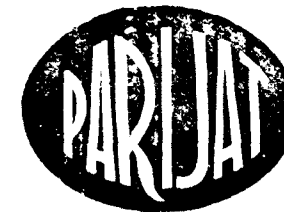




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The Hon'ble Justice Sir V. RAMESAM Kt., writes.

"Gopal Vihar," Mylapore,
14th November, 1931

Dear Mr. Srinivasan,

I have received the valuation Report and other Literatures connected with **The Indian Mutual Life Association, Ltd.**, and have gone through the same.

As one of the earliest members of the Association, I am glad to see the progress it has made within these six years. One may well be proud of it, as it is all achieved, without the aid of Capital or Capitalists—the Association being run by the Policy-holders themselves.

With greater spread of knowledge it ought to progress very rapidly, and one day our institution ought to become as big and as extensively useful to the public as the giant Mutual Societies of America and Australia.

The Directors and the Management are to be congratulated so far and if they will continue to work as economically and with the same devotion and enthusiasm as in these initial years, the Association will be the most popular institution in South India in a few years.

Yours sincerely,
Sd/- V. RAMESAM.

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General Secretary,
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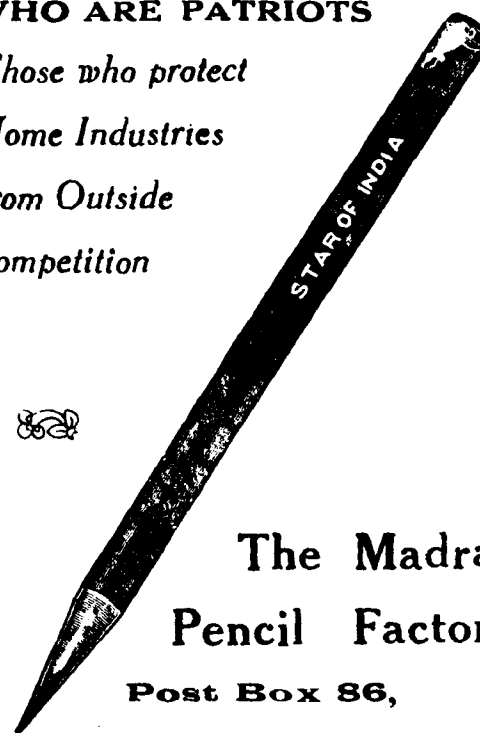
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Kumbakonam 1933
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Vol. I. No. 7.

April 1933

Buy Indian

The Official Organ of the Buy Indian League.

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All communications with regard to Editorial matters should be addressed to the Editor. Contributions, preferably illustrated, on all subjects coming within the scope of this journal are solicited. A stamped addressed envelope should accompany M. S. S. for its return in the event of its being unsuitable. Communications dealing with Advertising and Distribution matters should be addressed to the Manager.

Publishers :

**The Buy Indian League,
Madras.**

Editorial Office :

**Hindusthan Buildings,
Armenian Street,
Madras.**

Editorial Board :

Mr. T. R. Venkatrama Sastri, C. I. E.

Mr. Yakub Hassan, M.L.C.

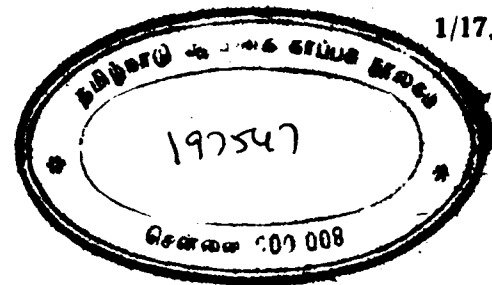
Editors :

Mr. B. Shiva Rao

Mr. M. Subbaraya Aiyar

Printers :

**Devi Press,
1/17, Mount Road,
Madras.**



BUY INDIAN

THE ANTI-DUMPING BILL

THE Anti-dumping Bill recently introduced in the Assembly was passed without a division on April 14, '33. The Bill provides for the imposition of additional duties of customs on imported goods for the purpose of safeguarding industries in British India. If the Governor-general is satisfied that goods manufactured in a foreign country are being sold in or imported into British India at such abnormally low rates that the existence of an industry established in British India is thereby endangered, he may by a notification in the Gazette of India impose on any such goods a duty of customs of such amount as he considers necessary to safeguard the interests of the industry affected. We are glad that this anti-dumping measure has been passed, because the lessons of last year, when Japanese goods were vigorously thrown in the Indian market to the detriment of indigenous industries, convinces us that an anti-dumping wall should be erected to give safety to our struggling industries. It may be interesting to note that the name of no country is mentioned in the Bill against whom discriminatory commercial legislation of this kind is contemplated. But it is recognised, in all quarters, that the principal country against whose aggression in the Indian market the Bill is to serve as a safeguard is Japan. The feeling is expressed in commercial quarters that a protective measure of this kind is necessary, if Indian industries are to be saved from extinction. The trade drive in Japan has been organised with considerable skill and the invasion of the Near East Markets, particularly that of India in respect of cement, shoes, chinaware, toys and hosiery, has been quite successful. Japan has the advantage, which we do not have, namely, an organised marketing system: and its Government is also assisting the industries by granting

subsidies. Labour and raw materials are cheap; and, added to these environmental advantages, the adoption of a scientific method of purchasing raw materials and the marketing of finished products have to a great extent helped Japan in her trade drive.

The impact of Japanese competition is borne out in the present precarious position of the Indian textile industry. A deputation of mill-owners led by Mr. H. P. Mody waited on the Viceroy on April 8, '33, when it was stated on behalf of the mill-owners of Bombay, Nagpur, Ahmedabad and other places that, even after the last increase from 31½ per cent to 50 per cent in the customs duty, Japanese textiles were being dumped into this country. The Government came forward with the offer of a protective tariff, and this was done when the exchange ratio of the yen stood at 106; but, before the tariff could come into operation, the yen had depreciated to 88, thus offsetting the beneficial effect of the tariff. Stocks were accumulating every day and the deputationists urged that any delay in giving protection prayed for would mean dangerous repercussions on the Indian mill industry. It was suggested that the duty should have been raised to 75 per cent as recommended by the Tariff Board in August last.

