Buy Indians

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Buy Indian

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The Official Organ of the Buy Indian League.

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Of Special interest to every Indian

Buy Indian

A MONTHLY JOURNAL DEVOTED TO THE INTERESTS OF THE INDUSTRIAL AND ECONOMIC DEVELOPMENT OF :: :: THE COUNTRY :: ::

Official Organ of the Buy Indian League

Vol. I. No. 5. February 1933. Annual Subscription Rs. 1—8—0 Single Copy As. 2

EDITORIAL COMMENTS

OUR GREAT LOSS

WE deeply regret to record the death of Dewan Bahadur R. N. Arogiaswamy Mudaliar, M. L. C., a member of the Executive Committee of our League, and the Advisory Board of our magazine on 30th Jan. '33 after a brief illness. He had served the country in various capacities. After passing out of the college, he entered the Engineering Department of the Government of Madras; and he was largely responsible for the success of the Tungabadra and Bhavani projects. On retiring from service, he entered politics and was returned to the local legislative council, as the member for the Indian Christian constituency and his official experience and deep knowledge of irrigation questions made his services valuable in the council. He was a member of Dr. Subbaroyan's cabinet from which he subsequently resigned on political grounds. His outlook on politics was refreshingly national and he took an active part in the Allahabad Unity Conference in the quest for a satisfactory communal agreement. Always affable and polite in his relations with all with whom he came into contact, he was a genial companion in our midst ; and we cannot adequately express our gratitude to him for helping us in starting the League and being always ready to give his friendly counsels and support. The poignancy of our grief is all the greater on this occasion because he presided over the function on Jan. 5, 1933 when we were "At Home" to those who cooperated with us in running the Swadeshi Bazaar and Museum during the Christmas Week and he was in the best of spirits then ; but little did we know that Death was hovering about him. In his death, the Indian Christian community has lost one of its ablest leaders, the country one of its eminent politicians and we one of our staunch supporters and loyal friends. We offer our heartfelt condolences to the bereaved family.

AN OTTAWA MISTAKE

It will be remembered that in the Assembly Debate on the Ottawa Agreement, the supporters of the Pact urged that India stands to gain by the concessions given under the Agreement to the export of Indian vegetable oils. How meaningless these concessions are, is very well described in the following extract from *Agriculture and Live-stock in India* the journal of the Imperial Council of Agricultural Research (Sept. 1932), wherein the fundamental difficulties in the way of the export of vegetable oils are fully described :-

In conclusion, I suggest that note be made of the fact that I have taken export of oil, presumably to Europe as being economically possible. Actually this is by no means certain. Some export is done, but, in general, experience is that export of oil is not profitable. This, of course, only refers to ordinary commercial oils and present conditions. It will not necessarily apply to special or modified oils, unusual conditions or changes produced by tariff modifications. Europe consumes both oil and the residual cake and it is obviously cheaper to freight seed than oil in containers plus cake, so that, both oil and cake cannot be exported, unless crushing costs are less in India than in Europe. This is axiomatic. Costs in India are, however, on the average, equal or higher, so that, it is impossible to export both oil and cake; seeds may be exported, and oil or cake but not both. Cake is not extensively used in India except at very low prices; so it is the cake which goes to Europe. A reversal of this procedure requires a revolution in the ideas of the Indian farmer, who at present cannot or will not use cake extensively for feeding cattle. It is this solution which forces the writer to regard the sale of feeding cake in India as the crux of the oil industry. Until the farmer is willing or able to buy cake in quantity, I am convinced that the question of considering the export of oils whose cake has a value as foodstuff will have little more than an academic interest.

THE INDIAN SUGAR INDUSTRY

In our January issue, we published an extract from a speech, on "Sugar Industry," which H. E. Sir Malcolm Hailey delivered at Bareilly in December last. The Governor of the United Provinces observed that the factories and machinery had begun to arrive; that he rejoiced to see the development of Indian industries; and that, by all accounts, the sugar factories in India had, in the last two years, made very handsome profits. The great impetus to the sugar industry is, to a very large extent, due to the increase in import duties till 1948 by Act XIII of 1932, which had to be levied by the Government of India owing to the unsatisfactory character of the budgetary situation. The Tariff Board has also recommended that a certain measure of protection should be given to the Indian sugar industry. The measure of protection, which the industry enjoys now has led to some beneficial results, chief among them being the erection of no less than 50 factories of which nearly 25 were erected during the year 1932. We are informed that the building of a large number of factories during the current year is engaging the attention of capitalists in the country.

We are glad to note in the latest trade statistics that the sugar industry is showing signs of expansion. The demand for Indian sugar has vastly increased and it must be said to the credit of the Indian factories that they are doing their best to cope with the increased demand. The commercial advices which we have received on this subject indicate that the orders placed in December-January are being met with promptness and this augurs well for the next season.

Though the sugar industry is now on the up-grade, and, the sugar shares are quoted high in the market, it must be mentioned that there is a feeling of insecurity in the sugar market concerning the protection given to it by the Government of India. It is feared that if the budgetary position improves, the Government of India may remove the surcharge and lower the import duties; and that if such a contingency comes to pass, the working of the industry would be unremunerative. This feeling of insecurity, we regret to say, would seriously affect the Indian capital market. The advance of the industry has been in the main due to the energy and initiative of old enterprises and of private capitalists, who had the courage and confidence to enter the market in the hope that the factories can be run on profitable lines. The capitalists are said to have equipped their factories only with cheap machines and one cannot blame them as their end is mostly to secure maximum profits with the lowest possible outlay.

But there is no reason why the feeling of insecurity regarding the continuance of protection for the industry should exist. The Tariff Board has recommended that the import duties should be part and parcel of the policy of protection to which the country and the Government are irrevocably committed.

We hope that the Government of India will assure the investing public that the policy of discriminating protection will be continued. The present import duty including surcharge amounts to nearly Rs. 6-9-0 per md. The cost of Java sugar is Rs. 3-15-6, which means that it can be sold at a profit in the Indian market only at Rs. 10-9-0 per md. The cost of production of Indian sugar is about Rs. 7-8-0 per md. and the selling price about Rs. 10-4-0 per md., the difference between the factory cost and port sales being Rs. 2-12-0. If the import duties or surcharge are or is reduced, it will not be possible for Indian sugar to compete with that of Java, for the reduction of surcharge will mean that Java sugar can be sold in the market at Rs. 9-4-0 per md.; and if Indian sugar is to be absorbed in the market, it will have to be sold for less than Rs. 9-4-0, which means that the difference between the cost of production and the selling price is only Rs. 1-8-0, which after covering the freight charges will not be a remunerative return for our infant industry.

We must observe here that there is an additional reason why the present import duties should be continued. The yield of sugar from sugarcane has increased from 6·5 per cent to 9 per cent but intensive cultivation has not shown any increase. The Indian yield is 1 ton of sugar per acre, while that of Java and Hawaii Islands is as much as 3 to 4 tons. The Coimbatore Research Station has done much to cultivate a better type of sugarcane which can give 50 per cent more than the present yield. The Coimbatore type has a remarkable disease-resisting capacity and the power to hold the juice intact for a considerable length of time after being harvested. The area under this variety is 8 lakhs acres only against the total area of 29.9 lakhs acres out of which about 5 lakhs acres are sown in the U.P.

The sugarcane crop forecast published towards the end of October, 1932, says that the area under sugarcane is being estimated at 2.99 million acres or an increase of about 6 per cent over that of the previous season. The weather conditions have up to the present day been satisfactory and it is felt that the 1933 season will be a prosperous one. We are informed that the percentage of total cultivation of Madras is 3.6, Bombay 3.2, Bengal 6, Punjab 14.4, Bihar and Orissa 9.9, U. P. 52, and the Frontier 1.7.

The crop in the United Provinces would have been more plentiful, if the rainfall had been evenly distributed. It is estimated that the total outturn of the provinces stands in the neighbourhood of 73 per cent of the normal production. We are told that in Bihar and Orissa, particularly, the plantation has been increased by 5 per cent. The crop is good and it is estimated that the outturn is 86 per cent of the normal production.

The area under sugarcane during the season, 1931-32 was 2.88 million acres against 2.79 millions during the previous season The highest yield of raw sugar on record was reached when the Indian production stood at 3.88 million tons, as compared with 3.21 million tons during the previous season.

Amongst the cane-growing provinces, Madras produced 3.6 per cent, U. P. 5.18 per cent, Bengal 7 per cent; Frontier Province 1.7 per per cent; Bihar and Orissa 10 per cent; Panjab 14.3 per cent; Mysore 1.2 per cent; Hyderabad 1.1 per cent; and Bombay 3.1 per cent.

Enough has been said by us to show that the sugar industry is a developing one. If the development is to proceed on proper lines, certain facts should

be recognised. Industrialists must understand that nearness of the factory to the plantation is an essential factor in the prosperity of the industry. If Java and Cuba are to-day famous for their sugar, it is because the plantations and factories lie side by side in almost all cases in these islands. In India, the Belapur sugar factory is one of the most successful ones, the reason being that the plantation is very near the factory. The percentage of extraction is greatly affected, if cane has to pass through dilatory processes in transport. If the plantation is contiguous to the factory, the cutting of the cane and the extraction of juice are only a few rapid stages in the manufacturing process.

The industry could be conducted on sound lines only if accurate information is available as to the comparative methods of production, cost of manufacture etc. in other great sugar manufacturing countries like Java, Mauritius etc. Further more it is important that research should be directed towards the manufacture and successful user of the various by-products like spirits, glycerine, yeast, fuel, cattlefood etc., resulting from the manufacture of sugar. Government protection in the shape of import duties cannot be permanent and cost of production will have to be lowered not only by efficient methods but also by the utilisation of the by-products. Those interested in the industry and particularly, commercial associations should take up these questions much more actively than they do at present. If the industry is to have a bright future, its plantation side must be scientifically worked. Agricultural research in our country has made advances quite beyond our expectations; and if better varieties of cane are cultivated, we may be in a position to compete in foreign markets. We regret to note that in the recent past there has been a tendency to multiply factories without any attention being given to the capacity of the Indian cultivation. If the demand for sugar were to increase and the productive capacity were to remain stationery, we would be treated to the picture of Indian factories deseperately waiting for raw materials. If factories are erected in future, care should be taken to see that such factories have also plantations which can meet their demand. It may be possible by using cheap machinery to make the most of a temporary demand and reap large profits; but the future of the industry must be taken into consideration, and only if and when most up-to-date and efficient methods are adopted can the industry make rapid progress. The Mysore Government's enterprise will be watched with great interest in this connection.

Progress of the Movement

MADRAS, 5TH FEBRUARY 1933.

Ajmer The Publicity Secretary, the All-India Swadeshi Exhibition, Ajmer, writes :—

It has come to my notice that certain interested persons, in their anxiety to make the forthcoming Swadeshi Exhibition to be held in Ajmer on the occasion of the Golden Jubilee of the local Arya Samaj between February 22 and March 8 a failure, have gone to the extent of notifying would-be visitors and stall-holders that the Exhibition will come off in October next and not in February. Nothing is farther from the truth. A major portion of the construction work, as everybody here can see, has already been finished and the rest will have been completed before another week or ten days. Much as I should have liked to ignore and treat the mischievous propaganda being carried on with the contempt it deserves, I find, that it has raised doubts, natural under the circumstances, in the minds of our patrons and the trading community outside, which must be immediately dispelled. I should, accordingly, be thankful if you kindly pubiish this for the information of the public throughout India. The Exhibition fixed for the dates above mentioned, i.e.. between the 22nd February and 8th March, 1933, will be held as notified; there has not been the slightest change in its programme.

The opening ceremony of the All-India Swadeshi Exhibition will be performed by Pandit Madan Mohan Malaviyaji on 22nd Feb. The management of the B. B. and C. I. and the G.I.P. Railways have sanctioned the usual concession in freight charges The local Municipality has also decided not to levy terminal tax except in case of goods sold at the Exhibition. Unsold articles will be exempted from all duties.

Intending stall-holders must apply at once for stalls, and Railway concessions to the Secretary.

Amroha An exhibition of indigenous industries organised by the Anjuman Islah-i-Moasharat, Amroha opened on the 30th January 1933, by Syed Anwar Husan Khan Rais, was a great success.

