ject to an 80 per cent cut, the share of the UK is even greater In 1950-51 nearly 75 per cent of cotton imports, 80 per cent of motor cars and parts, 95 per cent of motor cycles and refrigerators, and 75 per cent of rayon and silk goods were from the UK. The major part of the cut in imports will therefore fall on British goods, and the UK is bound to feel more than a little bitter at the boomerang from down under.

It is not only from Australia that the shock has come. New Zealand and South Africa have also decided to cut imports by £50 million and £70 million respectively, and a sizeable part of it will impinge on British exports. UK thus finds herself in a very uncomfortable position; she can reconcile herself neither to a big fall in her exports to Commonwealth countries, nor to a continued deficit in their balance of payments. One endangers her employment, the other endangers Sterling Area reserves and weakens the Sterling; and she has to choose between the two.

How Australian import cuts will affect India's exports, it is difficult *to* gauge. For the Indo-Australian Trade Agreement signed in October 1951 covers the period July 1951 to June 1952. And under this agreement, Australia has agreed that " no obstacles will be placed in the way of importation into Australia from India of the goods listed in Schedule A to this agreed minute, up to the total values or "quantities specified in that Schedule and that upon application and in good time any licences necessary for such importation will be issued." The commodities and quantities listed in Schedule A were: jute manufactures, 120,000 tons; raw cotton, 5,000 bales; cotton piece goods, 61 million yards; cotton waste, 60,000 cwts; cotton yarn, 5,000 bales; and oilseeds 19,500 tons. Of these quantities, 45,000 tons of jute manufactures, 39 million yards of cotton cloth, the entire quotas of raw cotton and yarn, 35,000 cwts. of cotton waste and 10,700 tons of oilseeds are to be imported by Australia in the period January-June 1952. Unless this Agreement is modified in the near future, India can export the specified quantities till June 1952, and it will be only subsequently that serious reductions in Australian imports from India would become manifest, Since most of the imports from India come under categery B, they could be reduced in 1953-53 to 20 per cent of their level in 1950-51 if the cut is distributed equally amongst all the exporting countries. As Indian exports to Australia in 1950-51 amounted to about Rs 31 crores, their level for 1952-53 might be only about Rs 6 crores, and it would not be surprising if in consequence India also sought to limit her imports from Australia drastically.

Deccan Airways

THOUGH no further light has been thrown on the administrative relationship between the Civil Aviation Department and the Deccan Airways (which runs the night airmail service in conjunction with Air India) beyond what had been indicated in these columns a week ago some information is available about the status of this company, The Articles of Association of Deccan Airways Ltd, have been altered in accordance with the Indian Companies Act which now applies to the Hyderabad State. The necessary changes in the Articles were effected last month at a meeting of the shareholders.

The Government of India have now acquired 78 per cent of the shares of the company (60 per cent from the Hyderabad Government and 10 per cent from the former Nizam State Railway). The remaining 22 per cent of the shares are held by the Tatas (13 per cent) and the general public (9 per cent).