It was to give a measure of protection of a defensive nature that the Bill was introduced. Sir Joseph Bhore, in moving that the Bill should be taken into consideration, said that the Bill was not the result of any feeling of unfriendliness towards any country but was purely a defensive measure to prevent Indian industries from being submerged by the rising tide of foreign invasion rendered possible by certain conditions. Twenty to thirty representations had been received from

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industries which were the victims of uneconomic competition. It was true that the Bill had been drafted at short notice, but every care would be taken to see that the powers would be used with the greatest discrimination. A number of small industries, which had prospered under the shelter of a revenue tariff was being driven out of the market by uneconomic competition and they had to be protected. The Government had to act on the spur of the moment and this object was in view when it was laid down in the Bill that every notification imposing a higher duty should be placed before the Legislature for approval. Sir Joseph further stated that, so far as Japan was concerned, the difficulty was not only a depreciated but a depreciating currency. Of course, there had been a rise in the figures relating to the cost of living but that has had no effect on the import prices of commodities in Japan. The Trade Convention of 1905, which contains the most favoured-nation treatment clause, would have prevented the imposition of a duty but steps had been taken to renounce it by giving six month's notice.

While it is not possible for us to disagree with the sentiments expressed

by Sir Joseph with admirable restraint, we are constrained to remark that his opposition to the amendment of Mr. Mitra for the establishment of a committee of seven non-officials for the purpose of advising the Government to carry out the provisions of the Bill was not helpful. Sir Joseph contended that the practical difficulties in the way ruled out such an appointment; that the Council could not be in session always and it would be even difficult to convene it whenever questions of policy relating to the Bill came up for decision by the Government. We fail to perceive any force in the Commerce Members' argument, for, when it is possible for roving bodies like the Railway Rates Advisory Committee and the Indian Tariff Board to meet emergencies, surely, a Standing Committee of the Assembly cannot fail to rise to the occasion when a situation arises. Departmental management of trade, commerce and finance is not a healthy influence in an economic structure. The purpose of non-official committees is to tell the Government what the public cannot stand and we need that telling more often on this side of Suez than anywhere else.

MESSAGES

The following messages were received by the Secretary of The Buy Indian League on the occasion of the first anniversary of the League :—

Sir Mirza Ismail in his letter dated 8th., April '33 sent his best wishes for the success of the function.

The Industrial Chemist and Chemical Engineer of The Government Soap Factory, Bangalore, wrote under date 10th., April '33. "We would like to be permitted to offer you our sincerest congratulations on the excellent work which the Buy Indian League at Madras has done during its first year of existence".

Dr. P. Varadharajulu wrote under date 10th., April '33. "Your League has done meritorious services to the country in actively reviving the Swadeshi

spirit in our people and has kept the Nation's flag flying when the country was passing through trying times. Its activities have demonstrated what constructive nationalism is and has taken the country nearer Swaraj than any other national movement. I wish the League every success in its laudable efforts and take this opportunity to assure you of my co-operation in your activities".

The Coimbatore Swadeshi Emporium sent its greetings.

Mr. S. Satyamurthy wished the function every success.

The Director of Industry, Trivandrum, wired his best wishes for the success of the function.

PROGRESS OF THE MOVEMENT

MADRAS, 19TH APRIL 1933.

A conference of the agricultural demonstrators was held at Aduthurai from March 14 to March 16.

A good deal of the time of the conference was devoted to the discussion of the possibility of introducing and expanding the area under canes, plantains, turmeric, vegetables, pineapples, and fruit trees. The question of plantain "fig" making as a cottage industry was also raised by the Superintendent of the station.

Sir Mirza Ismail, the Dewan of Mysore performed the pleasant function of switching on electric lighting to the village on March 12. The

Dewan said that, if everyone in the village made the best use of the electric power in their midst in the way of starting small industries, installing lift pumps for irrigation and so on the prosperity of the country would be assured.

Khadi workers went out to sell khaddar from place to place during the National week.

Lady C. V. Raman opened the Fine Arts Exhibition at the Kalamandiram on April 14.

A meeting of the leaders of the Swadeshi movement was held on April 16 when Mr. K. Bashyam, Chairman of the Tamil Nadu Swadeshi

Certifying Board explained the necessity for a Presidency Swadeshi Board with representatives from all provinces and also an organisation in each province to work under the said board. The meeting appointed Messrs Nageswara Rao Pantulu and P. S. Ranga Rao, Advocate, Guntur as conveners of the meeting.

Seth Ramakrishna Dalmia, a prominent industrialist, says, according to a press message, that it was reassuring to find businessmen considering seriously the prospects of opening sugar industries in Bihar.

South Bihar was the home of sugar cane. Sugar manufacture in India has been the subject of much adverse criticism and it is said that the Indian factories cannot turn out perfectly white sugar. Companies with special refining process can turn out sugar which would be as white as sugar manufactured in any other country.

A Correspondent writes :

It has become the order of the day to organise wide tours of exhibition trains, carrying different articles of Indian manufacture. The first of its kind was organised by the Indian Train Exhibition Co., in

1931 and the second in 1932-33. Both of them were great successes. Now a similar train known as the "Exhibition Special" is being organised by Messrs. Alembic Chemical Works, Ltd., 381, Arthur Road, Bombay, No. 11, which will leave Bombay in the middle of May on a tour in the Deccan, Nizam's Dominions, Madras Presidency, Northern Circars, Bengal, Orissa, Central Provinces, Behar and Khandesh, and will cover more than 3,800 miles. The train will halt at more than 60 important cities. The train consists of ten fine bogies, six of which will be used for the purpose of exhibition, two for residential purpose and the remaining two will be brake vans.

The importance of such exhibition trains can hardly be exaggerated for the manufacturers and dealers. The results of the two previous exhibition trains reveal a sale of about Rs. 1,25,000 in the first train and of about Rs. 3,25,000 in the second. If only sufficient number of Indian manufacturers come forward to take part in the exhibition train, the organisers will not entertain applications of foreign manufacturers. This is a fine opportunity for Indian manufacturers. Messrs. Gold Filled Leather Works which has helped manufacturers on the previous two occasions will be only too glad to help the manufacturers of cutlery, hosiery toilet preparations and soaps which are in great demand.

An idea of the standard which the Indian films have attained both in the matter of photography and artistic set-up was provided by the exhibition organised recently to win the sympathy of the public for the cause of the Indian film industry.

The object of the function, so said Mr. K. S. Hirlekar, Secretary of the Society, was to remove certain prejudices which are wrongly ascribed to the Indian films and also to impress the public with the vast potentialities which the industry was capable of, if patronage was guaranteed.

