

Case for Inter-Penetration

THE coal situation continues to be disturbing. The Minister for Steel, Mines and Fuel expects that the problem of coking coal will be solved by the end of 1961, only about nine months behind schedule. Assurances of this kind have been held out in the past too, but events have not borne them out. Of the three new coal washeries projected for the Second Plan, the first will be ready for operation only from the beginning of 1961, the second will be completed by the middle of 1962 and the third is expected to commence production by the middle of 1963. The third blast furnace at Rourkela, though completed, is to be commissioned only by the end of the year owing to shortage of coal.

The immediate problem is not confined to coke alone. The higher priority enjoyed by steel plants, to be extended to foodgrains to be imported shortly under the new P.I. 180 programme, will hit the consumers of inferior grades as well. This is basically the result of a vicious circle in coal movement, apart from deficiency in the total production caused by the inability of public sector collieries to attain their targets. The shortage of railway wagons is due largely to shortage of foreign exchange and steel. Production of steel is restricted to some extent by inadequate and inferior coal. Larger imports of wagons under the World Bank and D L F loans may ease the situation slightly, but coal production and movement may continue to be major bottlenecks during the Third Plan period. The Coal Controller has been compelled to curtail wagon quotas of consumers to the extent of 50 per cent in several cases. If such a necessity has arisen when the country is producing less than 50 mn tons of coal and transporting 15 mn tons, the prospect of providing transport facilities for about 90 mn tons of coal by the end of the Third Plan does not appear bright at all.

Meanwhile, Government has turned down the plea of private collieries to allow them to develop areas adjacent to their mines. In keeping with the Industrial Policy Resolution of 1956, they would be allowed to expand only into contiguous areas with in their existing leases and that, too, on individual merit. The Third Plan target of 97 mn tons relies very largely on the development of virgin areas. This task will more than

fully engage the resources of the National Coal Development Corporation, and hardly allow it to devote adequate attention to areas proximate to existing collieries. In the case of several other major industries like oil, steel and fertilisers, Government has thought it fit to allow a 'dynamic' inter-penetration of the public and private sectors in the light of developments that have taken place since the acceptance of the Industrial Policy Resolution. There is hardly any justification for denying the benefit of this 'dynamism' to the coal industry.

University Curb on Admissions

AT a recent meeting of the Parliamentary Congress Party, Prime Minister Nehru is reported to have extended his support to the Union Government's decision to impose restrictions on students seeking university education and limit admissions through a process of selection. Dr Shrimali, Union Education Minister, had hinted at the possibility of such a move in the Uok Sabha earlier, explaining that, his Ministry had become convinced that admis-

sions to universities should be restricted. But even with the Prime Minister touching on the issue and referring to it as a 'decision', details are lacking as to how or where the proposed restrictions will be applied. Dr Shrimali, in his observations on the subject, had sought to question the way in which State Governments were starting universities, sometimes even without consulting the University Grants Commission. From this it might appear that it is the financial implications of opening new universities rather than any considerations of principle that have been weighing with the Ministry. If more universities are being launched in the States, it is to meet the mounting demand for opportunities for higher education among the people rather than; for show or academic aggrandisement. And if the demand for seats has been growing, it is because of the premium still being placed on university degrees in the selection for jobs and also because of the inadequacy of scope for other equally promising courses of training, after

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the secondary stage, to such students as may not be particularly gifted or well-circumstanced. Worthwhile courses of technical education, apart from calling for special aptitudes in the young, are apt also to cost a good deal of money. So, the student who is not content to be just a matriculate and who in any case sees no great promise in it for economic advancement, with university degrees still holding the key to the better type of jobs, ran turn only to the university as a source of hope.