* * *

Mr. Mukut Behari Lal, General Seeretary, the All-India Swadeshi Sanga, Benares writes :—

Benares In response to the appeal of the All-India Swadeshi Sangha, about sixty Municipal and District Boards have communicated to us their resolutions to buy Swadeshi goods for their requirements as far as possible. Some of them have been pursuing this policy for about eight or nine years, but the majority have passed the necessary resolutions at our request. We thank them for their response and hope that the Municipal and District Boards, which have not yet taken any step in this direction, will kindly pass and communicate to us at their earliest convenience the resolution that they would buy Swadeshi goods for their requirements as far as possible. The Swadeshi Associations and patriotic citizens are requested to approach the presidents and members of Local Boards to expedite the matter.

All other public associations in the country are earnestly requested to use all their influence for the promotion of Swadeshi and to resolve that they will buy Swadeshi goods for their requirements. It is hoped that they will advise their members to take keen interest in the Swadeshi movement and buy Swadeshi goods for their use. We will be much obliged if all public associations will communicate to us what they have been doing for the promotion of Swadeshi.

Some Swadeshi Associations have not yet sent us the report of their activities in 1932. It is hoped that they would do so at their earliest convenience so that a comprehensive report of the Swadeshi movement in 1932 may be published at an early date.

Berhampore A meeting of prominent citizens of Berhampore was held on 9th January '33, in the bungalow of Dr. P. Govindarajulu Naidu, when Messrs. Rao Saheb M. V. Appa Rao, U.C. Patnaik, K. Janaki Rao, N. Lingamurthi and others were present with a view to the starting of a Swadeshi Emporium on a co-operative basis and enlist share-holders. Dr. P. Govindarajulu was elected provisional President and Mr. N. Lingamurthi was authorised to enlist share-holders. It was also resolved to start the Emporium with the share amount collected by the 1st of February.

* * *

Calcutta An Agricultural and Rural Industries Exhibition will be opened by Dr. B. C. Roy, Mayor of Calcutta on Feb. 5th. The Exhibition will last for four days from the Feb. 5th to Feb. 8th.

India will soon have sewing machines of its own. These are manufactured by a new Calcutta company entirely Indian, and have been declared by experts to be as good, if not superior, to the best of foreign makes. At present, they are imported to the value of Rs. 85 lakhs per year. The managing agents are Mayor & Co.

A correspondent writes :—

The opening ceremony of the second Annual Fine Arts Exhibition under the auspices of the Scottish Church College Fine Arts Society was performed by Dr. Abanindranath in the second week of January.

A visit to the Exhibition fully convinces that the organisers have really done something for which, at least, those who are interested in Fine Arts, must be grateful. There is indeed a good collection of various sections of Fine Arts and some of them are really notable. Ganguly's 'Madona' and "Devadasi," Samer Sen Gupta's "Byron," and a few landscapes, Sachin Datta's "Natraj" and "Besari-Bilash," Smriti Sen's "Gouri-Murti" and two other oil paintings. Suchin Mitra's "Utsab" and a few pictures of Smarajit Das Gupta, Purna Dutt and Rukmini Das are really some of the best productions and they alone can justify an exhibition. Embroidery works displaying very fine artistic skill were submitted by both boy and girl students.

A correspondent writes under date Jan. 15th '33.

Calicut An ordinary meeting of the Calicut Municipal Council was held last evening, in the Municipal Hall, Dr. R. Sundaram, Vice-Chairman, presiding when the following resolution was passed unanimously :

This meeting resolves to request His Excellency the Viceroy to levy a heavy duty on the imports of copra and cocoanut oil from Ceylon and other places into India and thus prevent their competition with the indigenous products of Malabar on which her population depends for a living.

This meeting further resolves to request the Commerce Member to the Government of India to refer this question to the Tariff Board for its opinion at a very early date.

* *

Chickmagalur The All-India Swadeshi Exhibition organised by the Kadur District Board was opened on Jan. 29th amidst great enthusiasm before a large and distinguished gathering at a special pavilion in the Municipal gardens. Acharya P. C. Ray, was unavoidably absent. The opening ceremony was performed with a reverential prayer to God Ganesha and a homage to Mahatma Gandhi, Pandit Malaviya and other leaders.

Swadeshi exhibits from all parts of India and States were prominent. Valuable sacred ornaments of Sringeri Mutt under the personal supervision of Rao Bahadur Nanjundaya, Agent, were on special show in the Assembly Hall. Large crowds daily flock to the Swadeshi Exhibition, the first of its kind organised by a local self-governingi nstitution. Side attractions included music, drama and interesting demonstrations. The Exhibition came to a close on Feb. 5.

Mr. Hosakoppa Krishna Rao, in winding up the proceedings, expressed regret at the non-participation of the Government in the Exhibition, though they evinced active interest in similar functions outside the State. Mr. Krishna Rao thanked one and all for the interest taken in making it a success.

To keep the spirit of Swadeshi burning and aloft, a Swadeshi museum was opened before a huge gathering of ladies and gentlemen at the instance of Mr. Hosakoppa Krishna Rao under the auspices of the District Board as a permanent feature.

The Joint Secretaries also spoke on the occasion. Awards of gold medals, silver medals and pendants and certificates of merits, were presented to stall-holders. More than 75 stalls consisting of varieties of Swadeshi goods were on show.

About 20,000 visited the Exhibition. It is expected that Swadeshi manufacturers will take the opportunity to send exhibits to the Museum, District Board, Chickmagalur and popularise goods in the permanent Exhibition.

As we are going to the press, we understand that our League has been awarded a gold medal at the Exhibition.

* * *

Delhi

The opening ceremony of the All-India Swadeshi Exhibition was performed by Mr. Asaf-Ali, Bar-at-Law on 26th Jan. '33. Mr. Asaf-Ali in the course of his speech declaring the Exhibition open said that "poverty, bankruptcy, starvation and disease will continue in India so long as Indians do not realise the folly of the enormous drain of wealth from the country to foreign lands". At the time of going to the press, we deeply regret to learn that a fire broke out early in the morning on 5th Feb. in the Swadeshi Exhibition premises and that in spite of the efforts made by the fire brigade, a block of fifty stalls, occupied mostly by cloth merchants and booksellers was reduced to ashes.

The Honorary Secretary, Association for the Development of Swadeshi Industries writes :—

The All-India Industrial Exhibition, Delhi which will be opened on Februay 15, 1933 by Acharya Dr. Sir Prafulla Chandra Ray has secured freight concessions for out-station exhibitors from the N. W., E. I. and R. K. Railways in addition to the B.B. and C.I. Railways. Several stalls have been booked and there has been good response from manufacturers all over India. Some important groups of Bombay Mills have already booked stalls.

The demonstration enclosure will be specially attractive as all such machineries which are useful for cottage and small scale industries will be there. The managment has allowed a special section to the press in India with a view to bring them into closer touch with the manufacturers. Representatives of the Association have been sent to Calcutta, Bombay and Indore.

Camping facilities shall be afforded to outsiders.

* * *

Indore

A correspondent writes from Indore under date Jan. 28 :—The All-India Swadeshi Exhibition, which has been on show for several days has just come to a close. Throughout these days, it was attracting large crowds of visitors. On the 28th Jan., the crowd at the show was a mammoth one. More than a lakh of visitors from all parts of Central India were present. The total sales amounted to more than a lakh of rupees. On the next day, in the presence of workers, the stall-holders and the volunteers, and the elite of the city, Sir Sarupchand Hukumchand distributed the prizes to various exhibitors. Almost every one of the stall-holders expressed his great satisfaction at the sales and the able manner in which the whole show was conducted. Gold medals were awarded to the Bengal Chemicals, the Gwalior State Industries (for pottery exhibits), Pradhan Special Cigarette Company, Benares Hindu University, Trivandrum Ivory works and to Ram Narain Joshi for his spinning 100 counts yarn. Sixty silver medals and above two hundred certificates were also given.

* * *

Khulna

The Khulna Municipality has adopted a resolution to the effect that it will purchase and use Swadeshi goods as far as possible.

* * *

Lucknow

The Lucknow Swadeshi League has decided to hold a Swadeshi Exhibition from March 13 to April 4, 1933. The Exhibition will consist of four sections, viz (1) a general section in which will be represented the crafts and industries of India in general and of the United Provinces in particular, such as cloth, woodwork, brass, glass, leather etc. (2) a khadi court for the various kinds of khadi and the demonstration of their manufacturing processes, (3) an arts' gallery consisting of the exhibits of the painting, sculpture, music and other fine arts, and (4) an amusement section.

Those who desire to participate in the Exhibition may obtain a copy of the prospectus by writing to the Secretary.

* * *

Madras

An All-India Sanitary and Scientific Exhibition organised by the All-India Medical Licentiates Conference was formally closed on Jan. 11, '33, when Major-General C. A. Sprawson, Surgeon-General with the Government of Madras distributed medals and certificates to exhibitors. The following exhibitors secured gold medals and certificates of merit :

The Bengal Chemical and Pharmaceutical Works for vaccines and proprietory products : The Madras Medical Co-operative Society, for hospital requirements and surgical appliances ; Messrs. B. K. Paul for surgical implements; the Indian Pharmaceutical Works for Dilranjan Messrs. Paragon for products ; The Madras Pharmaceutical Works for tinctures ; Messrs. V.P. John for specialities; Dr. Bose's Laboratory for Pharmaceutical excellence ; The Alembic Chemicals, Limited, Ayurvedasramam for Indigenous drugs; Mr Janmi Venkataramaniayya for indigenous proprietory preparations and the Bengal Immunity Company for their products.

The following exhibitors received first class certificates of merit.

The Public Health Department for Health Propaganda Exhibits ; Mr. T. Ramachandra Rao for specialities ; the South Indian Health Association for charts, the Principals Medical College and Royapuram Medical School, for amatomical specimens ; Dr. H. Venkata Rau for dental exhibits, and the Calcutta Chemical Company for their Margo Soaps.

* * *

Mannargudi

A scheme of an agricultural colony to be opened in the new area to be irrigated by the Cauvery-Mettur Project has been under contemplation for some time and a site of about 200 acres, to be freely granted for the purpose by the Government, has been selected near Vaduvur and about 9 miles from Mannargudi. Mr. Hilton Brown, I.C.S., Collector of Tanjore, inspected the site on the evening of the 18th instant and has been favourably impressed.

The objects of the colony are to give relief to the unemployed, to help educated young men to turn back to the land and to educate the village masses in general knowledge and agriculture.

* * *

Nagpur

The All-India Swadeshi Exhibition organised by the Swadeshi Prachara Mandal was opened on Feb. 5, by Raja Bahadur Govindalal Bansilal of Bombay before a very large and distinguished gathering. Mrs. Anasuyabai Kale, proposing a vote of thanks to the chair suggested the establishment of a permanent Swadeshi Bazaar at Nagpur.

* * *

Proddattur

A meeting of the local Municipal Council was held on January 26 when, on the suggestion of Mr. G. Krishnamurthi, a resolution to buy Indian made articles as far possible for the use of the Municipality was adopted.

* * *

Rajahmundry

The Swadeshi Emporium organised by the Buy Indian League was opened on January 14 by Deshabhakta Konda Venkatappiah. Mr. V. V. Jogiah, who presided over the function said that propaganda for popularising swadeshi and for the encouragement of the Indian industries was highly essential. In Great Britain, wherefrom he was just returning everywhere he found propaganda in favour of "Buy British". To eradicate the poverty in the land, the production of all the necessaries of the people in this country itself and the use of Indian made goods themselves by all Indians were highly essential.

Mr. V. D. Narasimhamurti, B.A., B.L., Joint Secretary of the "Buy Indian", League read the report of the work turned out by the League.

* * *

Travancore

The Government Sales Depot under the management of the Department of Industries was opened on January 23 by Mr. T. Austin, the Dewan. At the meeting held in that connection at the Science College, Mr. N.K. Padmanabha Pillai, Director of Industries, detailed their objects in opening a depot of this kind. It was their intention to stock all kinds of industrial products of Travancore, for advertisement and sale. The depot was not merely to serve as a trade agency but was also to be an advisory body. There were similar depots in Hyderabad, Lahore, Lucknow and other places and the Director of Industries hoped to send the Travancore wares to be sold at the foreign depots in exchange for their goods to be sold in Travancore. He pleaded for the co-operation of the public and for their help and advice.