A useful pamphlet entitled "Unemployment Problem and Bengal" showing how the Bengal Government is devising means to relieve unemployment by giving young men training in several small industries already tried by the Government Industries Department has been issued by the Bengal Government.

In the case of the brass and bell-metal utensils industry, the capital required is Rs. 500, and the time taken to learn this craft is nearly four months the approximate profit being Rs. 120 to Rs. 150 a month. The Government Industries Department

BUY INDIAN

has improved the method of preparing these things. Consequently, it is hoped that properly trained young men will be able to make a good profit from this industry for themselves.

The manufacture of soap, pottery, husking of paddy, umbrella-making, hosiery and shell bracelets are other industries suggested.

It has now been arranged that instructors from the Government Industries Department will tour from centre to centre and instruct people in the use of all these machines. That will enable mofussil people to get training in the village itself, in nearby towns or in the bazaar.

In addressing the members of the Kerala Soap Institute on March 17, Sir T. Vijayaraghavachariar said that one of the most striking facts, during the last ten years, was the way in which the soap industry had been developing in India. It was fast becoming a cottage industry. He knew that, in Northern India alone, there were more than 15 to 20 factories. If they would take the figures of imported soaps into consideration, they could know at once how the soap industry had been progressing in India. In his opinion, the day was not far off when Indian soap industry would remain self-contained.

The Cawnpore Swadeshi Bazaar Committee under the presidency of Dr. Sen has been busy for the last few months making arrangements for opening a market for selling exclusively country-made goods. Their efforts have now resulted in the taking of Katra Ganga Ram in Hatia by the Committee for this purpose. Legal processes alone remain to be completed.

Leading local merchants including Lala Padmapat Singhania, the commercial magnate, Lala Ram Ratna Gupta, Lala Buddhulal and Lala Lallu Mal Dalal are taking very keen interest in the matter.

It is hoped the market will be open by the 15th of May next. There is already a great demand for stalls, though the accommodation is only limited. Merchants of Swadeshi goods are invited to send in their applications for stalls without further delay to Mr. Rajendra Nath Bhargava, Paper Merchant, Generalgunj, Cawnpore.

Under the auspices of the All-India Spinners Association, a new Khadi Vastralaya was opened on April 12. Sales for about Rs. 300 were effected on the opening day.

A meeting of the District Rural Development Committee was held on April 5 when it was agreed to take a loan of Rs. 37,500 from the Government for improving rural communications.

An exhibition of Indian painting was held in Annadana Samajam Hall and was opened on March 21 by Rev. J. B. McCocanada Lawrin. The exhibits consisted mostly of pictures depicting portrait-drawing. Several pictures on mythological topics were also on show.

It is proposed to conduct an Agricultural and Industrial Exhibition during the Central Co-operative Conference which will be held in the second or third week of May.

The Coimbatore Khadi Exhibition organised by a strong and influential committee of some of the prominent citizens of Coimbatore was opened on April 13 by Dr. P. Subbarayan.

Dr. P. Varadarajulu Naidu opened the All-India Arts, Industrial and Agricultural Exhibition on March 11. He exhorted young men to enter business.

The National Week, says a *Hindusthan Times* editorial has clearly demonstrated the country-wide response to the Swadeshi movement. In Delhi alone, Khaddar to the value of more than Rs. 5,000 has been sold during the week. Encouraging reports of the good work done by organisations and workers devoted to the cause of "Buy Indian" are pouring in from all quarters. We commend to the public the appeal just issued by Seth Jamnalal Bajaj urging the universal use of the spinning wheel. Khaddar is the only hope of the unnumbered starving millions of this country. If we are to cure the terrible economic disease with which they are afflicted, there is no remedy so self-respecting and so efficacious as khaddar. The Maharaja of Mayurbhanj opened the exhibition of modern paintings by selected Indian artists at Maiden's Hotel on March 20. The exhibition was held under the auspices of the All-India Fine Arts and Crafts Society which is trying to organise a National Art Gallery in Delhi for which they have already secured the support of Lady Chetwode, Lady B. L. Mitter, Sir Edwin Lutyens, Rai Rajwade, Sir T. B. Sapru, Mr. G. D. Birla, Sir B. N. Mitra and Sir Francis Younghusband.

That the industrial exhibition held under the auspices of the association for development of Indian industries was the most successful exhibition ever held in Delhi, was the opinion expressed by Mr. Jamal Khan, Secretary of the Stall-holders' Association, this afternoon while speaking at the "At Home" given by the stall-holders to the Managing Committee of the Exhibition.

The function was held under a spacious shamiana and over 250 persons attended.

5

A correspondent writes under date April 11. The members of the Young Men's Cultural Association hawked khadi from door to door during the National Week.

The stall-holders of the Mahamagam All-India Swadeshi Exhibition were "At Home" to the committee members and volunteers attached to the exhibition on March 17. Mr. N. S. Varadachariar of the A. I. S. A. thanked the stall-holders for their dinner and for their co-operation in making the exhibition the success that it was. The exhibition was, perhaps, one of the few wherein only pure Swadeshi goods had been exhibited and he, on this account, congratulated the authorities of the exhibition on such a signal achievement. There was a proposal to start a branch of the All-India Spinner's Association in the town and he appealed to them all to take steps for the materialisation of the proposal.

According to a "*Hindu*" report of March 14, the total Khadi sales in the Mahamagam All-India Swadeshi Exhibition amounted to Rs. 20,000.

A khadi Vastralaya run by the All-India Spinners Association was opened on April 13 by Srimathi Indumati Ben of Ahmedabad. She said that she did not believe that there would, at that period of time, still be persons in India who had not yet become alive to the importance of wearing khadi especially after the ceaseless propaganda for over 12 years. They would all have seen the choice varieties and fine specimens of khadi in the Mahamagam All-India Swadeshi Exhibition. She, therefore, appealed to them all to take to khadi as supporting khadi would mean enabling even the helpless beggar to earn an honest means of livelihood.

A Swadeshi exhibition is being organised in the Bradlaugh Hall grounds at Lahore during the first week of May. It will be opened on May 1 and closed on May 8. The exhibition is being organised in connection with the fourteenth session of the All-India Agarwal Conference. For particulars, communications may be addressed to the Propaganda Secretary 33, Lodge Road, Lahore, or to R. B. L. Sewak Ram, Bar-at-law, M.L.C., Nisbet Road, Lahore.

