2	205,920 lbs.	47,645 lbs.
Sulphathiazole	...	...	...	2	340,920 lbs.	18,614 lbs.
Nikethamide	...	...	...	3	2,400 lbs.	607 lbs.
3. DYESTUFFS						
Sulphur black	...	...	...	1	[illegible]80,000 lbs.	1[illegible],521 lbs.
Azo dyes	...	...	...	1	2,059,200 lbs.	50,04[illegible] lbs.
Stabilised Azoics	5	428,880 lbs.	32,166 lbs.	5	428,880 lbs.	46,1[illegible]3 lbs.
Solubilised vats	1	28,800 lbs.	5,894 lbs.	1	28,800 lbs.	6,436 lbs.
4. PAPER	18	135,295 tons.	131,915 tons	19	145,21[illegible] tons	13[illegible],240 tons.
5. ESSENTIAL OILS						
Sandalwood Oil	9	334,400 lbs.	186,835 lbs.	9	334,400 lbs.	59,262 lbs.
Orange Oil	2	13,980 lbs.	149 lbs.	2	13,980 lbs.	291 lbs.
Geranium Oil	2	4,200 lbs.	2,006 lbs.	2	4,200 lbs.	1,083 lbs.
Clobe Oil	2	13,200 lbs.	40 lbs.	2	13,200 lbs.	...
Thymol Crystal	1	16,800 lbs.	3,647 lbs.	1	16,800 lbs.	2,118 lbs.
Thyme Oil	1	19,200 lbs.	4,530 lbs.	...	19,200 lbs.	2,640 lbs.
6. PAINTS						
Nitrocellulose lacquers	5	349,500 galls.	92,098 galls.	7	403,500 galls.	110,000 galls.
Paints, enamels and varnishes	50	65,000 tons	33,484 tons	50	65,000 tons	...
GLASS	101	188,850 tons	98,743 tons	109	208,510 tons	90,458 tons
CERAMICS	42	66,600 tons	42,859 tons	55	89,202 tons	46,526 tons
ENAMEL WARE	21	21,000,000 pcs.	8,100,000 pcs.	21	21,000,000 pcs.	7,600,000 pcs.
SCIENTIFIC INSTRUMENTS	25	1,03,00,000 Rs.	55,85,000 Rs.	25	1,03,00,000 Rs.	57,54,000 Rs.
LEATHER						
Vegetable tanned buffalo and Cow hides	26	3,184,200 pcs. (expressed in terms of cow hides—2 cow hides are taken as equivalent to one buffalo hide.)	1,703,672 pcs.	25	3,112,200 pcs. (expressed in terms of cow hides-2 cow hides are taken as equivalent to ode buffalo hide.)	1,489,717 pcs.
Chrome tanned hides	16	1,976,400 hides	879,183 hides	16	1,976,400 hides	654,606 hides
Western type leather footwear	9	4,724,496 prs.	3,640,353 prs.	9	4,724,496 prs.	3,373,785 prs.
Indigenous type of leather footwear.	9	As the item is mainly hand-made, capacity fluctuates with demand.	2,073,775 prs.	9	As the item is mainly hand-made, capacity fluctuates with demand.	1,808,609 prs.

Item	1951 No. of Units	1951 Installed Capacity	1951 Production	1952 No. of Units	1952 Installed capacity	1952 Production
RUBBER						
Automobile tyres	2	864,000 Nos.	870,198 Nos.	2	945,600 Nos.	724,450 Nos.
Automobile Tubes	2	864,000 Nos.	820,985 Nos.	2	945,600 Nos.	658,750 Nos.
Bicycle Tyres	5	5,984,000 Nos.	3,941,238 Nos.	5	5,533,970 Nos.	4,137,800 Nos.
Bicycle Tubes	5	7,130,000 Nos.	4,897,210 Nos.	5	7,845,000 Nos.	4,180,450 Nos.
Rubber Footwear	15	29,144,000 Prs.	23,052,927 Prs.	20	35,523,900 Prs.	22,250,700 Prs.
Rubber Springs	3	930,000 Nos.	748,311 Nos.	4	1,761,000 Nos.	1,179,500 Nos.
Rubber Hoses (except Vacuum and Radiator).	10	3,563,400 Ft.	3,474,374 Ft.	11	6,949,250 Ft.	3,550,750 Ft.
Fan Belts	3	276,150 Nos.	298,486 Nos.	4	516,800 Nos.	1,567,700 Nos.
Dipped Rubber Goods	15	20,234,500 Doz.	10,986,805 Doz.	16	35,082,000 Doz.	14,539,600 Doz.
Radiator Hoses	8	579,800 Nos.	220,906 Nos.	8	409,750 Nos.	148,000 Nos.
Vacuum Brake Hoses	3	591,700 Nos.	472,425 Nos.	3	1,110,000 Nos.	441,600 Nos.
Foam Sponge Rubber	2	753,000 lbs.	472,002 lbs.	2	753,000 lbs.	629,000 lbs.
POWER ALCOHOL	19	12,800,000 galls.	5,700,000 Galls.	19	12,800,000 Galls.	7,750,000 Galls.
FOOD INDUSTRIES						
Biscuits	129	39,920 tons	1,586,028 tons	129	39,920 tons	12,321 tons
Confectionery	61	52,797 tons	12,363 tons	61	52,797 tons	10,004 tons