Mr. Austin said that tea and rubber had fallen on evil days and that the people had to take to other fields. The last census of Travancore showed that the population had withdrawn from agriculture. To provide for them, industries and commerce had to be developed. He hoped that the Sales Depot would prove an useful institution and satisfy a long-felt want. It was only a beginning and naturally a small beginning. But branch depots could be opened and when that was an accomplished fact, the prosperity of the cottage industries would be ensured. He declared the Sales Depot open.

The Government of Travancore have directed that greater attention should be paid to the development of fisheries in Travancore State. In their orders issued yesterday on the administration of the Department of Agriculture during 1931-32 they state, "there was considerable fall in the export of fish products during the year and this is attributed to the unsatisfactory condition of fisheries. Travancore with its long coastline and backwater affords ample facilities for the development of this industry. There is also a large population engaged in fishing business". They accordingly direct that greater attention should be devoted to the development of this branch of the department.

* * *

Trivellore. The organiser of the Swadeshi room writes to us under date 4-2-33:—We have closed the show-room to-day and the total sale collection has come to Rs. 150—1—11.

	Rs. A P.
Total sales amount ...	150— 1—11
Rent ...	7—14— 6
Balance ...	142— 3— 5

Vizagapatam The Swadeshi Bazaar, organised by the Swadeshi Prachara Mandali and opened by Dr. B. C. Roy, Mayor of Calcutta, on the 1st instant came to a close on Jan 16. Mr. Pingala Lakshmikantam gave away medals and prizes to the exhibitors for their exhibits.

Gold medals were awarded to Sri Venkateswara Ivory Works of Vizagapatam, Sri Annapurna Chemical Works for their Amla Hair Oil, Prakash and Co. for their Herbal Glycerine and Snow, Amrutanjan Depot for their pain balm, Mr. R. Venkanna of Tuni for splendid khadi, Chitalia Brothers for proficiency in silver enamelled works, the Ayurvedashramam for their Amritamalaka tonic hair oil, Bengal Immunity Co., Ltd., for good serums, vaccines and hamogen, Navaratna Pharmacy of Cochin for the Brahmi hair oil, Shelat Brothers of Madras for best washing soaps and eau-de-cologne, Andhra Kala Parishat for their Neel-kal inks, Lakshmi Chemical Laboratories for their glycerine hair oil, Sri Rama Rattan Works for hand-made cane works and the Stores Universal of Vizianagaram for their calendar fret-work.

Silver-medals were awarded to Messrs. D. Appalaraju and Bangarraju for good variety of toys, the Carnatic Musical Stores for fretwork on wood, Mr. Badam Appanna for typewritten pictures and cartoons, Mr. Nandalal for mica work and to Mr. Kota Jogulu of Parlakimedi for cane work.

Certificates of merit also were awarded for a number of other exhibits.

INDIGENOUS INDUSTRIES

by

C. GOPAL MENON, A.I.B.

Your motto is "Buy Indian". In commercial parlance, it means the purchase of Indian-made articles in preference to foreign ones. There is nothing wrong in appealing to people to purchase indigenous articles, when articles can be obtained at prices low enough, when compared with those of articles received from outside. History reveals the fact that the principal means by which nations have endeavoured to promote their commerce and industry have been by the establishment of commercial museums or floating exhibitions protective tariffs, and technical and commercial education. But in India to-day, the adherents of the Buy Indian Movement are adopting a system of voluntary protection, and thus aim at securing, what nations have secured by means of protective tariffs.

THE IDEALS OF THE MOVEMENT

The Government's support for the purchase of home-made articles exists in the standing order issued by the Government of India that stores shall, as far as possible, be purchased in India provided the quality of those products is sufficiently good and the prices not unfavourable. It only shows that the Movement has, in its legitimate forms, received official support. Thus "Buy Indian" is a Movement for the encouragement of home industries, but at the same time, it is also endeavouring to arouse in the people a patriotic spirit and a more enterprising business life. None can object to the ideals of the Buy Indian League. In according support to the ideals of the Movement, it is not being suggested that India can manufacture all articles under the sun. Take for instance, cotton goods. In the manufacture of cotton goods, India has achieved in the past excellence unequalled anywhere in the world. Such cloths as Dacca muslins, which possessed the finest texture were spun and woven by hand, took a long time to manufacture, and when finished were only within the reach of the richest in the country. With the advent of the power-loom, such expensive fabrics went out of use. Even the cotton, from which those materials were spun and woven, was allowed to deteriorate, partly through improper seed selection and partly through bad cultivation.

INDIAN MILLS

In its place, a cheaper fabric of good quality was imported from Lancashire to meet the needs of both the rich and the poor alike. But in this industry, India soon began to compete with England, India's first cotton mill was built in 1851 and began to manufacture cotton goods by power. She has at present about 300 mills after 82 years of the starting of her first power-loom. The total spindleage, up to the present day, is only a little over seven millions. It is difficult to imagine that these seven million spindles working in India can supply the entire demand of her 350 million peoples. No doubt, there are 2,500,000 hand-loom weavers; but their position is so precarious that they are finding it difficult to make both ends meet.

THE INDIAN DEMAND

The tastes of the people have changed and there is now an increasing demand for finer fabrics. On a modest estimate, the demand in the present decade, according to an authority on this subject, is likely to increase to 5,000 or 6,000 million yards of coarse cloth, in addition to 2,000 to 3,000 million yards of finer qualities, which will be an increase of 50 per cent over that of the previous decade.

Can India meet the entire demand of her peoples? It is not a practical problem; but looking at facts as they are, there is abundant room for both classes of cloth for sale in India. There need not be any jealousies or restrictions on either side. If there has been a set-back in the cloth trade in India, it is only a temporary phase, due to the present difficulty in finding a ready sale for India's agricultural produce; and when the ryots begin to earn more by the sale of her produce, it is almost certain the previous boom in trade will set in.

UNEMPLOYMENT

In this connection, it is necessary to deal with what Mahatma Gandhi wants every household to do. There is so much of unemployment in India; the unemployed can well make a living by hand-spinning and weaving. The people possess a hereditary skill in the manufacture of cotton goods. So skilful were they in its manufacure, no European worker was able to compete with the Indian weaver, until the invention of the spinning jenny. The skill of the Indian weaver was of such a high order, that when the Manchester industry began to prosper, the cotton imports from India formed the subject of several Acts of Parliament. The Indian imports were banned as they competed with the products of the Manchester industry.

AFTER 1870

It was only after 1870, that the Indian mill industry showed progress. Ever since then, the progress though slow has been steady and continuous. This is creditable, indeed, as the trade has been faced with a number of reverses, the causes of which have been beyond control. The Indian cotton industry is, to a large extent, financed and controlled by indigenous capital and talent. There are several other industries, which can be developed to the benefit of the country. Capital can be had in abundance but it is at present fighting shy of the commercial and industrial markets.

SALESMANSHIP

There is another factor to be taken into account before indigenous industries can meet with success. If you look at a successful commercial nation, you will find that it is the capacity of the salesman, which constitutes the foundation for its success. Salesmanship may be defined as the ability of the seller to persuade the customer to purchase goods to his profit; in other words, it is the sale of goods for profit. It is also the power, which enables the salesman to make others think as he thinks, believe as he believes.

THE IDEAL SALESMAN

The industrial development of the country is now faced with competition. To overcome it and induce dealers to purchase our articles, which may, in some cases, be dearer than imported ones, we require travellers with general knowledge of salesmanship. The steady worker, the man who grinds and shows healthy and continuous results is the one to be preferred. He must be a man of good physique, susceptible to instruction, and have the disposition to obey orders. Such a man is bound to become a successful salesman. A salesman is born and not made, just as it is often said that a journalist, or lawyer or professor or doctor should possess an aptitude for his profession. But then natural gifts alone will not be sufficient. He must be efficient. It is not enough if the salesman possesses mediocre ability; he must have sufficient skill in the art of selling goods at a profit. The practical salesman not only studies to secure business but also takes care to see that he does not lose it. He studies his own character as well as his customers' peculiarties. It is only when you have the right type of salesman, that business institutions big and small will thrive; and if the Buy Indian Movement is to succeed, salesmen with efficiency and ability should be employed. The educational institutions of the country must turn out such men.

Some Thoughts and Suggestions

by

N. SUBRAMANYAM, ADVOCATE

SOMETIME ago, the patriotism of an Englishman was the subject of a humourous satire in the pages of *The Punch*, and I have, no doubt, such a satire will be more appropriate in the case of many of our educated countrymen, who begin their day with an American tooth-brush and paste, wash themselves with Pears or Vinolia soap, comb their hair before an Australian mirror with an English comb, using hair-oils and pomades made in America, France or Germany. Nay, even in their food you may find, though not frequently, Italian vermicelli or foreign condiments; and very often it is not unusual to find them satisfy their and their children's curious palates with Reading biscuits, S. N. & W's jams and jellies, Nestle's chocolates, caramels, toffees and a variety of foreign tit-bits. Though I cannot commend orthodoxy and conservatism of the narrow old-world type, I think it prevented, at any rate, the importation and consumption of foreign foods and sweets. I still believe this fashion has not yet invaded the rural population.

It seems as if we cannot live our life without recourse to foreign toilet, foreign clothing, sometimes foreign food and even without foreign culture. Look around your house. The hinges, hasps, bolts and nuts of your doors are foreign; your paints are foreign; your electric installation is foreign and almost every article from your shirt stud to your shoe is foreign. No nation can ever be entirely swadeshi. Some things, by necessity, must be of foreign make and in India the percentage of foreign things must continue to be higher for a considerable time owing to our economic conditions. Nevertheless, a hundred different articles of daily use and consumption can be manufactured in this country instead of being imported from abroad. We send gall nuts to Europe and import ink; we export hides and skins and get back shoes and leather articles; we send raw jute and import hession and even send rice and buy shot rice! Does this mean crass ignorance or culpable laziness?

OUR ENTERPRISE

I have seen several industrial exhibitions run by the Congress and the Buy-Indian propagandists There are exhibits of soaps, scents, face-creams and cosmetics; a few costly textiles and invariably art works in wood, ivory, silver and gold. There are also Ayurvedic and Unani medicines. At first you feel glad that there is enterprise in your country, but very soon you question yourself whether these articles alone would enable you to realise the dream of a self-contained India. The soaps and cosmetics may save the country a few lacs of Rupees, and the ivory carvings and embroidered carpets can reach only the hands of the Zamindar or the superfluously rich one. The bulk of the people have nothing to buy and the country feels no gain. We require good and cheap clothing, utensils and articles indispensable in every household.

The Indian mills deserve congratulations for reviving enterprise but the age-long sleep is still heavy on their lids. In the commercial turf, they are only "also rans". They need better training and jockeying. Manchester and Japan give good dividends to the multitude of poor punters, whereas the Indian mills are still beyond the confidence of money. Their output of productive energy must be increased by sacrifice on the part of share-holders and by a remodelling of their machinery on up to date lines. Until they are able to give durable clothing at cheap rates, any number of appeals to one's patriotic sentiments will be in vain. At best there will be a few spurts of enthusiasm, while it will soon be followed by a reaction more fatal to the progress of the country than the original indifference.

Let me not be understood as one who throws cold water on the awakening of enterprise in the country. I only desire to say that a few power looms, one or two banian factories, a pencil factory here or a paper factory there, or a score of soap factories cannot supply our country's wants fully; and what we require more than soap industries is the development of textile industries and metal works.

Capital Wanted

I am asked where is the money for all these enterprises. I ask in return where comes the money in fabulous quantities for council elections, district-board elections, for acquiring unserviceable privileges and unmeaning titles. If only our leaders turn the primitive mentality of these erring richmen, who let rivers of money flow into a sea of waste, can they not fertilise the deserts for the benefit of their fellow-men?

A business gentleman expressed surprise as to why it did not strike the minds of some of the members of the Buy-Indian League, who are undoubtedly labouring for the economical uplift of the country, and among whom should be some business men, that steps should be taken to open a Sales Exchange for the sale of raw products such as hides and skins, oil-seeds etc. and stop the heavy losses and claims, consequent on goods being sent to foreign countries for sale. I do not pretend to be an expert but I think in in the matter of hides and skins, for example, a Sales Exchange may be created in Madras, so that, people from up-country may send their goods there to be auctioned, as it is done now in London. The advantage, in my opinion, would be that the person, who sends the goods to the Exchange would know within three or four weeks the results of the sale; and then he would be in a position to fix his buying price for the raw hides and skins. It would also save the tanner claims of various sorts because when the lots are sold or auctioned, the buyer should be made to understand clearly that the lots should be purchased subject to all faults and as they stand; and that no claims would be entertained thereafter. I have, no doubt, that Madras has still some enterprising business magnates, who can find capital for this project; and I believe it will certainly help both Indian banking and insurance companies. This will save India the huge sums of money that are being paid to the auctioneers and middlemen in London.