The difficulty of getting Indian bananas absorbed in the British markets, says Reuter's correspondent in his despatch of March 25, lies in the absence of suitable methods of packing. The exact cause of trouble is not yet ascertained but importers are definitely of the opinion that the method of packing has not yet been perfected. If this is perfected, Indian bananas will find a ready market in England. Suggestions regarding packing have been forwarded by experts to Indian exporters.

BUY INDIAN

The Lucknow correspondent of the *Leader* wrote in his paper :—

The United Provinces Swadeshi Exhibition which was opened on March 18, by Pandit Hirday Nath Kunzru, at Lucknow, has been a unique feature of the varied activities of the Lucknow Swadeshi League. It speaks very favourably of the ever-increasing enthusiasm of the people in the matter of reviving the indigenous industries of their country. The real zeal which the people of India are evincing in the matter of the industrial regeneration of their country and the organisation of successful Swadeshi exhibitions at various centres is likely to inspire people to push onward in the industrial race of the world.

The Exhibition organised by the Swadeshi League, Bangalore was opened on April 9.

The Educational Exhibition organised by the boys and girls schools of the Madras Corporation, 24th Division, was opened by Mrs. D. D. Warren on 7th April. Practical demonstrations in embroidery, book-binding, spinning and sewing were held by both the boys and girls.

An Arts and Crafts Exhibition was opened in Madras by Mr. C. Jinarajadasa in the first week of April.

The Buy Indian League Anniversary was celebrated on April 11 with Rt. Hon'ble V.S.S. Sastri in the chair. Some local merchants were "At Home" to the members of the League and an address was presented to the executive of the League in appreciation of its services.

To consider the feasibility or otherwise of establishing a land mortgage bank, says a *Hindu* report of April 10, a meeting of mirasdars was held on April 9 at the Sankara Hall. The Deputy Registrar for land mortgage banks, Southern Circle was present. After a good deal of discussion, a large number of mirasdars signified their approval for the opening of a land mortgage bank at Mannargudi.

The Swadeshi Exhibition organised by the Buy Indian League was opened on April 8. Bengal chemical products, Dacca and Shantipur textiles, Benares silk and Krishnagarh pottery were conspicuous exhibits in the exhibition.

Mr. V. Ramakrishna, I. C. S., The Director of Industries opened the Agricultural and Industrial Exhibition organised by the District Agricultural Association on March 12. In the course of his address, he said that it was deplorable that, possessing as they did great scope for growing sugarcane and establishing

BUY INDIAN

a flourishing sugarcane industry, they should import large quantities of sugar from abroad. The protection for sugar industry granted by the Government should be availed of to the greatest extent and, ere long, they should see to it that the country was made self-sufficient in this respect.

The Standing Finance Committee considered on April 12 the proposal to establish a Statistical Research Branch of the Department of Commercial Intelligence and Statistics at the headquarters of the Government. It accorded its general approval to the proposal that the office of Director-general of the Commercial Intelligence and Statistics should be stationed at the headquarters of the Government of India and that under him a new department of statistical research should be created. The Chairman, Sir George Schuster, also informed the committee that the proposal to conduct an economic census in India was receiving the active consideration of the Government. He indicated the lines along which it might be desirable to proceed. While it would be necessary to obtain the services of acknowledged experts in such work for purposes of organising and directing it at the outset, the intention of the Government would be to secure the maximum co-operation of Indian talent and Indian institutions such as universities to assist in the task and to make arrangements for suitable practical training of Indians abroad which would enable them to carry on the survey initiated by the experts.

An Educational Exhibition was held at the Corporation Boys School on the 12th, 13th and 14th April 1933 and was opened by Mr. B. Shiva Rao.

The Poona Industrial Exhibition of 1933 which was opened on Feb., 26 by Raja Dhanarajgirjee Narasingirjee of Hyderabad attracted more than fifty thousand visitors says an *Associated Press* telegram of March 17. There were more than 300 stalls which were arranged on a well-laid-out plan divided into different courts. Hand-made goods made in the jails of the Presidency were among the Exhibits. The work done in the schools was also exhibited by various schools. The Department of Commerce and Industries of Hyderabad State had sent some articles for exhibition representative of the cottage industries of the State.

Mr. B. G. Holdsworth, I. C. S., Administrator, performed on 7th April the pleasant function, says a correspondent, of opening the Agricultural and Industrial Exhibition at Narthamalai near Pudukottah. The stalls were full of swadeshi goods.

Salem Vigorous propaganda for khadi was made during the National Week.

The first annual meeting of the Buy Indian League was held on 12th April at its premises in Sanadhi Street. Mr. K. P. Yegneswara Sarma presided. Mr. B. R. Iswara Iyer, one of the secretaries, read the annual report. The present office-bearers were re-elected with the exception of Mr. S. S. Subramania Nadar, one of the secretaries, to whose place Mr. P. T. Subbiah Pillai was elected. The question of help to be given to the hand-loom weaving industry of the district which is now in a miserable plight was discussed. After the discussion, the League appointed a standing committee with Dr. T. C. Sankara Aiyar and Messrs A. S. Kuppuswami Aiyar and V. A. Sankarasubramania Mudaliar as members with power to add to induce the hand-loom weavers of the district to use only Indian yarn, take steps to find markets for the district output of handloom-cloth and to carry on special propaganda in the district for the encouragement of the district production etc. The meeting confirmed the decision of the Executive Committee to hold a Swadeshi, Industrial and Agricultural Exhibition during the ensuing Auni festival at Tinnevely town.

Mr. C. Rajagopala Chariar opened the "Kasthubai Swadeshi Stores" organised by the Women's Swadeshi League on April 7. In declaring the stores open, Mr. Rajagopalachariar said that they should take the vow of Swadeshi and work in rotation as honorary sales-women. If they were to deal with khadi and Swadeshi goods such as toilet and stationery, they could not make any headway. They should, in course of time, see that they dealt in such goods that were required for every day consumption such as sugar, tea, coffee, and cocoa. He also suggested the idea of getting a motor van and supplying goods at the doors of their customers if their funds permitted.

BUY INDIAN

THE BUY INDIAN MOVEMENT

By The Rt. Hon'ble V. S. S. Sastri.

