

# Weekly Notes

## *A Radio for Every Home*

THIS is the radio month and the All-India Radio as well as the radio industry are very much in the limelight. Both the trade and Government are working overtime to make the public radio-minded. Wide press and other publicity by manufacturers, display of posters, decoration of radio shops, screening of films by Information Films, featuring the use of radio at home, extended programme hours by the Broadcasting stations and special programmes, and exhibitions at important trade centres all over the country are broadly the means by which public attention is being drawn to the vital role that radio can play in modern life. Speeches by political leaders, conferences of dealers and manufacturers, etc. have all added to the force of the campaign.

That radio plays a vital role in modern life, nobody questions. There has been considerable expansion in the services of All-India Radio broadcasting services during the last five years and further expansion is contemplated under the National Plan. Though by western standards, the coverage by broadcasting services is still low, it is not so insignificant when compared to the services of some of the other Asian countries. There also has been an assembling industry fairly well organised with 15 units with a capacity for turning out 1,53,000 radio sets per year. Some of the manufacturers working under royalty from the world's leading established concerns can boast of quality of production, backed by highly developed skill of manufacture.

With expanding broadcasting facilities and adequate local production, one would have expected a progressive increase in the number of sets produced and more people going in for radios. Unfortunately, this has not been the case. The latest Progress Report on the Plan reports that against the expected rise to 350,000 sets by 1955-56 from the actual production of 49,053 sets in 1950-51, the production has only been 87,700, 68,900 and 57,800 sets respectively in the last three years. Looking for the cause of this disappointing performance, Government spokesmen, notably Dr B V Keskar, the

Minister for Information and Broadcasting, blame it on the high cost of radios. Addressing radio dealers and manufacturers, he appealed to the industry to bring the price of a radio within the purchasing capacity of middle class people. So the responsibility, in the opinion of Dr Keskar, rests with the industry to create more demand. The industry is quite conscious of its short-coming in bringing the prices down to a lower level, but it is helpless unless demand goes up. The listeners who are to purchase, blame both Government and the industry. They do not like the quality of the programmes and so don't do more listening-in. Radio being essentially an entertainment industry, its success depends on three contributing factors, viz, broadcasting service, the producers of radios and the people who buy their radios. Analysing the position further, manufacturers do not believe, that cheaper radios would automatically raise the demand. Anyway prices of radios are no higher today than prices of other manufactured goods. While general consumer goods have gone up four to five times compared to pre-war, the prices of radio sets have not gone up more than 2½ times.

### *The Villain of the Piece*

THE taxation policy of the Centre and the State Governments is held to be the villain of the piece and manufacturers maintain that radio is the most highly taxed product. Besides the receiver's licence fee of Rs 15 per annum that a listener has to pay, the component parts from which radios are assembled are subjected to a customs duty of 45 to 50 per cent. Moreover, radios have been assessed at the higher rate by State Governments for the sales-tax. Some of the important cities have municipal octroi duty on radios at as high a rate as 2 annas per rupee. The effect of all this taxation which after all has to be borne by the consumer can well be imagined. For example, for a small producer in a city like Bombay, manufacturing radios with component parts locally purchased, and selling to a consumer in a town like Allahabad, would work out to 25 per cent on the price. Add to this the customs duty that has

already been paid on component parts and the tax factor in the cost of production may work out at as high as 40 per cent of the price.

The industry may legitimately question the sincerity of Government's intention to see cheaper radios in the circumstances, as it lies within its power to substantially cut down the price by reducing or eliminating all these taxes.

Popularity of broadcasting programmes would also help. Here again Government is held to blame. AIR programmes are intended more to reform than to entertain. The tremendous popularity of Radio Ceylon and the Goa Radio programmes would support this contention.

### *Largely Assembling*

THE radio industry in India today is largely all assembling, though some of the manufacturers have gone in for manufacture of component parts also. This follows the pattern in other countries. Manufacturers develop the designs and assemble the components which are turned out by other contributing industries. There is a popular belief that if components were manufactured locally, the price of radios would go down. It has not been found feasible by any manufacturer to set up a plant in India for the manufacture of component parts as the total estimated demand, according to foreign standards, could be still within the capacity of a single factory. To make all the component parts required for assembling-sets would not be economical. It is understood, however, that the Radio Electrical Manufacturing Co,

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Bangalore and Murphy Radios of India have jointly entered into an agreement with a wellknown British manufacturer for a project for the manufacture of component parts to cater to the requirements of all the radio manufacturers in the country. As production is expected "to commence some time in 1955, it will not immediately bring down the cost of radios. Moreover, the manufacture of component parts is a highly skilled process and can progress only in stages, starting from the fabrication of imported components. The raw materials that are required for it are of such rigid specifications that they will still have to be imported.