Manufacturing Articles

I should like to make one more suggestion as regards the manufacturing activities. It ought not to be difficult to start a concern for the manufacture of ordinary bazaar tools and implements used by carpenters, masons and agriculturists. In the field of machinery and high grade tools, we may have to wait for some time, though concerns like that of Kirloskers' happily reveal to us the immense possibilities in this direction. With the thousands of tons of ferro scraps that are being sold by the railway companies in India, there ought to be no difficulty in manufactuting scythes, knives, spades, trowels and even razors. I understand old files are used in manufacturing razors and knives in some parts of the country.

The railway companies appear to release every year at least 5,000 tons of non-ferro scraps, i.e., brass, copper, white metal and gun-metal. There are workmen in our country, who have enough intelligence to manufacture small useful articles such as hasps, hinges, hooks, clamps and a variety of things we find in the Rasappa Chetty Street bazaars at Madras, and which are now being imported from the European countries and Japan.

Some vessel bazaars exchange new vessels for old ones paying sometimes less than 40 per cent value for the old vessels. I am told that though the quality of metal is the same, it could not be melted and rolled into sheets; and that the melted metal could only be used for casting the bottom plates of big utensils. If we have rolling mills in this country, I believe we should get our vessels for cheaper and exchange old ones for better price. I wish some one investigates the possibilities of this proposition.

Vessels

I do not for a moment believe that the question of capital would stand in the way. It is organisation that is required; and now that the spirit of swadeshi is abroad, will not some men come forward to improve the industries of our country, relieve unemployment and earn the gratitude of the present and the future generations of our motherland?

COTTAGE INDUSTRIES IN NELLORE DISTRICT

THE District of Nellore is a paddy producing tract and agriculture and pasture are the primary occupations of the people and help to support nearly 70 per cent of the population. There are a number of prosperous rural industries, chief among them being, carpentry, blacksmithy, and pottery. Hand-loom weaving is being carried on by the weaver-castes and the kinds of cloth called Kaili, Silas, and Pattimarapu are woven, and finally exported to Madras. Dyeing is found to a small extent in villages. The matting industry has found a congenial home in this district. In Buchireddipalem, (Kovvur taluk), Santapet, Vindur and Virareddipalli of Gudur taluk, Lingamgunta of Kandukur Taluk, and Nimmavarum of Podili Venkatagiri Zamindari, korai mats are made; and mats of a coarser variety are manufactured in Muthukur and the Pedur firkas of Nellore taluk.

It may be added that apart from the matting industry, for which Nellore is famous, there are other industries like mica-splitting in Gudur taluk, artistic pottery, wood-carving, doll-making and painting, and harmonium making.

Spinning and Weaving

A survey of cottage industries may well begin with the spinning and weaving industry. The spinning industry is one of the subsidiary occupations in this district, particularly, among women. Hand-spinning is being carried on all over the district except in such taluks as Kovvur and Gudur. This industry is still in existence because cotton is grown in the district and the women in every kapu and kamma household wear only the cloths that they have made.

The existence of two associations have been largely responsible for the maintenance of this industry viz. The All India Spinners' Association and A. Satyanarayanan Bros. These bodies receive their supply of yarn from cotton-producing areas. Most of those who are engaged in this industry are all women and girls of the Kappu, Kamma, Nayudu and Harijan castes. The wages in this industry are not sufficiently high to attract men, and, hence women and girls, who have plenty of time on their hands take to the spinning of yarn. The failure of the industry to absorb skilled workmen does not auger well for its future-

Weaving

The weaving industry, on the other hand, absorbs a large number of men and next to agriculture is the chief occupation of the people. It is confined to certain castes such as Padmasalas, Devangas, Karnasalas, Kaikolars, Thogata, Pathusalas, Thogata Christians and Malas. There are no large centres of weaving population in this district. An official publication says in this connection, "There is no silk-weaving at all in the district. . . . . The most favourite variety and, therefore, the largest quantity woven is what is called the kaili or the narrow-stripped cloth, which is stitched lengthwise and worn by the Muhameddans as loin cloth. A similar variety is the silas, which resembles the kaili but is broader. A third is the Patte-marupu or the Madras handkerchief, with stripped squares in red and yellow and other fancy colours, chiefly exported to European countries. Cotton saries are made in only two places. The other kinds are white upper cloths in fine counts made in Venkatagiri, Buchireddipalem and Yellayapalem, vashties in 40s and 60s., lungis for Mussalman women and coares-cloths in mill-made 10s and 20s and handspun yarn".

White Cloths

White cloths of a fine texture and which do not shrink when washed are woven at Buchireddipalem, Yellapalem, and Venkatagiri. There was a large demand for this kind of cloth a few years ago; but with the introduction of cheap silk, towels and Salem cloths, the demand has decreased. Now most of the weavers are weaving kailis, which find a ready market in Madras.

SARIES

Coloured saries in 40s and 60s are made in Kavali, Anamadugu, Mungamur, Brahmanakaker, Kunkuvaripalem. Chamadula, Bitragunta, Budamagunta, Kottapalli, Kandukur, Rosireddipalem, Ammapalem and Ramayapatnam.

The merchants of Nellore and Kovvur supply the white yarn to sowcars, who employ the weavers and sell the products either locally or export them. It is said that the saries are in demand in Kavali and Kandukur. The saries woven in Stonehouspet, Nellore, are of a better quality than those of Kavali and Kandukur, probably due to the use of artificial silk in weaving and the dyed yarn imported from Madura and Salem. It must be added that the demand for saries is decreasing owing to the competition of cheap imported piece-goods.

KAILI

Kaili is the striped cloth woven usually by Muhameddans and has a large market in Madras, Burma and the Straits Settlements. Sowcars are in control of this industry, and it is they who give yarn and wages to the workmen and receive in return the cloths, which are exported to Madras. They exercise a rigorous control over the workmen and often force them to work for low wages. The official publication quoted elsewhere says, "The kaili manufacture though exetensive has been a curse to the weavers who are unable to get out of the clutches of the sowcar".

SILAS

Silas is used as lungi by Muhameddans and is a cloth of a striped variety, 40 inches in length and 40 inches in breadth. It is made in Sulurpeta and the industry is under the control of sowcars, who export the cloth to Madras. Lungis are also made in Kanigiri and Chittalore of Rapur taluk.

PATTEMARUPU

Pattemarupu or the Madras handerkerchief, a kind of striped cloth, is woven in Sulurpeta and largely exported to England by traders in Madras. It is only in Sulurpeta that one finds the industry on an organised basis.

The weaving industry, when considered as a unit, cannot be said to be prosperous in the Nellore district. The industry has received a set-back owing to the importation of cheap piece goods in the shape of silk cloths, towels and cloths with beautiful designs in lace. Consequently, the weaving industry does not have many attractions for those who wish to earn a living. Hence, we find that most of the weavers have taken up the weaving of kaili cloths in coarser counts, and even these do not have a local market and have to be exported to Madras. The industry is not thriving due to another reason. In the olden days, the Rajas extended their patronage to this industry with the result that Venkatagiri became the Manchester of Nellore. Now due to a change in the conditions of the country and habits of the people, the same kind of patronage is not forthcoming. Thus, we find that the weaving castes of Nellore are settled in places like Buchireddipalem where there are a large number of rich land-owners.

DYEING AND PRINTING

The people of Nellore district are fond of coloured cloths and hence the dyeing industry has found a home in the district. Cloths with coloured floral designs and dots are woven and exported to other districts. The chief dyeing centre is Nawabpet in Nellore town and the industry is also to be found in Kovvur, Gandavaram, Buchireddipalem Amalur, Kodur, Gundalapallepadu, Kandukur, Kavali, Atmakur, Chejarla, Venkatagiri, Gudur and Stonehousepet. The dye stuffs are purchased in the local market. But the industry is not able to compete with the dyed cloths imported from Madura and Masulipatam and Chirala, which are of a better quality. The dyers have admitted their inability to dye cloths in finer counts and this has been largely due to lack of scientific training. Unless the technique of dyeing is improved, there is no future for this industry.

METAL WORKS

Brass and copper vessels such as boganis, chembus, zodu, tavalais etc. are manufactured in Nellore town. This industry is not in a prosperous condition owing to the import of goods from Tanjore, Trichinopoly, Salem, and South Arcot.

Scissors, knives, axes, spincers, tongs, thorn-extractors, locks and keys, chains, boots, spades sickles, balance rods, needles, spindles etc. are made in Kanigiri village by about 30 Muhameddan

families. The iron and steel that are required for making these articles are purchased in Madras.

The industry has not made great strides because the blacksmiths of Kanigiri, though they are not in the clutches of the Sowcar, are entirely at the mercy of hawkers, who provide them with work. The general complaint is that the lion's share of the profits are taken away by the hawkers. If the industry is organised on a co-operative basis, there is room for progress.

BASKET AND MAT-MAKING

Bamboo baskets are made in Kovvur, Kavali, Kandukur, Udayagiri and Atmakur taluks, Nellore, Kanigiri, Podili, and Darisi divisions. Palmyra baskets are made in the sea coast villages of Kavali, Kovvur, and Nellore taluks. Mats are made from Kovai grass in this district and mostly Muhameddans are engaged in this industry. In villages adjoining irrigation channels, and streams, where the kovai grass is to be found in abundance, such as Buchireddipalem, Kovvur, Santapet, Gangapatnam, Indur of Gudur taluk, Vemparala, Uppalapadu, and Chowdavanam, mat-making is the chief occupation.

CANVAS AND ROPES

Hemp is cultivated as a fodder crop in Podili and Darisi divisions and the yarn spun from sunhemp fibre constitute splendid raw materials for this industry, which is to be found in Mungupalle, Kammireddipalle, Pallapalle and few adjoining villages of Atmakur taluk. This is only a subsidiary occupation and it is rather difficult to say what the total output is.

The agriculturists in their spare time make cot-ropes, using as their material the sunhemp grown in Darisi and Podili divisions. The ropes have only a local market and even here the industry is faced with the competition of ropes imported from the Guntur district.

MISCELLANEOUS INDUSTRIES

Making of lac bangles is an old industry and is to be found in Nellore town and Udayagiri. Lac is imported from Conjeevaram and dye is extracted from it.

Stone pots are made in Saidapuram taluk out of steatite. The industry is not in organised condition, though an attempt was made to place it on a co-operative basis, by the starting of a Workmen's Co-operative Society in 1918. The Government have their own quarries. The difficulty is that the workmen are illiterate and do not understand the advantages of co-operation. Oftentimes, they make pots from the stone quarried from the Government preserves and sell it to contractors, who want the workmen to secede from the Society. If the quarries found in the district are worked on a co-operative basis, it is expected that the yield will be five times higher than what it is now. To help the industry, the Railway freight will have to be lowered.

Grinding stones are made in Nandanamarella village seven miles from Kanigiri, and Peddarikatta of Podili division.

There are 4 mica mines in the district, and all of them are concentrated in the Gudur taluk. Big blocks of mica are exported, while small oval shaped pieces are jammed into discs of 6 inches diameter. Splitting is done by women and girls, while men are employed in sorting the pieces. Micanite or sheets of mica made with small pieces of splittings pasted together is also made here. Regarding the mica industry, an official publication says "No articles are made out of mica in this district. Lack of technical knowledge required for making articles with mica or turning it to some remunerative use has necessitated the export of all the raw material to foreign countries. Even the use it is put to in those countries is not known. It is said that powdered mica is a conductor of heat and electricity. But much of the mica, which could be used, is being thrown away for want of a machine to powder it. Where the material is available, it seems advisable to train people in making use of it.

Harmoniums are made in Kota of Gudur taluk. It is said that these harmoniums are cheaper than those obtained from outside and hence the industry has a local market.