THE following address was delivered by the Rt. Hon'ble V. S. S. Sastri on the occasion of the first anniversary of the Buy Indian League: "When I was invited to preside over this function, I was ignorant of the operations of the League and, being a poor man, I could only give my sympathy and good wishes for the movement. It was said that my sympathy and good wishes were worth a good deal and, therefore, I would tender them in abundant measure. A great many years ago, it was the fashion, when the Indian National Congress had been in existence only for a few years, for officials of all grades to proclaim that their sympathies were with the Congress. The fact that a local Governor had given a tea-party to important members of the Congress made the officials think that it would be good to express their sympathy. They had, however, found by experience that that sympathy did not proceed by words and, that at every time, the Congress took any decision or formulated any demand the whole official world was hostile. The sympathy was there nevertheless. I am afraid that my sympathy is more or less like that. Only, the League would not find me positively hostile to its improvement

AMAZING PROGRESS.

The League, during the very short life it has had, has proved that it supplies a real want in the country. It is amazing how rapidly it has struck root. I was present at the time the League was started and had a good deal of misgiving but that the public looked forward to the establishment of such an organisation was clear from the ready response that flowed in from all sides and it was quite justifiable on the part of the President of the League to congratulate himself and his colleagues on the measure of success that has so far crowned his efforts. I would also congratulate the President of the League on behalf of the public and express their gratitude for the wonderful way in which, short-handed and low-funded as they were, they have been able to give much good to the public. It is fortunate that the League has Mr. T. R. Venkatrama Sastriar for its President and Mr. B. Shiva Rao as Secretary. I have known Mr. Shiva Rao for many years and have always admired him for the energy, for the profound knowledge, and for the unceasing devotion with which he performed tasks which he has undertaken. Mr. Shiva Rao's activities are many-sided. To the work as the organiser of the Buy Indian League, he has brought not only his vast knowledge and experience but also well-ordered and well-governed zeal. It is easy to be enthusiastic and it is easy to show energy. In the case of Mr. Shiva Rao the enthusiasm and energy are under severe control. I have watched with a certain amount of personal pride the way in which Mr. Shiva Rao has kept the Buy Indian League clear of all political taint. It is wonderful

how in this country such control is being shown in public activities.

NO POLITICS

I cannot say whether this is a healthy state of things. I would say, on the other hand, that, in a country, which governs itself and which commands without reserve all its resources in men and money, a severe separation of the political life on the one hand and the social and economic life on the other would be entirely out of place. But, under exceptional circumstances of their public policy, they had felt from the beginning that, in the sphere of social reform, a very intimate association with politics would have kept out of it a great many people whose sympathy and support are essential to the cause. A great many Government servants, for example, can do a great deal in the sphere of social reform. In the economic sphere, the difficulty is even greater. One striking instance is the failure of the Swadeshi Steam Navigation Company started in South India. The company prospered well and would have occupied a proud position to-day. Unfortunately, it entangled itself in the political movement of those times with the result that it incurred the active hostility of the Government and the life and soul of the movement was prosecuted and removed from the sphere of remarkable usefulness to their economic detriment. It was a blow which took a long time for the people to forget. I am not mentioning this to frighten the people to keep politics away from their other activities. That is not my opinion. The way in which the Indian National Congress took up the Swadeshi Movement has given a great impetus to the movement. The principal workers, though they happened to hold extremist views in politics, have thrown themselves into the Swadeshi movement and the success which the Movement has attained would not be such if there had not been that support. It is, therefore, a point still debatable whether it will be wise to attach themselves to some political movement or take a line independent of politics. The Buy Indian League has elected the latter course and, in my judgment, wisely. I believe that the great success it has attained during the short period is due to the fact that it has not aroused any political storm. It has, on the other hand, enlisted the active sympathy and support of many officials and many departments of government. It has also extended its efforts to Indian States. I, therefore, think that whatever might be said, on the other side, of the conditions in the provinces, the Buy Indian League has wisely and prudently kept apart from all political entanglements. That Mr. B. Shiva Rao has succeeded in this respect is a matter upon which we might congratulate him and the League. The President of the League has appealed for more funds and more workers and I would like to endorse every word of the appeal".

TALKING IT OVER

By B. Shiva Rao.

A CASUAL remark by a European District Magistrate recently in the course of a conversation with me that it would be a good thing if the League could attempt to substitute Indian toys for some of the foreign ones now being given away as prizes at Health Weeks and Exhibitions led me to make enquiries. I understand that each district spends quite considerable sums of money on prizes. Here is another opportunity for local bodies to assist the swadeshi movement. I am, in fact, corresponding with toy manufacturers both in the Presidency and outside and would be grateful to Presidents of District Boards, Taluk Boards and Municipalities for their co-operation in this matter. Apart from toys, there are several other useful articles appropriate for prizes, which I can suggest.

PLANTAIN FIGS

The Superintendent of the Agricultural Research Station at Aduthurai writes that he was unable to meet even a small fraction of the demand for Plantain figs at the Kumbakonam Exhibition. He adds "My impression is that thousands of pounds could have been sold judging by the keenness of the demand. I could only supply 165 lbs., to the exhibition authorities. But I am, indeed, gratified to know that these figs have received the widest possible publicity through this exhibition and through your note in the press about them. I understand that a lady visitor to the exhibition from distant Amritsar has taken these figs home for popularising them. I am getting enquiries from many places as regards the preparation of the figs and they quote your note in the press". A note on the preparation of figs is being prepared for publication in the press through the Director of Agriculture, Madras.

MADURA EXHIBITION

I have much pleasure in announcing to all who are interested in swadeshi, the opening of an exhibition of Indian articles at Madura on 29th April. The place selected for the purpose—the premises of the Sethupathi High School, North Velli Street,—is ideally situated being next to the head Post Office and adjacent to the Railway Station and within a few yards from the goods shed. There will also be a separate section for khadi as also for crafts. The All-India Spinners Association has consented to take part in the Exhibition and display at the Meenakshi Vidyalaya (opposite to the Sethupathi High School.) various kinds of khadi to meet all purses, tastes, and purposes.

As regards arts and crafts, the Exhibition Committee has decided to issue certificates of merit to the best exhibits. Artists and craftsmen will send their works to the Secretary. All-India Swadeshi Ex-

hibition, Madura, with their names at their own cost so as to reach the Secretary before 25th April. About one hundred stalls have been booked so far from different places, including Kathiawar, Calcutta, Bombay, Madras, Mysore, Negapatam, Travancore, Cochin, Malabar, Tinnevelly and other places. As there are only a small number of stalls still available, intending participants are requested to book their stalls early to avoid disappointment. Arrangements are also in progress for giving a series of musical performances and a separate pandal is being erected for the purpose in the exhibition grounds.

