

It is to be hoped that the new Council functions more effectively than some of the other Export Promotion Councils in the country.

Well-Meant Step Fails

THE judgment of the Constitution Bench of the Supreme Court, declaring the Newspaper (Price and Page) Act, 1956 'ultra vires' of the Constitution and accordingly, the order passed under it void, has a significance that goes beyond the limited dispute over pages and prices. That a verdict of such great import to the basic rights of citizenship guaranteed in our Constitution, and particularly to freedom of the press should have been evoked by an issue in the economics of publication, over which opinion is sharply divided, may not appear self-evident. But it had to come some time or other, with basic freedoms facing threats from various quarters; and perhaps it is as well that it has come now though the cause of it, provoking conflicting reactions in the newspaper world, may rob it temporarily of some of its larger significance.

What is that cause? The forbidding capacity that the bigger and better-established journals with immense resources, have of squeezing out smaller publications by a generous allowance of newsprint and offer of relatively cheaper rates. Government's intention in issuing the Price-Page Order was to restrain this unequal competition by making it obligatory on all newspaper enterprises to price their publications uniformly according to the number of pages they publish. It was a laudable step to protect smaller and financially weaker, though not less valuable or less useful publications. Through the Order Government sought also to prevent or at least curb the emergence of monopolistic tendencies in the newspaper world which were bound to lead to a situation where a few in control of big papers would fashion public opinion as they wished — by suppressing reports, giving them a convenient angle or altogether distorting them.

With the invalidation of Government's well-meaning Order, that danger continues, and with it also the threat to the smaller, independent journals run by companies or individuals to whom newspaper enterprise is still more of a mission than

a commercial undertaking like the manufacture of jute bags, soap or cosmetics. And the irony of it is that a judgment which goes all out in support of basic rights and particularly the right of expression should imperil to some extent the scope of intrepid little journals, the salt of the profession, to express themselves, undeterred by the flourish of printed area which the bigger paper- can not only afford, but find highly profitable. That was of course no concern of the Court which had before it a purely constitutional issue though the judges, by no means unaware of it have suggested that Government must devise other ways to protect weaker sections of the press. It is left now to Government to do what it can in the matter.

Industrial Finance Corporation

THE extent to which programmes of industrial development have become dependent on external assistance is strikingly evident from the latest report of the Industrial Finance Corporation. During the year ended June 30 it sanctioned loans amounting to Rs 21 crores, of which dollar sub-loans out of D L F credits accounted for Rs 1 crores. As the terms and conditions of the sub-loans sanctioned are in the course of finalisation, no disbursements have been made so far in respect of these sub-loans. The agreement with the D L F, announced as early as April 1960, was not concluded until December last and the I F C's balance sheet shows that this credit had not been availed of till the end of June. As a result of this delay, the I F C loans actually disbursed amounted to less than Rs 7 crores, which is not even one-third of the amount sanctioned against nearly one-half during the previous year. The delay in the disbursement of the D L F credit must have resulted in a corresponding delay in the disbursement of rupee loans also, since six out of the fourteen concerns which were sanctioned dollar sub-loans also received rupee loans.

Since its establishment, the I F C has sanctioned loans aggregating Rs 106 crores, of which Rs 57 crores have been disbursed. Net of Rs 15 crores repaid, the loans outstanding come to Rs 12 crores. The loans sanctioned have financed approximately 14 per cent of the total cost of the schemes assisted. Since disburse-

ments have been only about one-half of the loans sanctioned it would have been interesting to know the proportion of the loans disbursed to the cost actually incurred on the schemes financed. The report does not provide any information on this point.

The Corporation has so far guaranteed 20 proposals for deferred payments amounting to Rs 25 crores. The number of applications for guarantees and the amounts involved registered a marked increase during the year. This figure, however, tends to be somewhat deceptive, since many applicants make alternative arrangements before or after receiving IFC guarantees. The Corporation also underwrote during the year public issues of share capital amounting to Rs 160 lakhs consisting of Rs 100 lakhs of preference and the remaining of equity. One of the preference issues was fully subscribed by the public, but the Corporation has had to take up shares of the total value of Rs 107 lakh-, consisting of Rs 67 lakhs of preference and Rs 40 lakhs of equity. The total amount of underwriting approved by the Corporation so far comes to Rs 120 lakhs.

Repayments received from borrowers and the Rs 9 crore loan received from Government out of P L 480 funds sufficed to meet the limited commitments during the year and the I F C did not, therefore have to enter the market with any fresh issue of bonds. Actually, it repaid Rs 7 crores to the Central Government reducing the outstanding loans to Rs 6 crores.

While the rate of interest on the borrowings from the Government remains unchanged at 4½ per cent, the Corporation continues to charge 7 per cent on its rupee loans with a rebate of ½ per cent for punctual servicing. The rate of interest on foreign currency loans has been fixed at 8¼ per cent, less a rebate of ½ per cent for punctual servicing, plus an extra ¼ per cent for incidental expenditure; the effective rate for such loans thus comes to 8 per cent.

As almost the entire amount of the D L F credit stands committed, negotiations for an additional loan of \$ 20 run from the D F F have been initiated. The Corporation is also exploring the possibilities of securing credits in the currencies of