The shoe-making industry in the district is to be found in Udayagiri and Nellore town. Hides and skins are purchased in the local market and "tanning is done bv workmen by the usual process of soaking hides in chunam and then in tangedu bark solution".

Painted boxes, toys and vahanams are made in Kurichedu in Darsi division and in Stonehousepet of Nellore town, the materials being purchased either in Nellore or Guntur.

In concluding this survey of the industries in this district, it must be mentioned that it is rich in mica and palmyra fibre. If scientific training is given to the workmen, the mica industry can be placed on a firm basis and mica need not be exported as it is being done at present. The industry, if it is properly developed can give employment to thousands of hands in the Presidency.

NEW COMPANIES

EAVESDROPPER.

AFTER a prolonged period of suspended animation in the matter of new company floatations, we are, however, having quite a profusion of fresh entrants in the last eight months or so, thanks to the craze for sugar propositions. I am one of those who have been eagerly looking forward to the revival, in a more healthy fashion, of the activity that characterised 1919—21 in regard to new industrial ventures. I may, therefore, say, at the very outset, that nobody could be happier than myself at this token of enterprise on the part of our industrialists and of reviving confidence on the part of the investors. At the same time, I am most particular—and every one who wishes well of Indian economy should be—that the mistakes of the post-war boom period should be strictly avoided in any company renaissance that takes place. I happened to be intimately associated with a good many of the enterprises that were launched since 1919 after the sensational success that attended the advent of New India and the Jupiter; and I am convinced, that while there is, on the one hand, no dearth of capital in this country for propositions of good promise sponsored by people of good repute, it is lack of experience and profusion of vagaries that dealt a death-blow to the boom of 1919—21 and that made the Indian investors hundred-fold shy.

SOME QUESTIONS

From this point of view, the two criteria that I shall apply to the new concerns that are now entering the market would be: (1) Are the industrial possibilities carefully and fully investigated? and (2) Is the company assured of freedom from the vagaries and whimsicalities and greediness of managing agents and directors? I am afraid that judged by these two criteria, many of the prospectuses recently published do not give any encouragement to hope that the lessons and warnings of the earlier boom and its collpase have been, duly and properly, appreciated by the sponsors of the new companies. In the course of my discussion on the managing agency system, I had to point out, how, in the case of a couple of sugar concerns, the articles of association contain fantastic provisions as regards the tenure of the managing agency and the election of new directors. It was actually provided, in the case of those concerns, that the managing agents are to be in office for 30 years certain; that they could, under no circumstances, be removed during this period; that, at the end of it, if shareholders should desire to remove them, they could do so only by giving one year's notice for an extraordinary resolution to be passed by a 7/8 majority of share-holders present in person—7/8 majority both in regard to capital amount and number of shareholders. The managing agents could as well have laid down that they should hold office till eternity. Another amazing clause was to the effect that shareholders should not put up any new director as a candidate at an annual general meeting unless the name of such candidate is approved by the existing directors. In effect, this clause means that the directorate should be a preserve for the managing agents and their coterie. I have no doubt that it is concerns with a ridiculous constitution like these, that disrupt the confidence of the Indian investors. If India is to be able to mobilise more and more of domestic capital for her industrial undertakings; if our nationalist-friends are sincere in their abhorrence of foreign capital, they must see to it that the company promoters in India do not create conditions which drive back Indian capital into its fastnesses.

The Dyeing Industry in Madura

by

K. R. R. SASTRY, ADVOCATE.

THE most prominent phenomena that strike a new visitor in Saurashtra Madura are gutters flowing in red colours. When it is remembered that except in Madura, nothing has been done in the whole district to improve dyeing process or maintain the claims of the native vegetable pigments, the compelling importance of the dyeing process at Madura strikes the inquirer. It is necessary to guard one's self from the error that dyeing is done by a separate branch of the community; on the other hand, it is quite common to find the weaving, dyeing, and colour concerns in one and the same firm. In Madura alone, dyeing operations on improved lines are carried on, on a large scale; here only, the vegetable products are employed for silk fabrics. Modern appliances are also being tried by the enlightened few.

SUPPLIERS OF COLOURS

The colours required for this process are supplied by three important German syndicates. During the war, a British company was making large profits and this continued till 1920. It may now be said that English alizarine has been thrust out of the market since Germany has re-established her connection. Local invention of new colours for dyeing purposes is said to have been successfully made during the War. The secret is not known widely as yet.

SOME CONCERNS

There are ten big dyeing concerns at Madura. On the average, 100 to 200 bales are dyed per month in each firm. Of these, the Konda Factory is the biggest and its output is known for its quality. Rasayana Saya Sala, Ramamoorthy & Co., and the Madura Shanmuga Dye Works Ltd., are next in importance. The gross profits of these big concerns range from Rs. 500 to Rs. 5000 per mensem. In addition to these ten big concerns, there are about fifty smaller dyers of whom ten are dyeing 50 bales each per mensem. The rest are finishing from 5 to 25 bales each.

DYEING PROCESSES

The native dyes are always preferred to the foreign ones, when durability is sought for. " Kamela powder " (collected from the surface glands of the capsules of the tree Mallotus Philippinensis) is used, for yellow, lac for red, and indigo for blue. Extensive grounds are necessary for drying yarns and big vats are equally essential for boiling processes.

THE FIRST STAGE

The dyeing process has to undergo plenty of minor processes. A bundle of grey yarn takes from 3 to 4 weeks to become the finished red product ready for sale, the major portion of which time is spent in the mordanting yard. The yarn is steeped in the mordant, which is compounded of groundnut oil, caustic and goats' dung (which acts the part of a nitrate) for a minimum period of ten days, when the yarn is well-pressed by the legs of coolies an hour a day, to make the liquor permeate every fabric of the thread. It is then taken out, washed in the clear spring water of the Vaigai and allowed to dry thoroughly for nearly three or four days.

The Second Stage

The second step consists in placing the mordanted yarn in the dye-tub in a mixture of alizarine paste and water to which is added a quantity of leaves of a particular plant Kayam Kolai (Maincylon-edule), which has the effect of deepening and bringing out to full advantage the colour of alizarine. Its chemical reaction is interesting. In this liquid, the yarn stands for a full day and night, after which a quantity of Turkey red powder is added in the cold stage, just to top it down with a beautiful shade and the whole is boiled together under slow heat for a few hours after which the yarn is taken out, washed and dried. Cheap dyers are content to sell the yarn at this stage but those who produce lasting and best shades repeat this process a second and third time. Deeper shades are obtained by giving additional steepings in the dye-solution.

Too Conservative

Some obstacles in the way of modern improvements have come to the notice of observers. The conservative instincts of the people, their lack of education, lack of training to handle complicated machinery and the unsuitability of modern machines also to a certain extent, are among the more important. In spite of these, the superiority of the Madura dye still continues a factor of great concern with some of the foreign dyeing companies. A foreign-dyed thread can be easily distinguished from a local dyed-one through the simple process of twisting the yarn. The grey colour persists in the fabric of the foreign yarn, while, to the last fibre, the Madura Red shines prominently.

Chungudies

The monopoly industry of Madura still remains to be described. The far-famed chungudies have not merely a local reputation in the Presidency but even foreigners are fond of these red cloths out of curiosity. The chungudies are womens' cloths, 12 to 20 cubits in length, with small white rings in a back ground of red or black. Hand-woven and mill made cloths are dyed for this purpose. It is quite easy to turn out chungudies by wax-printing but the Saurashtras choose to follow their laborious method.

The Saurashtra community has not got sufficient faith in wax-printing on the ground that this process spoils the cloth. A very small number of Saurashtras, about thirty persons, practise the art of wax-printing, so extensively carried on at Kumbakonam, Conjeeveram and Walajahbad. "This process consists," writes the compiler of *'Guide to Madura,'* in printing designs on the cloth in wax with metal blocks or drawing them by hand with a kind of iron pen provided with a ball of aloe fibre, to act as a reservoir for the wax. When the designs are finished, the fabric is immersed in the dye, the design (being protected by the wax) remains unaffected and retains its original colour. The wax is then melted off by plunging the fabric into hot water and the design appears in white, on a coloured ground. If required, the design itself can afterwards be separately dyed by putting the whole cloth into a tub of some other pigment". The latter process is infinitely easier and deserves a better utilisation.

The remarkable point with the process of chungudy dyeing is the part played by women labour. The knotting and dotting process is the work of women. Rarely do Saurashtra women wear chungudies dyed and dotted by them; they prefer the coarser variety.

Trade Secrets

Much inventive capacity has been displayed by the Saurashtras in the discovery of colours during the War, even as America was forced to set about discovering the secret of dye manufacture as a result of the English blockade of Germany. It has been seriously mentioned that a good substitute for German alizarine has been found by a few enterprising men. It is stated is be still in the stage of trial.

Closest secrecy is maintained in preserving the trade secrets. Even in the employment of non-Saurashtra labour in the dyeing process, the point is, as a rule, followed. Only Saurashtra workmen are engaged in the steaming process. In fact, wherever an element of brain work is wanted, the Saurashtra Maistries alone are welcomed. Perhaps, their historical aloofness from the non-Saurashtras has also much to do with this close preserve of trade secrets in their own community.

With acknowledgments to the Mysore Economic Journal. Further details can be found in the publication "The Madura Saurashtra Community." (The Bangalore Press, Bangalore City).

Accountancy as a Factor in Business Organisation

by

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The Costing Department provides the management with the cost of production which is expected to be the lowest possible under the circumstances, provided the management makes full use of the information supplied by the cost accountant, at different stages of manufacture. However, the determining of the exact cost of production and keeping it as low as possible is not the goal of a maunfacturer. He cannot afford to sit silent after manufacturing the articles at low rates. He will have to find markets for his products and it is only the sales that will determine his ultimate profit. Having, therefore, devoted care and attention in the factory stage, the manufacturer, in order to be successful, shall have to be equally careful and efficient in the distribution of his wares.

Some Problems

The manufacturing account tells the story of the factory and the workshop; and the trading and profit and loss account would tell the story of sales and the sales department. The profit and loss account would also show the ultimate result of the labour and capital involved in manufacturing and distributing the goods in rupees, annas and pies. If the cost of manufacture is low and if lower costs are co-ordinated by an efficient sales organization, the manufacturer's trading account would show a profit, i. e. surplus of income over expenditure. Generally, everybody is anxious to know the balance plus or minus shown by the profit and loss account caring little as to how the same is arrived at. Even men at the helm of big concerns, who can be expected to know better, never try to think about the details of the trading and profit and loss account, so long as the balance is profit, with the result that they do not make profit which they ought to have made, provided proper attention had been given to the details. The accountant in the office, having cost of production before him will be required to determine the cost of sales. Cost of sales will be represented by the cost of production plus the distribution and management expenses, such as salaries, advertisements, traveller's commissions etc. Unfortunately, however, the cost of sales seems to be very rarely considered with the result that the advantage of lower costs of production is often nullified by the higher costs of distribution.

Cost of Sales

Cost of sales like cost of production is dependent upon various factors. It will, therefore, be a question of dividing and sub-dividing the cost into various heads. Various expenses of distribution would be reduced to percentage of sales and would thus form data for comparison. The average of percentages for two or three years will give a normal or standard percentage of cost in respect of each expenditure and the comparison of expenditure from year to year with the normal cost would give an idea of the efficiency or otherwise of the different spending departments. It is only the comparison with the normal costs that would enable the management to effect economies under various heads without impairing the efficiency. It is only these comparisons, which would prompt the management to devote greater attention to certain channels resulting in increased efficiency and higher profits.

Expenses

Likewise, certain heads of expenditure can be made the subjects of special consideration. For instance, the advertisement expenses can be compared with the resulting sales.

Comparison would tell the management, whether additional advertisement results in increasd sales and if so, in what proportion. The results of different types of advertisements can also be compared in terms of sales. An article may be advertised in a daily, weekly and monthly papers. It would be interesting to compare the result of advertising through the different media. The comparison would enable the advertising department to decide the type of advertisement that is to be continued. In each case, it would be also worth while comparing the 'lag' between the advertisement and the result and sale.

It should, however, be remembered that the percentage of cost of sales is not always the best guide in every case. The percentage would be a very good data for comparison provided the method of calculation in all cases is the same. Otherwise, for instance, if once the sales are taken at c. i. f. prices, and the second year they are taken at f. o. b. prices, freight insurance etc., being charged separately, the percentage based on the previous year's sales will be misleading, so far as comparison with the next year is concerned.