Item	1951 No. of Units	1951 Installed Capacity	1951 Production	1952 No. of Units	1952 Installed capacity	1952 Production
Oil Milling (large Units)	300	578,688 tons	121,940 tons	300	578,688 tons	164,763 tons
Flour Milling	52	1,464,000 tons	484,460 tons	52	1,464,000 tons	517,710 tons
Cashew Kernel	60	53,000 tons	15,077 tons	60	53,000 tons	26,523 tons
Ply wood	58	150,710,000 Sq. Ft.	70,854,686 Sq. Ft.	73	171,140,000 Sq. Ft.	87,094,916 Sq. Ft.
CIGARETTES	20	18,000 Million	21,400 Million	20	18,000 Million	20,300 Million
PLASTICS						
(a) Injection moulding (b) Compression moulding	40	403 oz. 7,074 tons	1,480,000 gross	40	482 oz. 8,708 tons	1,560,000 gross
P. V. C. plastic coated cables, wires and flexibles.	2	35 inch	3,475,000 Yds.	2	37 inch	3,600,000 Yds.
Leather Cloth	6	5,280,000 yds.	2,040,000 Yds.	6	3,280,000 Yds.	930,000 Yds.
Bakalite Moulding Powder	1	450 tons	204·8 tons	3	800 tons	296 tons
RAYON : Viscose Yarn	...	10,000,000 lbs.	5,410,000 lbs.	...	10,000,000 lbs.	7,840,000 lbs.
SOAP (Organised Units only)	66	192,000 Tons	83,500 tons	66	193,500 tons	85,000 tons
COSMETICS :						
Tooth Powder	3	577,000 lbs.	203,000 lbs.	3	767,000 lbs.	327,000 lbs.
Tooth Paste	7	2,700,000 lbs.	1,227,000 lbs.	7	3,500,000 lbs.	1,348,000 lbs.
Toilet Powder (other than face powder).	6	2,726,000 lbs.	811,000 lbs.	6	3,316,000 lbs.	985,000 lbs.
Face Powder	6	1,418,000 lbs.	1,270,000 lbs.	6	1,596,000 lbs.	1,113,000 lbs.
Face Cream	9	1,538,000 lbs.	597,000 lbs.	9	1,773,000 lbs.	627,000 lbs.

APPENDIX II (A)

Exports of Principal Indian Commodities by Sea and Air during 1951 and 1952

Qty. in '000 tons of
Value in crores of Rs.