THE MYLAPORE FESTIVAL

A temporary Swadeshi Bazaar was opened under the auspices of our League on the main road close to the Mylapore branch of the Indian Bank where articles of those who were participating in our Swadeshi Museum were on sale. The question of establishing a permanent branch of the Swadeshi Museum in Mylapore is under consideration.

SUGAR ON COTTAGE INDUSTRY BASIS

Since enquiries have come to me whether the League would be prepared to offer marketing facilities to those who are preparing sugar on a cottage industry basis, I would observe that we have already got into touch with one or two of such manufacturers. I would, however, point out that prices should be competitive if the industry is to thrive. From what I have seen of the actual cost of production, at least in one instance, there seems to be no reason at all why indigenous sugar should not compete with that imported from abroad in the Madras market, in spite of freight and other charges.

RAILWAY FREIGHT

I am reminded in this connection of the heavy freight which the S. I. Ry. is charging. Going into the question of the price of fruit, I find that freight is, in many cases, more than 200 per cent of the actual cost of fruit. This, with defective packing and pilfering on railways, raises the cost of fruit almost to a prohibitive extent. An "Eat More Fruit" campaign is essential in this country both from the point of view of health and national economy, but the railways should co-operate much more than they do at present.

THE CONJEEVERAM EXHIBITION

I am informed by the Secretary of The Swadeshi Exhibition Committee at Conjeeveram that arrangements are being made for the Exhibition in Pachaiyappa's High School from 1st June. We have made a request to the Directors of Public Health, Agriculture and Industry to co-operate with us.

COTTON GROWING IN MADURA-RAMNAD

By S. V. Duraiswami Ayyar, B.A., B.Sc., (Ag.)

Agricultural College, Coimbatore.

THE Madura-Ramnad tract is one of the outstanding regions for the production of two well-known varieties of cotton, well-known not only in India but recognised as falling in line with the Lancashire standard. These two varieties are the "Tinnevely" and the "Cambodia", the former consisting of two indigenous varieties, the 'Uppan' and the 'Karunganni', and the latter being an exotic, grown in Cambodia in Indo-China. The Tinnevely or the 'Tinny' cotton as it is called, has long ago gained a reputation of its own in the Bombay cotton market as one of the best of Indian cottons. Cambodia is of recent introduction, superior to the Tinny cotton and is also the best of the Indian cotton varieties now grown in the country.

TINNY COTTON

The Tinny cotton is confined to the black-soil area, while the other two regions are admirably adapted to production of Cambodia. The black soils have long been known to support excellent crops of the indigenous varieties of cotton and, on account of this, they are named as black-cotton soils. The Deccan black-cotton-soil area is well-known and, though it is far larger in area, the cotton produced on that extensive region is inferior to the Tinny cotton. We shall now consider these three areas one by one.

1. The black-soil area: Steaming towards Thirumangalam, south of Madura, one enters this well-known black-soil area of the south, extending from this place and across Ramnadi district up to the limits of the Koilpatti taluk of the Tinnevely district. The taluk of Thirumangalam in Madura, and those of Sattur, Aruppukottai, Mudukallur and Ramnadi in Ramnadi district mainly consist of this black-soil area. Over 300,000 acres of this area is in Ramnadi and about 150,000 in Madura district. It is this tract that grows the Tinny cotton which is really a mixture of two varieties in the Karunganni (*Gossypium obtusifolium*) and the Uppam (*Goss. Herbaceum*). The mixed crop may consist of the two varieties in varying proportions but it has been ascertained that the Uppam variety may be as much as 70 to 90.

Locally, this area is classified as follows:—*Karisal*—This rests on a bed of kankar and nodular limestone and the depth of soil varies from 5 to 7 feet.

Veppal—This is a grey-coloured soil, shallower and containing much more kankar.

Pottal—This is most shallow and slightly alkaline.

The first class contains the best soil, the second medium and the third poorest. The major portion of the area consists of the first class soil. The black soil in general is noted for its inherent fertility and capacity to retain moisture. These qualities are taken advantage of to cultivate the land properly and raise very good crops of cotton, cumbu and cholam. This area which we are dealing with is a 'dry' area, the crops being grown with the help of the rainfall received. The success in production, therefore, will be controlled by the adequacy and distribution of rainfall in the tract. From a study of the annual rainfall table given below, it will be seen that the precipitation is greatest during the season of the North-East monsoon. Enough is received, however, during the preceding months to have the soil prepared well before the sowing season in October, just about the commencement of the North-East monsoon.

ADVANTAGES OF ENVIRONMENT

The young crop of cotton sown in October gets the full benefit of the North-East monsoon during its vigorous growth besides utilising the moisture already retained in the soil as a result of showers received during the period of the South-West monsoon season. From January to March, the weather is clear and sunny and is just the time for the crop to put forth flowers and bolls. If the sowing had been earlier as in the northern portion of this area, picking or harvesting of cotton will also be earlier, i.e. from February onwards. This picking or harvesting period may last from two to five months according to the quantity and distribution of rainfall received in April-May. From March, the south-east sea breeze from the Bay starts blowing over this plain; and this, called the "uppan breeze", is said to be greatly beneficial for the ripening and bursting of bolls. It is, perhaps, the influence of this sea-breeze that has been responsible for the superiority of the Tinny cotton, as is evidenced by the fact that Sea-Island cotton of the islands of the United States is the best and the longest stapled cotton in the world. The Ceded Districts and the Bombay-Deccan black soils, situated as they are far away from the influence of the sea and, in addition, receiving less rainfall than the black-soil area of the south, produce as already said above, cotton of inferior quality. The black soil of the Deccan region is, in fact, deeper and, in point of fertility, may be equal to that of the south. It is the natural advantage of the sea influence and the greater rainfall it gets during the growing season that have made the black soil of the south so important as a cotton-producing centre.