Moreover, if a business can be divided into separate departments, it would be advisable to arrive at the percentage of each department, unless the factors governing the department are all alike. For instance, factors taken into consideration, while arriving at the percentage of cost in the china department are quite different to those considerations which arise in the furniture department. Departmental percentage would throw a flood of light over paying and non-paying departments. Otherwise, in cases where there are several departments, a loss in one needing the immediate attention of the management, may be completely covered by the profits in another.

Trading Accounts

Preparation of periodical trading accounts showing gross profits would serve as a check on stock-in-trade. Stock values for a short period statement would present an initial difficulty but, in general, the rate of gross profits being known, a stock account can be maintained by working backward from sales as under.

	Rs.
Sales for the month ...	10,000
Less profit added 15% ...	1,500
Cost of goods sold ...	8,500
*Less stock at commencement of the month ...	4,000
Estimated stock at the end of the month ...	4,500

At the time of the annual or half-yearly stock-taking, closest investigation will have to be given to any material differences between the "book stocks" arrived at by the periodical calculations and stock as recorded by the actual inventory.

The final statement of trading account prepared from the financial books will also be compared with the accumulated total of the periodical statements of gross profits. A statement comparing anticipated and realised gross profits, with any comments called for by the facts disclosed, would give food for thought to the management working in the interest of higher efficiency.

In trading busi ess, it will be found useful to prepare at each balancing time, statements of debts relative to turnover and of the average length of credit taken, noting whether the rate of credit is increasing in amount or in length. Budget statements prepared in the manner already described will be at least as useful in the conduct of selling businesses as in manufacturing concerns.

In addition to the cost of manufacturing and the cost of selling, there is a third cost i. e. cost of holding which is often overlooked. These are costs involved in holding stocks of raw materials and stocks of finished goods awaiting sales, and if through inattention, these stocks are allowed to increase beyond the reasonable necessity of a growing business, a new charge by way of interest and risk of deterioration is being created which must be met before profits are shown. The charge is rarely appreciated by the management as it is not shown separately in the financial statements. It would, therefore, be better to prepare at each stock-taking a statement of stock on hand in relation to the turnover, showing also the number of times the stock has turned over.

(*Carriage inwards, custom duty etc., which increase the cost of goods sold, will also be deducted along with the opening stock.)

In manufacturing business, stock of raw materials should be shown separately from finished goods and in order to enable correct comparison, quantities should also be entered along with the amounts so that increase in quantity might not be masked by decrease in price. Quantities of materials will be compared with the quantities of saleable products. In such cases, it would be better to compare quantity of raw materials with total production and saleable production by reducing them to index numbers taking some selected year as a base and indicating the fluctuation of ratio therefrom.

Similarly, cost of holding cash is also an important factor. The cost of holding cash by the company and against the company must be considered. Keeping cash by the company in hand or at bank beyond the reasonable needs of the business would be a waste and would increase the interest charge. Conversely, when proper balance is not kept in hand, the company would not be able to take benefit of the cash discount on purchases. Similarly, an increase in the period of credit given would not only involve an interest cost but also increase the risk of bad debts.

Finally, an accurate budget will show the date and amount of cash likely to be available and the date at which it is anticipated that these funds will be required. This will indicate a possible margin of available moneys, which can be temporarily used to earn interest. It will thus enable the management to reduce the cost of holding cash to the minimum without in any way risking the credit of the firm.

THE KHADI INDUSTRY

(From a correspondent)

Dr. W. Lakshman Rao, M. A., Ph. D. delivered a lecture in the Third Swadeshi Exhibition pandal at Vizagapatam on the need for economic research and enquiry into various problems affecting the khadi industry, more especially in these days of depression and lessened purchasing power of the Indian consumer.

Dr. Lakshman Rao said that in all modern industries, there were well-organised research institutes, supported by all the manufacturers and subsidised by the Governments. Germany had an Institute for "Konjunkturforschung" whose aim was to study international trade vicissitudes and price levels and to prepare forecasts of the market and to supply expert advice to manufacturers about supply, demand and production. Something of a similar nature was necessary in this country.

Turning to the khadi industry, the speaker said the need for economic research was all the greater, in that, this industry had to compete with overseas imports, inland production of mills as also with the hand-loom products. Unless measures were concerted by the khadi producers to take stock of the anti-diluvian methods followed by them and suitable lines of enquiry pursued to lower the costs of production, khadi would no longer be able to compete with the mill products. Rationalisation, cutting of manufacturing costs, better organisation of the industry, improved publicity and marketing conditions, the elimination of obsolete production-units—all of these methods now being followed by the other organised industries, had got to be adopted by khadi producers, if they were to retain their present favoured position in the market. In this respect, the universities of the country had a duty to perform. If these learned bodies were at all alive to the importance of the khadi industry in the national economy, and also realise that khadi had come to stay, they had to shake off their orthodoxy and encourage khadi research by instituting fellowships for the study of the problems of the khadi industry, by sending out their honours students on study-tours to the production centres, by issuing questionnaires to producers, etc. In the measure the Indian universities ignored the importance of the khadi industry in their curricula, in that measure were they failing in their responsibility to the country and towards the renaissance of India.

The first subject that should engage the attention of an economist was the amount of wages received by the workers in the khadi industry. As far as the spinner was concerned, great importance must be attached to the difference between the actual wage and the net wage. Unless this difference is taken into account, the results of any enquiry into the economics of the spinning industry are bound to be vitiated. The line of enquiry adopted by the lecturer was illustrated by various charts, which showed that at the present day, the spinner's nett wages per day of 8 hours amounted from 10 to 20 pies in the fine count section, and from 8 to 10 pies in the coarse count section of the industry. The lecturer then analysed the production costs in the khadi industry. He stressed the importance of maintaining correct costing accounts, as these alone formed the source of information on the basis of which the producer was able to control his production and to gauge his profit, and if necessary to economise in manufacturing costs. The lecturer refuted the fallacy of cheapening khadi by cutting down wages and pointed out that a far more equitable method would lie in improving the charka and in introducing better spinning technique, which would have the effect of increasing the amount of yarn spun, which in its turn would bring about a lowering of the price of yarn, without at the same time reducing the amount of the daily wage earned by the spinners. The lecturer then showed by means of a number of graphical curves and charts the maximum possible reduction in costs in the various grades of khadi cloth consequent upon increased spinning speed.

Dr. Lakshman Rao then took up the important subject of the Ottawa duties and the possible and probable repercussions on the khadi industry of an incraesed use of Indian cotton by Lancashire; and also the import into India of long-staple cotton from Uganda and other Empire countries for use by the Indian mills. He urged the economists to study this matter closely and hoped that the All-India Spinners' Association was alive to the gravity of the situation.

The lecturer concluded his address by a brief survey of the cotton price and their effect on the selling prices of khadi during the last ten years and the probable fluctuations in prices, wages and profits in the coming years.

Buy Indian

RESERVE BANK FOR INDIA

by

V. RAMADAS PANTULU

THE intention to establish, if possible, a Reserve Bank for India before the new constitution is set up is now definitely announced by the Secretary of State for India and the Viceroy. It is still uncertain what kind of a Reserve Bank India is going to get. The Bill, which at one time embodied the results of the consultations on the subject between the Governments in Britain and India, was the one which Sir Basil Blackett attempted to introduce in the Legislative Assembly on the 1st February, 1928, but which was disallowed by the then President of the Assembly on the ground that the Bill of 1927, as amended by the Joint Select Committee of the Central Legislature, was then going through its second reading, or the consideration stage. This obstruction to the passage of the revised Bill resulted in both the Bills being dropped early in 1928. Since then, the Indian Central Banking Enquiry Committee, which reported in June 1931, suggested certain modifications to Sir Basil's revised Bill of 1928. It is not known how far the basic principles of that Bill and the improvements proposed by the Indian Central Banking Enquiry Committee will now be accepted by His Majesty's Government and the Government of India.

Not a Bank for Federal India

The preamble to the Bills of 1927 and '28 stated that the Reserve Bank was to be established to control *the working of the Gold Standard* and to regulate the issue of bank notes and the keeping of the reserves with a view to the securing of stability in the monetary system of India, which, of course, meant British India. In the measure to be now enacted, as a condition precedent to the setting up of the new constitution and transfer of Finance to a responsible Minister, the reference to the working of the Gold Standard will have to be omitted, as India is not now on the Gold Standard. With the omission to that reference, the provisions of the Bills relating to the Bank's obligations to sell gold and gold exchange and to buy gold, as then drafted, (clauses 38 to 40 of the Bill) will have also to be omitted, for the Bank cannot now sell or buy gold at Rs. 21-3-10 per tola, which was the price fixed on the basis of the exchange ratio of 1s. 6d., when Britain was on the Gold Standard. All that can be now done is to proceed on the basis that the Rupee is to continue to be linked to Sterling and that the ratio is to be maintained at 1s. 6d. If, owing to America's intervention, the pound is to be estabilised at 3.70 or 3.90 dollars or any other level, India will get the benefit or otherwise of such stabilisation. It is very unlikely that Britain will return to the Gold Standard before a Reserve Bank for India is set up. It remains to be seen how the words of the preamble, which restrict the scope of the Bill to British India will be dealt with in the new Bill. The Central Legislature, as at present constituted, can legislate only for British India and cannot enact a measure which comprehends the Indian States within its scope. It may, therefore, be presumed that the Reserve Bank Act will, in the first instance, be enacted for British India and will later be extended to the Indian Federation by the Federal Legislature, after it comes into existence. So, the Bank which is expected to be set up before the Federation is established cannot be a Bank for the Indian Federation at its inception.

Constitution

As regards the nature of the constitution of the Bank, it may be taken as settled that the Government will adhere to the scheme of a Shareholders' Bank, probably, somewhat on the lines of the revised Bill of Sir Basil Blackett and will try to avert a revival of the controversy over the relative merits of Shareholders' *vs.* State Bank. So far as I am able to judge, Indian opinion now seems to have become reconciled to the idea of a Shareholders' Bank and that there will be little or no effective opposition to it now in the

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present Central Legislature. The foreign banking experts who came out to India to assist the Indian Central Banking Enquiry Committee clarified the issue to some extent and expressed the opinion that a Reserve Bank can be run on sound lines, whether it is formed as a State Bank or a Shareholders' Bank, provided that the Bank is kept free from interference by Government in its daily administration. The composition of the board of directors will, however, give rise to a greater difficulty, though, here again, some of the issues, which were keenly contested in 1927 and 1928, may be now abandoned. I do not expect that there will now be much insistence on the right of the Provincial and Central Legislatures of electing a proportion of the directors to sit on the board of the Bank. The general agreement to keep the Bank, as far as possible, free from political influences, in a way, militates against the idea of making legislatures, which will be run in future more and more on parliamentary lines, electorates to the board of the Reserve Bank. It does not, however, mean that the composition proposed by Sir Basil Blackett in 1928 for the directorate will be accepted as sound *in toto*. His scheme provides for a board of 24 directors made up as follows :—

- 8 nominated by the Governor-General-in-Council including the Governor, 2 Deputy Governors and one official expert;
- 2 elected by the Associated Chambers of Commerce;
- 2 elected by the Federation of Indian Chambers of Commerce;
- 1 elected by the Provincial Co-operative Banks;
- 11 elected on behalf of the shareholders on the various registers.

The election on behalf of the shareholders was to be an indirect election. Five separate registers of shareholders would be maintained for India at Bombay, Calcutta, Delhi, Madras and Rangoon. The shareholders on the first three of these registers would elect once in five years 24 delegates each and those on the last two 10 delegates each. Each of these five groups of delegates will elect their directors to the board. The delegates of Bombay, Calcutta and Delhi circles will elect three directors each and those of Madras and Rangoon circles one delegate each— eleven in all.