The fact that colleges are getting more and more crowded, with the demand for seats outpacing the supply and giving rise to numerous perplexities in the process, is not denied. But to try to avoid such a situation by imposing restrictions on admissions is to escape from the problem rather than to solve it. To keep out students on any ground, however irreproachable in itself, is not to send them borne contented but actually to let them loose on society with a grievance against everybody. Even the seemingly unexceptionable criterion of merit and marks, if applied to the control of admissions to seats of higher education, is bound to be misconstrued in a social order that has been long suffering from inequalities of opportunity and background. As the Chief Minister of Bombay, Shri Chavan recently pointed out, mere considerations of merit might operate unfairly against students coming from the educationally backward or financially handicapped classes that might lack the resources needed to foster competitive merit in the young. Higher education of the type now given may not be good enough. But it has still a use to the young in the degrees it yields which are passports to comparative success in life as things are. As long as the present system is not radically changed or replaced by an alternative that is rewarding enough, there is more harm than good to be expected out of hasty measures devised to meet immediate problems with no thought either to present consequences or to future developments. To the young emerging from our high schools who either cannot afford, or prove equal to, the demands of other and more lucrative lines of instruction! there is still some solace left in a degree. To rob them of it is to complete the picture of frustration.

Into Space and Back

IN the wake of the significant sallies into space successfully attempted by the U. S. A. recently has come the spectacular exploit of the U.S.S.R, in bringing a space-ship safely back to earth with the animals aboard 'doing well'. The four-odd-ton ship, orbiting 200 miles up on its 18th round, was made to land in response to a radio signal within a distance of little over six miles from the prescribed spot. The capsule which contained the two dogs, Strelka and Belka, several rats and mice, flies, fungi and many other forms of animal and plant life, had been fully conditioned for man's existence in, space. This fact, the safety of the inmates and more than all, the sureness and accuracy with which the guidance and breaking systems worked, ensuring the smooth descent of the vessel, point unmistakably to the early flight of man into space with a reasonable chance of return. It is true that while the chances of a safe voyage and landing have vastly improved, there are still questions touching the long-term effects of cosmic radiation in space to be answered. Close observation of the various specimens of animal and plant life that have already pioneered the way to and fro in the Soviet space-ship, with no notable changes reported yet; will provide a clue to the effects of space travel by and by.

Meanwhile, the rivalry in space conquest, so far healthy and sporting, will go on between the two contesting countries, best equipped for the enterprise. While this or the other may temporarily be in the limelight from time to time and even when this rather than the other might be winning laurels in succession, it would be invidious to look upon achievements of such dimensions and of such stupendous significance to the future of man as merely national or sectional victories. Transcending the limits of this rather sorry, strife-torn planet, these triumphs belong in their essence to the whole of humanity — the happy consummation of scattered endeavours of the ages and a rich bequest to the future. And it may well be that in taking man out of his earth-bound shell, these mind-staggering flights into space will also take him out of his cribbed, crusted self some day.

Letters to the Editor

Philips (India)

A COMMENT

have read with interest your comments on our Annual Report which appeared on page 1263 in the issue dated August 13 of your esteemed journal. We appreciate the manner in which the company's financial position has been analysed and the views expressed thereon. We, however, fail to comprehend some of your conclusions which do not appear to be in accord with the facts stated in our Annual Report. May we, therefore, draw your attention to the following remarks made in the opening paragraph:

(a) "Sales during the year ended December 31, 1959 rose from Rs 4.5 crores to Rs 4.9 crores, but gross profit margin on them declined slightly from 11 to 13%."

(b) "Earning per share has gone up impressively from Rs 0.97 to Rs 1. 58. This has barely sufficed to maintain the net distribution of Rs 0.85 in the precious year."

With regard to (a), we give below possible alternative calculations of gross profit margin for your information:-

	1959	1958
	(%)	(%)
(i) Profit (exclusive of income from other sources before depreciation and taxation as percentage of sales	13.15	12.64
(ii) Profit (exclusive of income from other sources) before depreciation, interest and taxation as percentage of sales	13.59	13.45
(iii) Profit (exclusive of income from other sources) after depreciation and interest but before taxation as percentage of sales	10.87	10.85

It will appear from the foregoing that even after excluding Income from other sources" from the computation of gross profit, the margin in all these cases is higher in 1959 than that in 1958.

As regards (b), we should like to slate that if 22 lakhs of equity shares are related to the net profit after taxation as given in the Annual Report, the earning per share for the years 1959 and 1958 works out