Commodities	1951 Qty.	1951 Value	1952 Qty.	1952 Value
I. Food, drink & Tobacco—				
Tea	201·0	95·59	182·2	80·37
Cashew kernels	23·5	9·76	26·0	12·08
Other fruits and vegetables	..	3·74	..	4·40
Pepper	16·7	25·14	13·2	17·99
Other spices	..	4·82	..	5·00
Tobacco	51·8	16·43	38·2	14·81
II. Raw Materials —				
Cotton raw	27·6	15·98	46·0	15·12
Lac	38·4	16·55	32·8	8·38
Mica	24·5	13·79	15·3	9·59
Linseed	18·8	1·95	5·8	0·34
Castor seed	11·1	1·19	4·9	0·44
Groundnut seed	38·3	3·88	17·5	2·01
Coal	1,878·8	5·88	2,601·8	9·00
Manganese ore	904·3	11·35	1,401·5	21·47
Hides and skins raw	19·1	9·94	15·4	5·85
Cotton waste	37·5	9·71	58·5	9·30
Woolen raw	8·4	6·87	17·9	8·62
III. Processed articles—				
Groundnut Oil	72·3	15·06	61·5	9·75
Linseed oil	18·2	4·11	33·1	6·03
Caster oil	26·4	6·88	31·9	7·02
Hides and skins tanned	28·6	33·42	20·6	15·46
IV. Manufactures —				
Cotton piecegoods (million of yds).	785·9	82·73	592·3	63·51
Cotton Mfgs. other sorts.	..	11·32	..	9·04
Jute yarn and Mfgs.	771·8	239·24	735·5	162·58
Woollen carpets & rugs (million of lbs.)	13·2	6·64	6·6	2·71
Coir yarn & Mfgs.	67·4	11·59	60·6	7·36
Other items	..	77·56	..	80·20
Total	..	741·12	..	588·43

APPENDIX II (B)

Exports of Principal Commodities by Land during 1951 and 1952

Value in lakhs of Rs.

Commodities	Units	1951 Qty.	1951 Value	1952 Qty.	1952 Value
I. Food, drink & tobacco—					
Tea	Million of lbs.	3·1	45	3·5	64
Spices	'000' Cwts.	218·5	2,17	196·0	1,34
Tobacco	Million of lbs.	16·5	4,30	9·0	3,49
Fruits & vegetables	Value	..	2,45	..	2,63
II. Raw Material —					
Coal	'000' tons.	319·1	1,37	463·5	1,91
Wood & timber	Value	..	48	..	1,32
III. Processed articles—					
Mustard oil	'000' Cwts.	83·7	1,55	211·5	2,88
Linseed oil	"	..	..	9·8	11
Caster oil	"	..	..	8·2	8
Other oils	"	28·2	38	28·6	61
IV. Manufactures —					
Building materials	Value	..	13	..	56
Chemicals, drugs and medicines.	"	..	78	..	1,42
Dyeing and tanning substances	"	..	14	..	38
Hardware, cutlery and instruments.	"	..	28	..	23
Cotton piecegoods	Million of Yds.	4·2	46	5·8	77
Jute Mfgs.	'000' tons.	0·6	14	2·8	57
Other items	Value	..	5,35	..	6,95
Total		..	20,75	..	26,50

APPENDIX II (C)

IMPORTS OF PRINCIPAL COMMODITIES BY LAND, SEA AND AIR DURING 1951 AND 1952

(Value in crores of Rupees)

S. No. (1)	Principal Articles (2)	Units (3)	1951 Qty. (4)	1951 Value (5)	1952 Qty. (6)	1952 Value (7)
1	Wheat	...	...	108·43	...	121·28
2	Rice not in the husk	...	...	39·54	...	48·75
3	Jowar & Bajra	...	...	25·79	...	6·34
4	Cotton raw	('000 tons)	165	113·15	203	114·98
5	Jute raw	('000 tons)	401	82·94	257	26·83
6	Machinery and mill work.	...	...	92·73	...	91·96
7	Instruments and Apparatus.	...	...	16·03	...	21·74
8	Kerosene Oil	('000 galls).	236,545	17·76	269,137	21·44
9	Mineral Oils other than Kerosene Oil.	do.	629,035	49·24	668,280	56·58
10	Metals (excl. Ores)	do.	267	39·97	268	44·90
11	Chemicals (excl. manures & medicines)	...	...	16·54	...	16·43
12	Drugs and Medicines	...	...	14·05	...	13·13
13	Motor cars and motor omnibuses.	(Nos.)	13,420	5·66	10,764	6·94
14	Artificial silk yarn	('000 lbs.)	48,481	23·76	18,129	7·08
15	Wool raw and tops	('000 lbs.)	8,960	7·99	9,792	4·84
16	Newsprint paper	('000 cwts.)	1,290	5·93	916	4·65
17	Paper (Excl. Newsprint)	('000 cwts.)	888	7·45	820	6·19
18	Dyeing and tanning Substances	...	...	19·41	...	10·71
19	Hardware (excl. cutlery electroplated wire).	...	...	5·71	...	4·77
20	Fruits and vegetables, dried or salted or preserved (not canned).	('000 tons)	135	13·09	117	13·58
21	Milk condensed & preserved (incl. milk cream).	('000 cwts.)	346	3·26	301	3·50
22	Provisions & Oilman's Stores (excl. milk condensed & preserved)	...	...	5·58	...	4·22

Quantity figures are exclusive of land imports.

