such as has beta proposed and is in operation in some other countries and yet the cry has been raised against, Indian shipping that flag discrimination is resorted to. I have shown in what forms discrimination has been practised or at any rate 'restrictive business practices have been adopted by the various shipping concerns. In the political field a great deal has been heard of negotiating from strength .' There are serious differences about the wisdom of this policy. But I think it cannot be gainsaid that in the economic field 'negotiation from strength' seems to be the only annour which can adequately protect the interests of a country. I trust, therefore, that Government, the public and shipping companies, with enlightened self-interest policies, will create a situation where Indian shipping companies can ' negotiate from strength ' and break down the discriminatory and ' restrictive business practices' which are so frequently adopted by vested interests in the shipping world.

Around Calcutta Markets

Better Sentiment

Wednesday, Evening

IT is symbolic of the uncertain phase of stock markets that even the New Year enthusiasm does not seem to be lasting for more than a couple of days. It would appear, in retrospect, that Clive Street's steadiness in the first three days of this week was a belated reflection of the higher dividends announced by an influential group of jute companies. This was partly responsible for the steadiness in equity prices on the Calcutta Stock Exchange on the last day's session for the year.

Clive Street opened after the Christmas holidays with a firmer trend in Indian Iron, There are many explanations for the rise in Indian Iron, although they are mainly technical Indian Iron were bid up to unduly high levels due to speculative support and remained steady at higher levels until the announcement of the dividend. Subsequently they developed a drooping tendency, despite the satisfactory financial position indicated in the annual accounts, as the yield on the declared dividend was considered low.

Settlement Day

Indian Iron steadied-up during this week because of technical reasons. Some interested " bull" support was evident. It was also evident that in-and-out operators thought it prudent to cover their sales before the settlement day. Informed circles are inclined to the view that this week's steadiness in Indian Iron is, to a large extent, due to *teji mandi* operations based on the respective open positions of "bears" and "bulls".

Even so, the further improvement in Indian Iron after today's clearing indicates that the recent spurt is not wholly technical. It is evident from this week's price fluctuations on the Calcutta Stock Exchange that market operators are not pessimistic about the future outlook of industries like tea and jute.

On the last trading day of the year, Clive Street steadied-up because of the improvement in Jute shares. This week's steadiness was due to the spurt in Indian Iron, although the continued strength in Jute shares helped the market sentiment, Tea shares also picked-up in the last few days.

Bird Dividends

In the last few days, there has been a broadening of activity in Jute shares. Almost all the important groups of jute companies have announced their dividends for the half-year to September last, A few days ago, the Bird group announced theirs. With one or two exceptions, all the companies in this group are paying higher dividends. That is why, Jute shares are moving up.

From the reports published so far, it would seem that the spinner's margin was favourable in the last half-year. Raw jute prices had not, by then, firmed-up appreciably; whereas, jute goods were fetching relatively better prices. This favourable spinner's margin was reflected in better earnings and profits. So, last half-year's jute dividends were higher than those of the previous six months.

For a proper appreciation of the currant half-year's trading conditions, it is necessary to realise certain facts. In the half-year to September last the relative parity prices were in favour of those mills manufacturing hessian. Trends in parity prices in the last few months indicate that, in the current half-year, those mills manufacturing heavy goods are likely to experience better working results. It is necessary to add a foot-note. In the last few days, raw jute prices have resumed their upward trend. If this tendency continues, the spinner's margin may either become less favourable or may be affected in certain ways which are, as yet, not predictable.

Tea Export Quota Raised

For the recovery in Tea shares, there are two obvious reasons. For one thing, the tea export quota has been raised by a further 2½ per cent. This is a clear indication that the export demand continues. Clive Street has interpreted this to mean that fears of consumer resistance developing in the importing countries are exaggerated. This was one of the factors which was retarding activity in Tea shares in the last few weeks.

Despite the increase in the tea export quota, this week's average-export auction prices have not declined. On the contrary, both the export demand and prices have improved further. It is, of course, natural that, with a further release of the export quota, the average internal auction prices will improve. This week's internal tea auction prices prove that this anticipation, is not wrong.

Wider Issues

Stock market trading for the first few days of the new year indicates that investors remain cautious. They are perplexed with the outlines of the second Five-Year Plan sketched recently by the Finance Minister in Parliament. They are disturbed with the Government's attitude to managing agents, They are none too happy with the proposed legislation relating to the regulation of stock market trading. These doubts and fears explain why the New Year enthusiasm seems to be lacking depth.

But it is also clear from this week's price movements in equities that investors are not as pessimistic now as in the last few weeks. There is gradual realisation that an annual expenditure of Rs 1,000 to Rs 1,200 crores per year during the second Five-Year Plan must necessarily have a sustaining effect on stock markets.