SOME VARIETIES

The yield of cotton generally depends again on the quantity and proper distribution of rainfall during the growing and subsequent periods. The average yield per acre may be put at 250 lbs., but, on the Koilpatty farm, as much as 600 lbs. have been obtained. This has been due to the using of properly selected seeds and adopting more scientific methods of cultivation. The Karunganny variety is supposed to be the original variety comprising the Tinny cotton and was grown pure all over the tract. This cotton is superior to Uppam, though not strictly in point of colour. The Department of Agriculture has, therefore, confined its work to improving the Karunganny variety in this tract; and a very large area is now grown with this variety alone. "Pulichai" or "Jari" variety of the United Provinces is now grown here and there in the tract for purposes of admixture with the Tinny cotton; as this (the Pulichai) confers certain advantage in what is called the ginning percentage, the proportion in weight of lint to seeds. But this admixture spoils the quality of Tinny cotton as such, and, therefore, the Government have taken steps by an Act passed recently to prevent the growing of this Pulichai cotton anywhere in this area.

It is interesting to note the value of cotton exported from Tuticorin in the year 1912-13. Rs. 203 lakhs worth of cotton was exported which was exactly half of the total value exported for the whole Presidency. 5000 of the quantity exported from Tuticorin in that year went to Japan and the rest to the United Kingdom and Germany. The whole of this cotton would have been of the Tinny variety, as Cambodia had just then been introduced.

THE RED-SOIL AREA

Just as Tinny monopolises the black soil, Cambodia is extensively grown in the red-soil region. As already mentioned above, from the Ghats in the west, it is one vast plain up to the sea-coast. This plain is undulating in many places and mainly consists of red ferruginous soil of varying depth and consistency, except in the southern portions of the two districts where it is of black soil. The elevations and depressions have been taken advantage of to construct numerous tanks which aid in the raising of paddy and other garden crops. Portions in the taluks of Periyakulam, Nilakottai, Madura and Melur have been taken up for wet cultivation under the Periyar project. Cambodia cotton, which is essentially an irrigated crop, is raised in gardens irrigable by wells and under tank where there may not be enough water to grow a good crop of paddy. The red soil is inferior in fertility to the black soil, but more porous, i.e., allows water to drain away freely. In gardens, this soil, by constant manuring, cultivation and addition of silt has been improved remarkably in fertility and water holding capacity. Therefore, in such gardens excellent crops of Cambodia cotton are raised.

IRRIGATION FACILITIES

As a result of the impetus to grow greater areas of cotton and, due to liberal grant of loans for well-digging, in recent years, thousands of new wells have been added to the ones already existing. It is found that during two years, 1919 to 1921, a sum of Rs. 2,37,200 was advanced under the Land Improvement Loans Act, and, as a result, 325 new wells were sunk and 587 old ones repaired. The four taluks of Dindigul, Periyakulam, Palni and Thirumangalam put together contain as many as 40,000 wells, Dindigul alone having nearly 17,000.

The rainfall statement shows that this tract receives equally good amount of rainfall as the other area. The raising of Cambodia cotton has been made easy, therefore, as good and timely rainfall saves irrigation from wells, a rather costly and tedious operation. The sowing period for Cambodia, practically, coincides with that in the black soil; and, therefore, the North-east monsoon rains are in the same way utilised by the young crop in the garden. The clear weather from January, without extremes of cold or heat, facilitate the formation of flowers and bolls and the crop comes to harvest in the latter half of February or early March.

TIRUPPUR CAMBODIA

The root structure of the Cambodia plant is of such a nature that it is eminently fitted to take its nourishment from the upper layers of the soil, unlike the varieties grown on the black soils which have a stronger and deeper root system. A light irrigation or rainfall is enough to make this plant put forth new shoots. However, frequent irrigations are also not necessary, provided the soil has been well prepared and inter-cultivated. The showers during the hot weather period are welcome aid to the crop in starting the second flush or summer harvest period.

The noted Tiruppur Cambodia, particularly, that of the Avanashi tract, is grown under similar conditions of soil type and climate. But, of course, there may be slight differences in the inherent fertility of the soil as well as in the treatment given to it by way of cultivation and manuring. As a result of effective distribution of selected seeds and proper control in the supply of pure seed by the Agricultural Department—and—by effective check of the insect pests by the promulgation of the Pest Act, the quality of Tiruppur Cambodia has improved to such an extent that it has earned a distinct name for itself in the market. Having all favourable conditions the Madura-Ramnad tract can produce equally good type of cotton if not better, and earn for itself a name for Cambodia cotton also.

Often, untimely rainfall, as during the ripening or bursting of bolls, may not only spoil the produce but also create favourable conditions for the appearance of insect pests, the total eradication of which is one

of the main problems of the cotton grower. Due to destruction of the plant by the pest, the yield may also be reduced. After the passing of the Pest Act, according to which all Cambodia cotton should be pulled out of the ground by the 1st September of each year, there has been a good check upon the spread of these insect pests and a remarkable improvement in the quality of cotton. But the Pest Act is now applicable to Madura district and not to Ramnad which has also a large area under Cambodia crop in the Sattur and Srivilliputtur taluks.

HILLY TRACTS

These are mainly confined to the western portions of the districts in the Srivilliputtur, Periyakulam and Dindigul taluks. These are areas of red loamy and kankar soils of varying fertility found at the foot of the hills and spurs of the Ghats and also amidst the clusters of hills and hillocks as found in the "Varushanad" of the Madura district. These are not systematically cultivated and there may not be any irrigation facility, though some areas may be highly fertile. The hills and hillocks are in places barren and, in others, covered with jungle; and near the Ghats, the valleys and slopes are covered with forests and infested with wild animals. The Varushanad, situated in the Gandama-naickanur Zamindary, and protected on the west by the Varushanad or the Andipatti range, is typical of this tract. The soil in the hill slopes and valleys is a red loam but, in many places, it may be shallow and unfit for cultivation. In such places, there will be only scrub jungle. The rainfall may be about 30-40 inches in the year and the greatest precipitation will be during the North-East Monsoon season as in the other areas. But there are no records available for ascertaining the rainfall of this tract. In olden times, this country was supposed to have been occupied by a number of petty chiefs with their fortresses and followers, but now we can see only some remnants of the ruins and no villages have sprung up during recent times. The tract is said to be fever-ridden, particularly along the Vaigai river which flows through this tract after its rise in the Ghats.