(1)	(2)	(3)	(4)	(5)	(6)	(7)
23	Seeds	('000 tons)	25	2·03	286	2·84
24	Wood and timber	...	...	6·17	...	3·21
25	Staple fibre and yarn	('000 lbs.)	32,823	8·42	21,235	4·51
26	Cycle & Cycle Parts	...	...	4·35	...	3·87
27	Cotton manufactures (incl. twist & yarn).	...	...	5·96	...	5·38
28	Manures	('000 tons)	156	3·85	851	3·05
29	Vegetable Non-Essential Oils.	('000 galls.)	5,890	5·19	8,001	4·26
30	Spices	('000 cwts.)	1,215	8·34	908	5·10
31	Wool & Woollen manufacture (Excl. wool raw and tops).	...	...	2·91	...	5·35
32	Others	...	...	96·92	...	105·13
	Total			858·15		793·54
	Less total transit Trade			0·70		0·30
	Net Imports by Land, Sea & Air			857·45		793·24

NOTE : 1. Quantity figures for Jute Raw from January-March 1950 has been estimated.
2. Figures for December, '52 included in the above statement are Provisional.

GIPD—L—460MofC&I—16-3-53—1,700

GOVERNMENT OF INDIA

Ministry of Commerce and Industry

SUMMARY 1952-3

The Ministry of Commerce and Industry is responsible for framing and carrying out policies which affect a very large sector of the economic life of the country. The entire field of foreign trade including the regulation of imports and the promotion of exports, the determination of tariffs, as well as many aspects of internal trade and commerce come within its sphere. The regulation of and assistance to industries in order to increase output and accelerate development and control, in the interests of the consumer, over the production, distribution and prices of essential commodities like cotton textiles, steel etc. are among the important functions of the Ministry. An account of the work of the Ministry has, therefore, to take the form of a review of developments in all these spheres and the way in which they have been influenced by Government policy.

2. The year 1952 was, for the world as a whole, a year of transition. The general boom following the outbreak of hostilities in Korea which had led to scarcities and high prices came to an end and was followed by a general decline in prices. The adaptation of policies to these changing conditions, both externally and internally, was the main pre-occupation of the Ministry.

Foreign Trade

3. In the field of foreign trade, the transition from a seller's market to a buyer's market necessitated a reorientation of import and export policies, emphasis being shifted from liberalisation to restriction in the case of imports and from regulation to positive promotion in the case of exports by relaxation of controls, increase of quotas as well as reduction or removal of export duties wherever necessary. As a result of these measures, the adverse balance of trade which had been of the order of 35 crores in the first four months of the year steadily came down month by month, and India had a favourable balance of trade in the last quarter of 1952. Taking the year as a whole, the total value of exports was Rs. 617 crores as against Rs. 767 crores in

1951. The general decline in overseas demand during the year led to a fall in our export earnings from commodities like jute manufactures, hides and skins, tobacco, pepper, lac and mica. The decline in exports was, however, counter-balanced by a decline in imports, particularly in the second half of the year. Thus, of the food imports of over Rs. 200 crores, as much as Rs. 143 crores were in the first half of the year. In cotton, imports declined from Rs. 85 crores in the first half to only Rs. 27 crores in the second half. In raw jute, the figures were roughly Rs. 20 crores in the first half and less than Rs. 10 crores in the second half of the year. Imports of other commodities amounted to Rs. 213 crores in the first half, but less than Rs. 210 crores in the second half.

Industrial Development

4. The development of industry is one of the most important functions of the Ministry. As the bulk of industry is privately-owned and privately controlled, the Ministry cannot directly determine the level of production or ensure the setting up of new factories or the expansion of existing factories. The extensive powers of control which are available to the Ministry are necessary and useful for securing an equitable distribution of raw materials to industry and finished products to consumers at reasonable prices. But in the positive task of increasing industrial production and of promoting industrial development, the Ministry has to rely mainly on the wider effects of the policies which it pursues. There was, in 1952, a definitely greater degree of responsiveness to Government policies on the part of private enterprise, and though the year was a particularly difficult one, there was a satisfactory increase in the general level of production and new schemes of development took shape.