Forthcoming Changes

The scheme will, no doubt, undergo certain changes. For one thing, the reference to the Governor-General-in-Council as the agency to nominate 8 directors will have to be in any case modified by substituting the Governor-General for the Governor-General-in-Council; and the agency, whom he should consult in making such nomination, will also have to be specified anew. Again, the strength of the board must be modified in view of the inevitability of making substantial addition thereto of the directors to be sent by the Indian States, when the scope of the Bank is eventually extended by the Federal Legislature to the entire Indian Federation. How far the 1928 scheme of directorate will, even with necessary modifications, satisfy the Indian public opinion remains to be seen. The main demands of Indian opinion in this respect in 1927-1928 were two-fold; firstly, our currency, credit and exchange policies should not be controlled from Whitehall or the Lombard Street, and secondly, the directorate of the Indian Reserve Bank should posses a *substantial, elected, Indian majority* with a clear emphasis on all the three adjectives. There can be no doubt that Indian public opinion remains unaltered on these demands, and it is hoped that the present Central Legislature will be as firm on securing them, as the Legislative Assembly was in 1927 and 1928.

Functions of the Bank

In regard to the functions of the Reserve Bank, they were based largely on the recommendations of the Royal Commission on Indian Currency and Finance (1926). This scheme shows a partiality for the American type of central banks. Consequently, the scope for competition with commercial banks and for open market operations are circumscribed by the Bills of 1927 and 1928. The Indian Central Banking Enquiry Committee, however, expressed the view that the powers of the Reserve Bank in regard to its open market operations and competing with commercial banks must be widened in order to enable it to enforce its credit policy and make itself felt in regard to the controlling of the interest rates of its member banks. This was also the advice given to the Committee by the European banking experts who were steeped in the traditions of the continental type of Reserve Banks. Their view point was that whether the Reserve Bank exercises such

powers or not, their very existence will enhance its influence on the level interest rates. In spite of the concurrence of the Indian Central Banking Enquiry Committee and their foreign experts on this matter, it is one on which there is some real controversy.

The Bank is Welcome

There is undoubtedly much to be said in favour of establishing a Reserve Bank for India as early as possible, for the sooner India is equipped with a machinery for the control of her credit and currency on approved modern lines, the better it is for her. If His Majesty's Government and the Government of India succeed in their endeavour to establish one before the new Federation is set up, Indian *public opinion will welcome it*, provided the Bank's constitution is satisfactory. If, however, it is not possible to set up a sound Reserve Bank before the Federation is set up, Indian opinion does not accept the view that India's constitutional progress, involving the transfer of Finance to a responsible Minister, must be held up.

No Extravagant Expectations

Even in fully self-governing countries, central banks have not worked financial and economic wonders. If "securing stability of monetary system" means the keeping of the currency of the country at par with gold, many central banks are unable to do so now. If the expression also implies the securing of the stability of prices, it merely means an attempt to keep the prices in the country *in terms of gold at the* same level as prices in terms of gold in other countries. This result can be brought about, where there is no central bank or any other agency dealing with currency. No central bank can maintain internal prices at a particular level. It does not, therefore, serve any useful purpose to raise extravagant expectations and credit the Reserve Bank with all possible and impossible things.

Again, every one admits that ordinarily conditions must be propitious for the establishment of a Reserve Bank and for its successful working. But they must also be reasonably possible of attainment under present world conditions. The British section of the Round Table Conference require that the Indian budgetary position must be assured; short term debts both in India and England must be reduced, the reserves must be accumulated; and India's normal export surplus should be restored, before the Reserve Bank is set up These are all, no doubt, very good things and every Indian looks forward to their accomplishment. It may be conceded that the creation of a Reserve Bank under such conditions will make it easier for Britian to transfer financial responsibility to Indian shareholders. But if a Reserve Bank is found to be necessary for a country, has any country in the world proceeded on such ultra cautious standards in establishing her own central bank ? The "Economist" (London) commenting on these conditions says. Hard doctrine this, when it is remembered that New Zealand in setting up a central bank was in the midst of a great depression, that the national banks of the United States were set up in the midst of the Civil War and the present central bank of Austria was created with foreign assistance at a time when the country was in virtual bankruptcy. The conditions enunciated at the Third Round Table Conference, if meant to be seriously insisted on, the constitutional progress of India must wait for the world's economic horizon to clear, and India becoming *financially* and economically the most sound country under the sun.

Reserve Bank must be Indian

India wants her Reserve Bank mainly in her own interests, and, while Britain may safeguard her financial interests in India by all legitimate methods, ought to allow India to so design her central bank as to meet her practical requirements and to be adapted to the Banking organisation of the country, on which it must rest. It must help the development of Indian trade and commerce. It must be helpful to promote indigenous banking and to create adequate facilities for rural credit, agriculture being the most predominant occupation of the people. An American admirer of Sir Basil Blackett's Bill of 1928 said, "An imported European or American central bank would no doubt offer some advantages over the present system. But the central bank that India needs must be as Indian—it must be as Indian as the Ganges". Whether we agree or not with this critic that Sir Basil Blackett's Bill satisfies this test, there can be no two opinions on the soundness of the test. We, therefore, await with considerable interest the early disclosure of the Government of India's plans in this behalf, which the Viceroy has promised.

SILK INDUSTRY IN MYSORE

By "Mr. M"

THE Silk Industry in Mysore is now receiving the serious consideration of those who are anxious to foster Indian industries, because it is passing through critical times. It is now faced with serious competition and is unable to cope up with the situation, which the dumping of goods from China and Japan has created. The Mysore Chamber of Commerce has submitted a detailed memorandum to the Indian Tariff Board on this question, urging that the prosperity of the industry has an important and direct bearing on the economic structure of the rural society as a whole. It has been pointed out in the memorandum that the problems connected with the sericulture industry in Mysore are of vital significance to the whole of India.

The sericulture industry, which is one of the oldest industries of Mysore, was providing employment for nearly two lakhs of families before the present trade depression set in and this is enough to convince us that the collapse of this industry will cause untold misery and economic dislocation in the State. It is stated that the area under mulberry cultivation has phenomenally increased from 25,000 acres in 1914-15 to 54,000 acres. The silk industry is only a rural industry. The various stages in the manufacture of silk such as the growing of mulberry, the rearing of silk worms, the reeling of silk and the weaving of silk fabrics are all important factors in the rural economy of the State.

A National Industry

The sericulture industry is not merely one of local importance. I must mention that out of a total annual consumption of about 4 million lbs. of raw silk in India, the internal production of India is 2 million lbs., of which Mysore State alone produces nearly 50 per cent. It is clear that to an industry which occupies such a prominent niche in our economic life, adequate and timely protection should be given to save it from being destroyed by foreign competition

Hard Times

To say that the industry is hard hit by the trade depression, is to state the matter in very restrained terms. The fact of the matter is that the decline is appalling. The area under mulberry cultivation has decreased from 54,000 to 37,000. Before the trade depression set in, Mysore was exporting to foreign countries raw silk to the extent of 9,30,000 lbs. valued nearly at Rs. 75,40,000, (1925-1926). Now there has been a steady decline in exports. In 1931-32, the latest year for which statistics are available, the exports stood at nearly 3,67,000 lbs., valued at Rs. 22,22,200, thus indicating an alarming decline by two-thirds in quantity and nearly three-fourths in value. But this is not the end of the miserable tale. Foreign silk has invaded the Mysore market. In 1928-29, 19,875 lbs. of foreign silk were imported into the State; and within the short space of two years, i.e., in 1931-32, the quantity imported had almost doubled itself to 36,560 lbs.

Indian Interests Affected

The sericulture industry in India, apart from that of Mysore, has also been affected by the trade depression. A scrutiny of trade statistics shows that in 1925-26 nearly 13,25,300 lbs. of raw silk valued at Rs. 94,34,000 were imported into India. By 1929-30, the imports had increased to 22,00,000 lbs. valued nearly at Rs. 1,30,00,000.

thus indicating an increase of more than 50 per cent. in volume. For the seven months of 1931-32 (April-October) the imports have shown a striking increase, being 21,44,000 lbs., valued nearly at Rs. 82,00,000, i.e., equal in quantity (for this fraction of a year) to the total imports of the whole year of 1929-30.

Imported Silk

Another factor, which makes the position of the silk industry precarious, is the decline in the price of imported silk. This has been due to a number of causes, chief among them being that countries which are exporting silk to India enjoy the advantage of depreciated exchanges, thus enabling them to sell their products at a price low enough to be injurious to the indigenous industry. It has been stated that the cost of production of 1 lb. of silk in Mysore is Rs. 6-8-0 even for inferior grades and that in 1927, which can be taken as a normal year, the price of Mysore silk varied between Rs. 9 and 10 according to quality. Now, Mysore silk is selling at from Rs. 5-8-0 to Rs. 6-8-0 per lb., i.e., at prices below the normal average cost of production, due to the pressure of foreign competition. Foreign silk, which was selling at Rs. 7-12-0 per lb. in 1925-26 is now selling at Rs. 4-8-0 per lb., i.e., Re. 1 below the price of the lowest quality of Mysore silk, though a 25 per cent. import duty is prevailing. With all the good-will in the world towards indigenous industries, the Indian consumer finds it difficult to buy Indian silk, when foreign ones are being sold at such cheap prices.

Protection

The Indian Fiscal Commission laid down that in the matter of affording protection to any industry, one condition should be satisfied, namely, that the industry concerned should be one, which without protection is not likely to develop at all or develop tardily. I have pointed out that the sericulture industry in in India has a great future and that, if it is properly developed, the whole of the Indian demand can be met. Moreover, the industry in Mysore is closely interwoven with rural life and it has been built mostly by the capital and labour of the poor ryot. If this industry collapses, the consequenses will be terrible. The rural life of Mysore will be disorganised. The industry is faced with extinction and if protection is not granted immediately, the Indian silk industry will eventually have only historical importance for the student of Indian economics.

The canon, which the Fiscal Commission has postulated, can be satisfied in all its aspects by the Mysore silk industry. That this industry is capable of further growth cannot be doubted, for it possesses all advantages in respect of climate and soil and the workers engaged in this industry have a considerable amount of skill. After the present depression the industry is bound to "pick up". It has done so in the past and the remarkable progress of the industry between 1925-27 can be cited to prove this.

The industry after sometime can stand on its own legs. If it is able to meet the entire Indian demand and reduce the cost of production by 50 per cent, protection will not be necessary. It is not a questien of Mysore industry alone being affected. The amount of protection that will be forthcoming will decide the measure of progress of the silk industries in Kashmir and other parts of India. A representation has been made to the Tariff Board on the need for protection for this industry. The future of the industry depends entirely on the recommendation of the Tariff Board and the decision of the Government. Industrial India is awaiting the answer with trepidation and anxiety and the fate of the ignorant ryot engaged in the industry is in the balance.

CO-OPERATIVE SOCIETIES IN MADRAS PRESIDENCY

WHILE the general economic depression was certainly not less severe in the year under review than in the previous year, the financial position of the co-operative movement showed a remarkable change. Last year, the central banks suffered from such a shortage of funds that for a time some of them were unable to pay their dues to the Provincial Bank and the Government had to come to the rescue with a loan of ten lakhs. In 1931-32, on the other hand, the trouble was a plethora of funds and the lack of suitable scope for their investments—a condition which prevailed also in the money market generally. The reason for the surplus is not so much an increase in funds—for the general Summary shows that, while "deposits from members" rose somewhat in both the central banks and primary societies, the total working capital fell—as a shrinkage in loans both from the central banks to primary societies and from the latter to individuals. The total working capital fell by one crore, from 18 to 17 crores in round figures. If the investments of societies inside the Movement are excluded, the corresponding figures are Rs. 994.52 lakhs in 1930-31 and Rs.996.60 lakhs in the year under report; i. e., the net working capital shows a trivial increase. The figures confirm the view that the main change is in the direction of diminished loans from the central banks to primary societies.

Loans

The movement, in effect experienced a considerable retardation. The amount of loans disbursed by the central banks was Rs. 70 lakhs less than in the preceding year and Rs. 165 lakhs less than in 1929-30. The report seems to ascribe this partly to disinclination to borrow. But there is no indication that loan applications were less numerous, and the fact that 527 applications for registration of societies were received (of which only 127 were complied with) suggests that the demand for co-operative assistance continues to be strong. Experience generally shows that it is precisely in times of economic depression that the poorer classes are most prone to borrow; and it may be surmised that borrowing from money lenders, if not from co-operative societies, has been as active as ever during the year, the only factor operating in the other direction during that period being, perhaps, the large cash realizations from the sale of gold ornaments.