**Vicious Circle Must be Broken**

**E**X P A N S I O N of demand and larger scale of production being the only possible means of reducing the cost of radios, experience up to date does not suggest that there can be much scope for reduction of cost. The joint effort by Government and the industry in the celebration of the radio month would go some way in creating radio-mindedness among the people. It lies in the hands of Government to examine the possibility of re-adjusting taxation with respect to radios and their component parts. For improving the popularity of programmes, commercial broadcasting or partly commercial and partly state-controlled programmes that have been adopted in countries like Australia, may be the proper answer. The appeal made by the Radio Merchants' Association to Parliament during the last budget session for the appointment of a Broadcasting Commission should receive immediate attention from Government. The public must change its attitudes to the use of radio and all the factors that have a bearing on the industry can best be examined by an impartial body to recommend to Government and the industry what steps should be taken to break the vicious circle in which the listener, the broadcaster and the industry are moving today.

**World Rubber Surplus and US Agricultural Surplus**

**T**HE Colombo Plan has greatly gained in political significance with the admission into its full membership of Philippines and Thailand. Both these countries are reputedly under American tutelage and enjoy dollar benevolence; it is their deep-rooted Asian feeling which

draws them to the Colombo Plan. A significant feature of the last meeting of the Colombo Plan Consultative Committee in Ottawa was the formal participation in it of the USA.

During the third year of the Colombo Plan, expenditure on developments in South East Asia amounted to \$1,540 million, which was 27 per cent higher than in the previous year. About 22 per cent of this amount or \$342 million was external financing in the form of loans and grants. Under the technical co-operation schemes, about 5,000 trainees from the Colombo Plan countries are receiving training outside their own countries and 12,500 experts are in turn serving these countries.

The Agricultural Trade Development and Assistance Act just passed by the US Congress, however, appears to have caused some concern at Ottawa since some of the Colombo Plan countries are faced with the problem of disposal themselves. Burma and Thailand in particular are worried about their rice stocks and Australia makes no bones about it that American disposal of surplus wheat queers the pitch for her. The Act authorises the US Administration to dispose of \$1000 million worth of surplus US farm products—wheat, maize, dairy products and the like—during the next three years as aid. The US Foreign Operations' Administrator, Mr Harold Stassen was at some pains to reassure these countries that US had no intention of disrupting normal trade and that the surplus agricultural produce would be channeled mainly into areas which did not have sufficient dollars to purchase them. Shri Chintaman Deshmukh went a step further and re-assured Australia and Canada that India was not contemplating replacing her agreed programme of wheat purchases from the International Wheat Board by American surplus. India's purchases under the International Wheat Agreement would be 5,00,000 tons during the year 1954-55.

**Welcome, but . . .**

**T**HE Prime Minister of Ceylon has been quite exuberant over the outcome of the talks he and other members of the Ceylon Delegation have had with Pandit Nehru. But those who have not too short a memory will wait to see the actual working of the new agreement or

understanding before jumping to conclusions.

A factor in favour of the new understanding is that it has had the support not only of dissenting members in Sir John's own party, but also of the main opposition. To that extent there may be a feeling of assurance that what followed the earlier agreement is not likely to be repeated this time. But what the understanding actually offers is a little less limited freedom of choice to Indians settled in Ceylon to become citizens either of Ceylon or India.

Primarily procedural difficulties in the way of these accepting either course are to be removed; but in so far as most Indian settlers in Ceylon would like to continue there depends more on the attitude of the Ceylonese authorities than of the Indian. Nevertheless if Ceylon gives effect to the new understanding in the spirit in which it has been arrived at, as one hopes our island neighbour will do at least this time, there is reason to think that the entire problem may get resolved to a point where it offers no serious difficulty at a later stage.

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