5. *The Industries (Development and Regulation) Act.*—The Industries (Development and Regulation) Act which came into force on the 8th May 1952 is one of the most important links between the Ministry and private enterprise. The Central Advisory Council of Industries established under this Act met twice and besides approving the Registration and Licensing Rules, made valuable contribution in the shaping of industrial policy. Up to the 7th November, 1952, which was the last date prescribed for registration of existing industrial undertakings, 3,562 applications were received and of these, 2,209 which were eligible, were registered under the Act. Applications for licences to establish new industrial undertakings or to expand existing ones were in all cases disposed of within three months in accordance with the undertaking given by Government in Parliament. New undertakings or major expansions approved, include nine in cotton and woollen textiles, five in electrical equipment, five in

engineering industries, five in cement, three in heavy chemicals, 14 in vegetable oils and five in sugar.

6. *Tariff Commission.*—The Tariff Commission which was established in January 1952 has been reviewing the progress of protected industries and examining claims for protection. Industries which were granted protection for the first time during the year were Hydro Quinine, Iron and Steel Machine Screws, electric brass lamp holders, zip fastners and ball bearings. In 32 cases, the period of protection already granted has been extended. The Tariff Commission has, besides, submitted reports on the prices of iron and steel and raw rubber and the fair ratio between the ordinary shares of the Steel Corporation of Bengal and the Indian Iron and Steel Company which were merged by legislation.

7. *Foreign Technical Assistance.*—Foreign technical assistance from advanced industrial countries for assistance in the development of Indian industries has been secured under various Foreign Technical Aid Programmes. Encouragement has been given to the investment of foreign capital in all cases where such investment has been considered in the national interest. The value of foreign investment approved during the year amounted to over five crores of rupees.

8. *Employment of Indians.*—One of the purposes of industrial development being to provide increasing employment for Indians in higher technical and managerial posts in industry and commerce, a survey was undertaken to ascertain the facts regarding the employment of Indians in foreign controlled companies since 1947. An analysis of the reports submitted by over a thousand predominently foreign controlled concerns shows the following changes in the percentage of Indians employed in different salary groups between 1947 and 1952. In the two lower salary groups, namely, Rs. 300—499 and Rs. 500—999, the percentage of Indians employed in these firms went up from 96·1 and 57·9 in 1947 to 99 and 85 per cent. respectively in 1952. In the salary group of Rs. 1,000 and over, the percentage of Indians in 1947 was only 7·5 and even in 1952 it was below 25 per cent.

9. *Industrial Production.*—Partly in sympathy with world trends and partly due to internal factors, something like a recession set in during the second quarter of 1952. While the decline in prices was healthy and welcome from certain points of view, the Ministry had to take special measures to see that the downward trend in prices should not act as a deterrent to production. Controls were therefore relaxed to suit changing conditions and restrictions on imports which became necessary to safeguard the country's foreign exchange position, were so planned as to give the maximum scope to the indigenous producer to expand his production. Efforts to achieve equitable distribution of raw materials were also continued. General index of

industrial production at 128·7 in 1952 was higher than in any other year since the war and was substantially greater than for 1951 (117·2) and for 1950 (105·0). There was a decline of production in a few industries owing to shortage of certain raw materials or fall in demand but the more important industries were able to increase their output over that achieved in 1951.

INDUSTRIES

10. *Cotton Textiles.*—The outstanding features of the cotton textile industry were a marked rise in the production of cloth and yarn, a substantial relaxation of internal control measures, a progressive relaxation of restrictions over exports and an all round decline in prices. Production in 1952 touched the record figure of over 4,600 million yards of cloth and 1,400 millon lbs. of yarn. In the first three months of the year, monthly production ranged between 340 and 345 million yards, but rose gradually to 423 million yards in July and after a slight decline, again rose to 426 million yards, the highest for any month since 1946. Deducting exports, with an estimated production of 1000 million yards of handloom cloth, there was available for internal consumption 14 yards per capita as against only 11·8 yards in 1951. This increase in production became possible mainly due to larger supplies of cotton, both Indian and foreign. This satisfactory position enabled cotton control measures to be relaxed and forward trading in cotton to be permitted from December 1952. With prices of cloth showing a welcome decline, price control measures were also gradually relaxed. At present, control of prices extends to less than a third of total production. The scope of the control of distribution is even less. Export of cloth has been virtually free from restriction since the middle of 1952.

