

1950 submitted in April 1952—therefore, come as a great surprise. The Chairman reports;

"As a result of the investigations that I undertook, it was ascertained and confirmed that during 1951, certain of the transactions, as recorded in the books of the various Jute Mills Companies, Baling Companies and in the books of McLeod & Co., Ltd., were irregular. Some of these transactions were fictitious in that no actual transactions took place, while in other cases, although there were actual transactions, the dates on which they took place had not been correctly shown, thereby transferring profits by charging incorrect prices."

According to the auditors, either some of the transactions were not entered in the Company's Register of Contracts maintained under section 91(a) of the Indian Companies Act, or false entries were made in the books of account and provisions of the Indian Companies Act contravened.

Fortunately, because of the keen interest taken by Mr A. J. Peppercorn, the present Chairman of the Company, in reorganising its affairs, matters have now been set right and the accounts of the managing agency firm and of the industries under its control as shown now, represent the position as it would have been, had the irregular transactions referred to by the auditors never taken place. This is no doubt a satisfactory position but the fact that a British firm of such a long standing and reputation as that of McLeod & Co., should also have stooped to practices which have been associated generally with financiers who have captured a number of industrial enterprises in this country in the post-war period and used them to their own personal ends, augurs ill for the future of the managing agency system.

### ***Sen-Raleigh Bicycle Factory to go into Production***

THE Sen-Raleigh bicycle factory, to be formally declared open in June at Kanyapur, near Asansol in West Bengal, has a capacity for manufacturing 200,000 machines per year.

In the first stage the output target is fixed at 100,000 units and, with the installation of machinery in the different "shops" all but complete, production is due to begin in June,

Some the small

firm of Sen and Pandit was started with a capital of Rs 400 for the import of bicycles and parts. The firm crowned its long association with Raleighs by jointly sponsoring with them the new enterprise, Sen-Raleigh Industries of India Ltd. The authorised capital of the new company is Rs 1,00,00,000, half this amount being fully subscribed.

A few miles out of Asansol, the new township of Kanyapur site of

the new factory is rapidly taking shape. The extensive (125,000 sq. ft) modern factory building and the neat, handsome living quarters spreading out alongside will, from June, become the home of Sen-Raleigh Industries. Workmen's quarters are in the blueprint stage, and building will commence soon. The administrative block which will house the offices of the concern is under construction.



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The factory, now fed with electricity from a neighbouring colliery, will ultimately draw its power from the Darnodar Valley grid.

### The Oil of Contention

TEHERAN reported last Monday that a five-year agreement had been signed by Iran with an American firm for the sale of 3 million tons of oil and aviation spirit annually. If the report is true, it will mean not only a breach in the year old Iranian oil blockade but also some friction between the UK and the US. For, the blockade has at all been possible because the US Government preferred not to embarrass its ally by strengthening the bands of Dr Mossadeq, and despite his pilgrimage to Washington, he could not drive a wedge between the two.

Dr Mossadeq's position became even less comfortable when the matter was referred to the International Court, so that anybody buying Iranian oil could be proceeded against legally by the Anglo-Iranian Oil Company, who still claim the oil as their property. It is therefore not surprising that the news of the deal should have caused a considerable flutter both in the UK and in America. Britain has made her intention of suing anybody receiving the "stolen" oil clear; and-unless The Hague Court decides in Iran's favour, she can make nonsense of any agreement entered into by Iran. It might even be that the International Court will itself declare the agreement void, since the matter of ownership of the oil is still sub judice.

To add to the complications, it is not clear whether any of the major oil companies of the USA is involved in the deal. Should it be so, Britain's fight to have the contract annulled will not be easy. She will have to procure the support of the State Department; and the State Department might find it difficult to restrain openly a powerful oil concern to satisfy Britain, especially in an election year. If the Teheran report is true, Dr Mossadeq will have added yet another factor straining the Anglo American trade relations.

### Japanese Reparations Plants

THE Japanese Reparations Agency recently announced that, under a SCAP memorandum of March 18, privately owned plants and facilities in Japan, which had been designated for dismantling and distribution as reparations,

would be released simultaneously with the coming into effect of the Japanese Peace Treaty, unless they were being used by the Occupation Forces for producing materials essential for the Korean war. Almost 900 "reparations" plants and facilities were under the control and custody of the Occupation Authorities; 724 of them were pri-

vate property and 154 government property. Except for some 20 privately-owned plants and the state-owned plants that were being used by the Occupation Forces (and would continue to be used by the US Garrison Forces), all privately-owned reparations plants and facilities would, in principle, be returned to the Japanese owners.

### Letter to the Editor

## Moscow Conference

Dear Sir,

May I make a comment on one paragraph in your most welcome and well-balanced leading article on the Moscow Economic Conference in your issue of April 26, which has just reached me? In this paragraph you speak rather disparagingly of the business deals concluded at the Conference, on the ground that since the delegates who handled them "did not have governmental status", the results could be no more than exploratory.

Speaking of the trade agreements with which the British Delegation were concerned, it is quite true that these were provisional in character; in the sense that (like all trade agreements) they dealt with commodities in general categories, and needed to be implemented by more specific contracts, to be subsequently concluded at dates and places stated in the agreements. But to call them "exploratory" is an understatement. Acting on the British side were business representatives authorised to speak not only for their own firms but also on behalf of others; and in the course of the negotiations at Moscow a great deal of cabling took place between these representatives and Chambers of Commerce, etc., in England, whereby firms in England were invited to take part in the trading offers that were the subject of negotiation. After the end of the Conference a large quantity of samples (mainly clothing and textiles) was flown to Moscow. On the side of countries like China, USSR, etc., the negotiators were, of course, the representatives of governmental import and export organisations.

arisen from a misunderstanding which has been common in England as well as elsewhere; namely, that the commodities concerned were on the so-called "restricted list", requiring specific governmental authorisation. All imports into Britain require, of course, a governmental licence. But the case of Soviet purchases, at least, these were to be paid for out of sterling balances held by the Soviet Government in London, and hence did not need to be matched by equivalent sales in order to "clear" these transactions. It is true that each trading agreement contained a clause to the effect that "this agreement and all contracts made in pursuance of it shall be subject to Government licence wherever necessary on either side." But as Mr Sidney Silverman, M.P. (who was closely associated with the negotiations) wrote in a letter to *The Times* of 25th April: "So far as I am aware, none of the commodities referred to in the agreements, which were all the subject of very hard bargaining, are on the restricted list." It is worth adding that the figure cited by Mr Silverman in this letter as the "global sum" of all the British agreements concluded in Moscow during the Conference and immediately after was £56,500,000 a far from negligible sum!

Perhaps you would allow me to conclude on a quite trivial note by mentioning (with reference to your quotation of my own name) that my first name is spelt in the European, not the American, way—an unimportant matter of national (or continental?) pride!

Yours, etc.

From the last two lines of the paragraph in question, your stress on the "exploratory" nature of these talks seems likely to have

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