The reduction in the volume of loans is more clearly attributable to the other causes mentioned by the Registrar. In former years, the volume has been swollen by repayments being adjusted towards new loans—a very mischievous practice, which is now ceasing with the more rigid scrutiny of applications. This, in fact, is the true cause of the reduction in lending business; and though it may cause inconvenience, it must be welcomed as a sign of a more healthy tone in the co-operative Movement. It is in accordance with the policy adopted in 1929 of rectifying and consolidating societies with vitality and liquidating those with none, rather than expanding the number of new registrations.

That that policy was on the right lines is borne out by the figures of societies classed as D (bad societies which will have to be liquidated), of dormant societies, which represent more than a quarter of the total, and of societies dissolved during the year, which have now reached the total of 629. All these figures show a progressive increase, which may be taken to indicate a steady tightening up of scrutiny by departmental and other supervising agencies.

Agricultural Credit Societies

Agricultural credit societies form the great bulk of the Movement; in other branches there were no striking variations, but, on the whole, there was a decrease in number in the case of agri cultural credit societies. Some signs of activity were shown in the organization of new weaver societies (though the total number operating fell considerably) and in connexion with the marketing of ground-nuts in South-Arcot. With the close co-ordination of the co-operative department with other departments, particularly those of agriculture and industries, which is the present policy of the Government, an expansion of this class of co-operative enterprise may be anticipated. The registration of the first co-operative insurance society (the South India Co-operative Insurance Society) is noteworthy.

The progress of the Central Land Mortgage Bank was perhaps the outstanding feature of the year's development. By the end of the year, it had issued nearly Rs. 11 lakhs of debentures as compared with Rs. 3½ lakhs a year earlier. This is, of course, a very small contribution to the relief of the immense weight of long-term rural debt in the country; but the progress made is promising; and if the debentures are declared to be trustee securities—a matter still under correspondence with the Government of India—there should be no further difficulty in finding funds for debentures of twenty years and upwards, which alone can meet the needs of the ordinary indebted ryot. The Government note with satisfaction the tribute paid by the Registrar to the efficient and prudent management of the Bank.

Audit System

The controversy, which, in recent years, raged over the question of supervision, was to some extent transferred to the sphere of audit; and the claims of non-official audit as against departmental audit were keenly canvassed. The satisfactory development of non-official audit and supervision postulates not only a supply of trained staff, which is not yet available in a sufficient degree, but also a freedom from that intermingling of local politics with co-operative activity to which the report draws attention. The Movement will, no doubt, free itself in due course from these disturbing factors; and in the meantime it is satisfactory that the relations between the department and co-operators generally are of a very cordial character.

Extracted from the Government order on the Annual Report on the working of the Co-operative Societies Act II of 1912.

CORRESPONDENCE

To

THE SECRETARY,

THE "BUY INDIAN LEAGUE"

MADRAS.

Dear Sir,

I beg to submit the following report to you; The Swadeshi Prachara Mandali was first started in June 1932. Its primary functions are to popularise the use of Swadeshi goods, (1) by educating the masses in favour of the indigenous industries (2) by publishing a Swadeshi commercial directory, (3) by freely distributing bulletins and leaflets containing all relevant information and (4) by holding an annual Swadeshi Bazaar to bring the producer and the consumer together.

The organisations of the Swadeshi Bazaar has been our ambition for a long time. We are convinced that by means of such Swadesi Bazaars, we shall be able to demonstrate to the consumers the quality and the extent of availability in the market of indigenous goods that best satisfy many of their wants and luxuries; and thus to give them an insight into the possibilities of industrial development in India. We think we are quite justified in claiming at this stage that our achievements in this regard have far exceeded our expectations.

We began our operations early in September 1932 and announced to the public that the Swadeshi Bazaar would formally be opened on the 1st January 1933 by the distinguished patriot, Dr. Bidhan Chandra Roy, M. D., F. R. C. S., M. R. C. P., Mayor of Calcutta.

We pitched upon the Edward VII market as the venue for holding the Swadeshi Bazaar.

Our advertisement about the Swadeshi Bazaar had the desired response from many firms who reserved stalls in the Swadeshi Bazaar and co-operated with us to make it a big success.

We attempted to present in the Bazaar the agricultural, industrial and commercial aspects of Swadeshi goods but our disabilities have been manifold and we are sorry we could not organise the agricultural section this year. We had Etikoppaka Toy and Lac Works, Parlakimidi Cane Works, etc., in the industrial section; and stalls dealing in Inks, Stationery, Ivory works of world-fame, Khadi, Amruthanjan, products of the Bengal Immunity Co., Ltd., (which also had exhibits in regard to vitamins contained in our foods), silver works of Chitalia Bros. of Bombay, hair oils and camphor works of Sri Annapurna Chemical Works of Vizagapatam, etc. and etc., in the commercial section. Typewritten photos of many of the national leaders and other designs adorned the Art Gallery just at the entrance of the Swadeshi Bazaar and were much appreciated by Dr. B. C. Roy. Physical exercise demonstrations were organised by Messrs. Nemani Jagannadha Rao and D. Sri Ramamurty, who showed practically how to control the various muscles of the human body. The silent moving pictures of Jeypore waterfalls and dances photographed by Messrs. M. Rathna & Co., Photographers and Artists of Vizagapatam, were also exhibited and proved a source of great attraction.

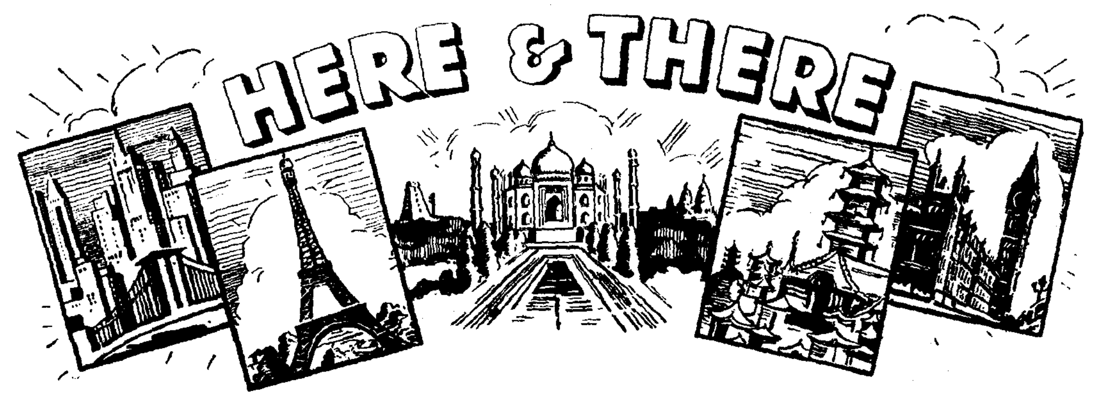
Our grateful thanks must go to Dr. B. C. Roy, Mayor of Calcutta, for having honoured our invitation to open the Swadeshi Bazaar at the cost of much inconvenience to him in the midst of his varied activities and heavy responsibilities as the Mayor of the second biggest city in the British Empire.

We have to thank all the stall holders here for their co-operation in the cause of Swadeshi. We have specially to thank Mr. R. Venkanna of Tuni for his co-operation in exhibiting Khadi certified by the A. I. S. A. We think it reasonable to request the All-India Spinners' Association to co-operate and help any organisation working in the interests of the Swadeshi Movement, as theirs is an All-India organisation. We also thank Messrs. Annapurna Chemical Works and Sri Venkateswara Ivory Works, who have improved their products by leaps add bounds; We thank the Amrutanjan Depot for their co-operation in all such exhibitions as these. Our thanks are also due to Mr. G. Padmaraju for supplying the electric plant for lighting the Bazaar during the last fortnight.

Before closing we haye to offer our heartfelt thanks to Pandit Kesava Deva Jnani for having come all the way from Madras to lecture in this Swadeshi Bazaar on most important subjects. We have to finally thank the citizens of this town, who have so liberally patronised the Swadeshi Bazaar, and the handful of volunteers who strenuously toiled on, day in and day out, to make the Swadeshi Bazaar a great success.

Incidentally, we hope that the public of Vizagapatam will take up the matter of having a permanent Swadeshi Bazaar located in this city and thus encourage Swadeshi enterprise and industry and contribute its mite towards the prosperity of our Motherland.

N. VARAHALU,
Secretary of
The Swadeshi Prachara Mandali,
Vizagapatam.



Indian Tea

THE Annual Indian Tea Statistics released for publication by the Director-General of Commercial Intelligence with the Government of India furnishes interesting information regarding the production and export of Indian tea. The total area under tea in 1931 was 807,400 acres as compared with 803,200 acres in the preceding year. The area abandoned in the year was 11,000 acres, while the new extensions including replanting in areas abandoned in previous years amounted to 15,200 acres. Thus, there was a net increase of 4,200 acres under tea during the year. Seventy-seven per cent of the total area under tea in India lies in Assam and in the two contiguous districts of Northern Bengal. The elevated region over the Malabar Coast in Southern India contains eighteen per cent of the total.

The total exports by sea declined by fifteen million pounds or four per cent as compared with 1930-31. The decrease was chiefly in the exports to the United Kingdom, Russia, Georgia, Ceylon, China, Egyptian Sudan, Iraq, Persia, and the United States of America. Exports to the United Kingdom, the largest purchaser of Indian tea, decreased by seven million pounds to 292 millions in 1931-32, and those to other European countries also decreased from 3,279,000 pounds to 6,015,000 pounds.

Dumping

Japanese competition in the Indian market extends to many fields. The extent to which the Indian textile industry has been affected is well borne out by the latest figures available regarding dumping. In the months ending Nov. 30, 1932, Japanese goods worth 14 crores of rupees were imported compared with 9 crores in the corresponding period last year or roughly an increase of over 50 per cent in value and more than that in volume. At the same time, the total quantity of merchandise imported from other countries registered no increase whatsoever. On a representation made by the Merchants' Chamber, Bombay, the Tariff Board gave some relief to the Indian textile industry but other industries similarly affected can get no protection, owing to the absence of any provision in the Tariff Act for Government intervention.

The Flight of Gold

How the export of gold from India was responsible for the stability of the Rupee Exchange is well brought out in the annual bullion review of Messrs. Mocatta and Goldsmind. Certain quarters hold the view that the export of gold has immensely strengthened the position of the Government of India; but this is a result of doubtful value because the country is being depleted of its gold reserves and when a Reserve Bank is set up, we may find it difficult to accumulate the gold reserves. The bullion review mentioned above says that, in the gold market, the most remarkable feature of 1932 was the continuance of Indian exports of the precious metal. During the year, about £ 50,000,000 or approximately a year's South African production was exported, mostly to Great Britian, though late in the year, owing to the prevalence of the premium of the dollor over the franc.

there were some large shipments direct to the United States of America. . . . . The next most important and perhaps the most surprising feature, according to the review, was the selling of sovereigns and gold from melted jewellery from the home market during the so-called gold rush, when, according to an official estimate, atleast £ 14,000,000 was disposed of. *These additions to the normal supplies from South Africa were undoubtedly of the greatest benefit to the Sterling Exchange.* (Italics are ours).

Advice to Lancashire

That by using Indian cotton, Lancashire can find a big market for her goods in India is the plea put forward by Mr. Robert Brock, formerly Editor of *The Capital*, Calcutta, in the *Manchester Guardian*. He declares that the most direct and immediate assistance Lancashire could extend to India and indirectly to her own mill-industry would be increased utilisation of Indian cotton. While admitting the practical difficulties, commercial as well as technical, which hinder any considerable displacement of American by Indian cotton, he says no measure would make a more profound or more favourable impression on Indian opinion or assist more directly in restoring the purchasing power without which no revival in Indian purchases of cotton goods is possible. Incidentally, he points out that Japan has bought more cotton from India than it has sold cotton goods there.

Insurance

The Editor of the *Insurance World* says that in a country like India where the strength of the family is thrice or even four times that of one in the West, insurance is the only hope of the forlorn and consolation in despair. He says that unless our own Government endeavours to bring pressure upon the public to realise the necessity of insurance, the future is bound to be dark in India. The following table will give an idea of the poverty of India in regard to insurance :—

Country.	Population.	Life Assurance in Force Rs.
United States	120 millions	30,000 crores
United Kingdom	5 ,,	3,300 ,,
Canada	9 ,,	1,500 ,,
Japan	54 ,,	1,000 ,,
Australia	3½ ,,	6,000 ,,
India	353 ,,	70 ,,

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