11. *Khadi and Handloom Industry.*—Supplies of yarn for the handloom industry were generally adequate during the year but with increased availability of mill cloth, the handloom industry was faced with an increasing sales resistance. The position of the khadi industry became even worse. A committee was constituted to study in detail the inter-relation and the appropriate place in the national economy of all types of cotton textile production, namely, mills, power looms, handlooms and khadi. Pending the recommendations of this committee, the production of dhoties by mills was restricted to 60 per cent. of actual production in 1951-52. Legislation was introduced to levy a cess of three pies per yard of mill-made cloth in order to provide funds for the development of both the handloom and khadi industries. A Handloom Board and a Khadi Board have been set up to assist these industries to improve their technique of production and to facilitate the marketing of their products both at home and abroad.

11. *Jute.*—The jute industry passed through another critical year. With the reduction in stock piling abroad and keener competition from jute mills in the continent of Europe, the industry has had to put up a continuing fight for retaining its markets abroad. The working hours of the industry have been reduced from 48 to 42½ a week from 30th March 1952. Nevertheless, the total production in 1952 (952,000 tons) was the highest since 1949 and 80,000 tons more than in 1951. To help the industry to hold its position in the foreign market in the altered conditions of demand, the Government of India reduced the export duty on hessian from Rs. 750 to 275 per ton and that on sacking from Rs. 350 to 175 per ton. Recently, this has been further reduced to Rs. 80 per ton. The Indian Jute Mills Association on its part took steps to intensify its publicity programme overseas and sent a good-will mission to visit the U.S.A., Canada and the U.K. As a result of all these measures, the demand for hessian has revived and much of the market which had been lost to cotton and paper bags was regained during the course of the year. The demand for sacking, however, declined and towards the end of the year the volume of export and prices both came down to low levels. The fall in the price of jute goods affected the price of raw jute which has been steadily declining. The maintenance and expansion of our export trade in jute goods present a serious and important problems for the future.

13. *Iron and Steel.*—There was a slight improvement in the production of steel in 1952. Imports at 195,000 tons were slightly higher than in the previous year. Total availability was still far short of the demand. In spite of this, the changed economic conditions caused a fall in demand for some varieties of steel and in some parts of the country. Certain relaxation in the control over distribution was therefore made possible.

The outstanding event of the year in the steel industry was the merger of the Indian Iron and Steel Co. and the Steel Corporation of Bengal which was carried out by legislation. The object of the merger was to facilitate the expansion programme of the company designed to raise production to 620,000 tons of finished steel and 500,000 tons of pig iron by the end of 1956. The expansion still involves a capital expenditure of about Rs. 35 crores. To finance this expenditure, a loan of about Rs. 15 crores has been negotiated with the Intenational Bank for Reconstruction and Development and guaranteed by the Government. The rest of the capital expenditure will be financed to a small extent by the Company's own resources but mainly by loan to be granted by the Government of India. Arrangements have also been completed for the modernisation and expansion of the Tata Iron and Steel Co. Of the capital expenditure involved, which would be over Rs. 30 crores, the Company itself would provide about Rs. 20 crores while the balance will be provided by Government loans on special terms as in the case of the other main steel-producing company. A scheme for the expansion of the Mysore Iron and Steel Co. is also under consideration.

14. *Other Industries.*—The cement industry continued to make satisfactory progress during the year 1952. The total production was 3·5 million tons as against 3·2 million tons in 1951. In spite of continued shortage of certain raw materials there was a rise in production in 33 of the 60 organised engineering industries of the country. Thirty new undertakings came into production during the year. Shortage of sulphur continued to be the main problem for many chemical industries in the first part of 1952. A number of new chemical and phamaceutical products were produced for the first time in 1952. A Committee has been appointed to conduct a comprehensive enquiry into the problems of the pharmaceutical industry.

