

september 19, 1953

France preferential advantages. No wonder that even Laos and Cambodia are reluctant to enter into such a French Union.

Differences on Food Prices

AFTER the Press Information Bureau's 'feature story' on the subject, few would have dared to scan the text of the special article on "Wholesale Prices and Cost of Living in India" which appeared in the July issue of *Agricultural Situation in India* received here early this week. Those who chance to come upon it will, however, be intrigued to find that the analysis is carried a little further in it than in the 'feature story'.

It is a perennial source of irritation to those who have the misfortune to handle price data that the Economic Adviser's Index of Wholesale Prices should be known to be so defective and for so long, and that yet nothing has been done about it. In this series, again, the most exasperating is the index of the prices of cereals, though this one among all price indices is, and has always been, of the most crucial importance. Whoever the Economic Adviser then was, he took only three quotations of rice for it—15 Brade (P) for Calcutta, which is a statutory price; Attragadda (F) for Vijayavacla, which is a fair-price shop rate and Red for Patna, which is presumably the only free price in this group.

Now no one quite knows why prices should remain so high when the Reserve Bank pleads that it has not been monkeying with the money machine, when there has been no external influence at work rigging them up, the production index continues to show impressive rise and crop reports are also good. The Central Board of Directors of the Reserve Bank did not try to answer this conundrum in their last report. They merely noted that prices of industrial raw materials and of food articles had increased sharply and permitted themselves the guarded observation that, in the case of foodgrains "there were certain pockets of scarcity and in certain other areas, removal of restrictions on foodgrains led to an increase in price levels". The Report of the Central Board of Directors is highly authoritative, and is commonly accepted as a statement of the official point of view.

The publication of the Agricultural Ministry, however, refutes quite emphatically that higher prices of cereals had anything to do with the rise in the wholesale price index. It points out that "a proper appraisal of the general price situation in the sphere, of cereals" can only be made on the basis of a study covering a large number of centres for different parts of the country. This the Economic Adviser's index does not attempt to do. Under the circumstances, the Journal of the Agricultural Ministry argues, a study of foodgrain prices, if based on a handful of centres, will not show the true state of affairs. A wider examination of the data of foodgrain prices, it goes on to say, "will conclusively prove that the prices of cereals have on the whole declined, so that the prices ruling in June 1953 are lower than those prevailing a year ago in most parts of the country", after allowance is made for the effect of seasonal variations. Whom are we to believe, the Directors of the Reserve Bank or the Ministry of Food and Agriculture?

Kashmir

BOTH India and Pakistan are committed to a plebiscite in Kashmir. Pakistan suspects India is delaying the plebiscite for ulterior motives. New Delhi argues that the referendum cannot be held without a settlement of the "preliminary issues". This is one of the main issues now under negotiation between the Indian and the Pakistani Prime Ministers.

Karachi is emphatic that the plebiscite would go in favour of Pakistan. Belief is growing that Sheikh Abdullah's downfall makes it almost certain that Kashmir would vote for Pakistan. New Delhi is more diplomatic in its policy; Rightly, it acts under the assumption that it is futile to anticipate events.

What is the event of developments in Kashmir? The proceedings of the Kashmir National Conference Convention show the way the wind is blowing. A shift in emphasis is discernible. Bakshi Ghulam Mohammed is willing to ratify the Delhi Agreement. But his main policy does not seem to differ in essentials from the Sheikh's.

THE INDIAN STANDARD WAGON CO. LTD.

NOTICE is hereby given that the Thirty-fourth Ordinary General Meeting of the Company will be held at the Registered Office, 12, Mission Row, Calcutta, at 11 a.m. on Monday, the 5th October, 1953 for the purpose of receiving and considering the Directors' Report and Audited Accounts for the year ended 31st March, 1953, and to transact any other ordinary business of the Company. Subject to the Shareholders' approval the Directors have recommended the payment of the dividend on the Preference Share Capital of the Company and payment in respect of the Ordinary Share Capital of the Company of a dividend of Rs 3-12 per share together with a bonus of Re 1/- per share.

The Share Registers of the Company will be closed from the 26th September, 1953 to the 5th October, 1953 both days inclusive.

By Order of the Board,
MARTIN BURN LTD.,
Managing Agents,

Calcutta, 17th September, 1953.

Note.—The dividend, if sanctioned, will be paid only to Shareholders whose names appear in the Company's books on the 5th October, 1953 or to their mandatees. No application for warrants is necessary.