

rates, The normal market phenomenon was in operation. The bears were foiled by their own early action. What the Big Bear escaped, the "shrewd" bears had to face.

The climax was reached last Thursday when ordinaries rose to Rs 208-4-0 (in terms of Deferreds Rs 2500). It is now reported that the Big Bear has entered as a bull with a sizable long position. This has given a further momentum to the ordinaries.

The market is in no fine trim. The rise in ordinaries has been steep but there is no follow up in the other leading scrips. The technical position of the ordinaries is not sound. If there is no all round rise to attract fresh bulls to come forward and absorb the unloading that may take place any time, the present bulls, including the past Bear, may find the market friendless.

**Sterling Area Reserves Swell**

**G**OLD and dollar reserves of the Sterling Area have been benefited substantially by movement of short term funds the character of which still appears to be a matter of speculation. For May, the net surplus was higher than for any month since the Korean boom. But it is not regarded as a true surplus that can be explained by favourable movement of trade balances, though trade balances continue to be in plus, 'Hot' or 'funk money' and 'cloak room funds' used to be familiar phenomena at one time when and their day to day, or week to week, fluctuations threatened to dislodge the changing, unpredictable and fickle English weather from its pride of place as the most popular subject of conversation not only in the City, which was understandable, but also among people far removed from it. Flight off some currencies was as familiar as flight to others regarded as more stable. Currencies which were tipped for a rise were often encumbered by the inflow of funds not seeking a shelter but waiting for an opportunity, to be switched over to some other currency when the expected rise had taken place or such expectation proved to be wrong. Money that was liable to move out without notice was not welcome and a defence mechanism was developed in due course to impound it.

The present set up is entirely different—the flow has not turned out to be speculative, since there was

no night off sterling when the Treasury denied that there would be any widening of the exchange margins. From a distance it appears puzzling that the financial pundits should be puzzled about the character of these funds. Now that the international markets have been freed one by one and London is trying to get back its business in gold dealings, for example Liverpool its Cotton Futures, holders of dollar balances would naturally transfer to sterling for building up their working funds for operating in these and other markets. Everything is speculative in the long run. But "until dearth takes us apart", is not a vow demanded in market transactions. The movement of the funds is not speculative in the sense in which the word is understood in the foreign exchange market. It is an once for all inflow and no out-

flow need be feared unless the London markets go into slump, and better opportunities for utilisation of these funds spring up elsewhere.

**Political Decorum**

**H**AVING adopted the party system of government and being obviously in no hurry to give it up, it is time we unreservedly accepted the rules proper to the game and stuck to them with reasonable decorum. One need not hold a brief for the Congress to deplore the frequent conflicts that have been arising between Ministries and Legislature Congress Parties or the larger party machine itself in several States and notably in Andhra, Mysore, Madras and Delhi.

This is not a narrow party issue, for it may come to affect the parliamentary system itself, no matter

... Gentlemen...      ... for sheer brilliance of finish...      ... delightful to behold...

... for positive durability...      ... for interior or exterior use...      ... in industry or the home...

... there is no doubt about it that...      I KNOW! THE ANSWER IS... THE SYNTHETIC ENAMEL OF IMPECCABLE TASTE...

**SHALIMAR SUPERLAC**  
**SYNTHETIC ENAMEL**

**SHALIMAR PAINT, COLOUR & VARNISH COMPANY, LIMITED**  
CALCUTTA • BOMBAY • MADRAS • NEW DELHI • KANPUR