15. *Plantation Industries: Tea.*—The year 1952 witnessed a serious crisis in the tea industry, which employs over a million people and ranks second only to jute manufactures as a foreign exchange earner. With the cessation of bulk buying by the United Kingdom in 1951, the consumer's preference for quality tea under conditions of free trade started asserting itself in 1952. There was fall in the prices which was particularly so in the case of poor quality tea. Many estates sustained losses and by the end of 1952, over 100 estates had closed down. In May 1952 the Government of India deputed a team of officials to study the problems facing the industry and suggest remedial measures. Arrangements were made for the deferred payment of excise duty and relaxations were made in the advance payment of income tax. Government also gave certain guarantees to scheduled banks and Apex-Cooperative Banks to encourage them to finance tea gardens. With the turn of the year, tea prices have shown a distinct tendency to rise. To prevent further closures and to encourage reopening of certain gardens which had closed, State Governments of West Bengal and Assam have granted certain exemptions under Minimum Wages Act and arranged for temporary changes in foodgrains concessions.

India withdrew from the International Tea Market Expansion Board in London. Since then separate arrangements have been made for tea propaganda in the United States and similar or other suitable arrangements in other markets are under consideration.

16. *Rubber.*—The production of raw rubber in 1952 was 19,863 tons as against 17,148 tons in the previous year. On the recommendation of the Tariff Commission the prices of indigenous raw rubber were

revised and fixed in October 1952 at Rs. 138 per 100 lbs. of grade I rubber with suitable differentials for other grades. Owing to a slight fall in the consumption of rubber during 1952, the year ended with greater stock than usual.

17. *Coffee.*—Although the production of coffee in the season 1951-52 was over 21,000 tons— 2500 tons more than the previous year—the prices of coffee began to rise steadily from April 1952; the reason being increased demand owing to the steady spread of the coffee habit. Energetic measures were taken from September onwards to bring coffee prices down.

17. *Cottage Industries.*—Considerable attention was devoted by the Ministry to the promotion of cottage industries although the primary responsibility has obviously to be with State Governments. Handicrafts which cater mainly to urban and possibly even foreign markets need treatment different from other village industries which cater mainly to the needs of the surrounding areas. Separate Boards were therefore constituted—one to deal with handicrafts and another to deal with Khadi and Village Industries. Both the new Boards have begun to function and provision has been made for making available to them larger funds than in the past.

19. *Legislative Programme.*—The Ministry had a heavy legislative programme in the year 1952. Fifteen Bills were passed during the year 1952. Notable among them were, the Forward Contracts (Regulations) Bill and the Iron and Steel Companies (Amalgamation) Bill. Seven other Bills which were introduced during 1952 are before the House at present. These include Bills to reconstitute the Tea, Coffee and Rubber Boards and to regulate those industries; to amend the Industries (Development and Regulation) Act and to provide for the levy of cess on mill made cloth.

20. *Outline of programme for 1953.*—The promotion of trade, internally and externally, and the development of industries, both require the pursuit of stable and steady policies. At the same time, such policies have to respond quickly to changing circumstances many of which are beyond our control and difficult to foresee. For both purposes it is essential to have adequate and up-to-date information. Improvement in the range and accuracy of statistical information is therefore one of our main objectives. This will be facilitated by the passing of the Collection of Statistics Bill. Other types of information have to be obtained by special methods. Besides bringing uptodate the review already made by the Planning Commission of existing industries and their plans of expansion, it is proposed to organise a number of special studies by committees of enquiry. One such committee is already studying the problems of

the cotton textiles industry in all its forms while another has just started to study the pharmaceutical industry. It is intended to undertake a survey of the existing capacity in engineering industries, with a view to ensuring that it is employed fully and to the best advantage. It is also proposed to conduct a comprehensive enquiry into the problems of jute and jute manufactures and of all the manifold problems of the tea industry. The rehabilitation and modernisation of our major industries, particularly jute and cotton textiles present very difficult problems. These problems are already before the Central Advisory Council of Industries and it is hoped that from the deliberations of the Council there will emerge concrete proposals that can be pursued. In the field of trade, a revision of the law relating to Patents and Trade Marks, and an expansion of the export promotion activities of the Ministry are under consideration. The year 1952 saw a number of improvements in the operation of controls. The policy of simplification of procedure, promptness in adapting controls to changing conditions and improvements in administration that helped to achieve this will be continued this year with vigour.

GIPD—NS—476 M of Com & Ind—27-3-53—1850