There are, however, a few villages in the vicinity of this tract, the inhabitants of which constantly clear the jungle little by little, cultivate and grow crops. Invariably, a large area is put under Cambodia cotton. As already said above, there is no irrigation facility and, therefore, the crop is grown as a rain-fed crop. In the newly cleared areas, on virgin soils, crops as good as those grown in gardens are raised. As labour is scarce in these parts, much attention is not paid to the crop during its growth, but

people turn up in large numbers during the harvest period. For the same reason, the crop is allowed to stand for another season and may also be given a pruning when harvest is over. In earlier years, this has been the practice but now the Pest Act operates in these places also.

A PROFITABLE CROP

As the crop is grown under dry conditions, the yield and quality of cotton cannot stand comparison with that grown in gardens under irrigation. The average yield for irrigated cotton may be put at about 650 lbs., though as much as over 1,200 lbs. have been taken, and, for the dry crops as grown in the hilly tract, it will be about 400 lbs. The suitability of the soil, fairly ample rainfall and the ease with which cotton can be raised are all responsible for the extensive cultivation of Cambodia cotton in the tract. Besides, cotton is the most profitable crop that can be grown in this tract; and the high prices, in recent years, gave not a little impetus for an extension of the area under this crop in this tract where everything, except soil and rainfall, is adverse for successful plant husbandary. It was found, during a tour in this tract, that even nooks and corners in the remotest valleys had been cleared and sown with Cambodia cotton and, as a result, there were thousands of acres under this crop. With a proper rotation of cropping and adequate cultivation, if not manuring, this tract may be expected to produce fairly good cotton crop, as the natural conditions are very favourable indeed. In some of these villages, the inhabitants possess large herds of cattle, particularly cows, which are allowed to graze daily on the hill slopes. The manure obtained from these animals, especially, when penning them overnight, may judiciously be utilised for the fields which have been cropped over and over again.

The Cambodia variety which was introduced with a view to produce cotton superior to indigenous ones, has found the most congenial home in Madura-Ramnad. The construction of good roads in these districts connecting different villages up-country and, the extension of railways in recent years, have helped the growers or the traders to take the produce to the different centres of cotton trade as Madura, Virudhunagar, Sattur and Dindigul. The development of the spinning industry by Messrs. A. and F. Harvey and other firms at Madura and Koilpatty and other places indicates the importance of these districts as cotton growing tracts.

(With acknowledgements to The Madras Geographical Association.)

INDIGENOUS BANKERS

[The following is a summary of the Indian Central Banking Enquiry Committee's survey of the part played by indigenous bankers in the banking system of our country. Special mention is made of the role of indigenous bankers of the Madras Presidency.]

The Chettiyars play in Madras an important part in banking by taking deposits both fixed and current. They do not now take, however, much of fixed deposits as they do not keep fluid resources. The rate of interest for deposits vary and the average rate for current deposits during 1928-29 was 8·92 per cent per annum. The Chettiyar bankers borrow from the Imperial Bank of India on joint signatures usually at 1 per cent above the bank rate.

The Multanis, however, rely for their funds mainly on their personal resources. They also borrow at comparatively low rates, of 4 to 6 per cent from members of their community at Shikarpur. They do not receive large sums in deposit but take current deposits locally at rates varying from 3 to 6 per cent. They also borrow at the bank rate from the joint-stock banks, chiefly the Imperial Bank, the Indian banks and the foreign exchange banks.

The Marwaris do not obtain large funds by local deposits nor do they borrow on a large scale from other banks. They rely on the funds of the community in Rajaputana, which are usually available at the rate of 4 to 7 per cent. The Kalladai-kurichi Brahmins take fixed deposits at 6 to 8 per cent and current deposits at 5 to 7 per cent. They also borrow and their borrowings roughly equal the capital owned by them.

NATURE OF BUSINESS

As in the case of the money-lenders, the indigenous banker's operations are not attended with formalities and delays. His accounts are kept in a simple and economical way but are accurate and efficient. He is easily and always accessible. His establishment is not costly and there is no elaborate staff generally speaking. He receives no special banking education except what is picked up in the course of business and from the past experiences of his firm.

PERSONAL TOUCH

It is not ordinarily practicable for the indigenous banker to establish direct business relations with the ryot. He finances agriculture through local Sowcars or money-lenders. In Burma, most of the loans made by Chettiyars are towards agricultural enterprises and a peculiar feature of their finance is that the Chettiyar sends out one of his clerks to the villages to deal with local borrowers. In Bihar and Orissa, the indigenous banker lends to grain merchants and *goradars* and advances directly to zamindars and

ryots who have an easy access to towns. In all provinces, he also indirectly finances agriculture by financing internal trade. In provinces, where the Land Alienation Acts are in force, the indigenous banker has ceased to advance against "agricultural land".

While, except in Burma, his relations to agriculture are generally indirect, he has always maintained a close personal touch with the trader and the small industrialist. In connection with such financing operations, it may be pointed out here that he does a good deal of general banking which is done by joint-stock banks, such as buying and selling remittance, discounting hundies, receiving deposits, and advancing loans against stock in trade etc. Some of the indigenous bankers issue cheque books, but the cheques have only a limited circulation.

SOME FEATURES

The majority of indigenous bankers combine banking with some form of trade and the capital employed in banking is not distinguished from that employed in trade. The Punjab Committee and certain other committees have observed that their banking business has considerably declined owing to the competition of the joint-stock and co-operative banks, and that they have been tempted to make up for their lost ground in banking by developing trade activities. Other reasons given for this decline are the loss of agency business in *mandies* by the indigenous bankers, owing to the establishment of branches of exporting firms; the heavy stamp duty on bills, which has led to a restriction of their bill business; and, to some extent, the temptation to speculate, which exists in trade to a very much larger extent than in banking. There are at present three kinds of indigenous bankers.

1. those who confine their business to banking proper or whose principal business is banking,
2. those who are principally traders or merchants but employ their surplus, in banking and
3. those who are both bankers and traders and cannot be classified as principally bankers or traders.

RELATIONS WITH JOINT-STOCK BANKS

In Bombay, indigenous bankers whose names are on the approved lists of joint-stock bankers including the Imperial Bank of India, get advances from these banks up to certain limits assigned to each. In fixing these limits, the Imperial Bank takes into account other factors besides a party's worth. Banks also make advances against *shroff's hundies*, the period of which is usually 60 days. In Bihar and Orissa, the local joint stock banks do very little *hundi*

business with indigenous bankers, who are rivals rather than customers of these banks. The Imperial Bank, however, affords them facilities to re-discount their *hundies* in the busy season. In Bengal, the indigenous banking firms of repute avail themselves of the rediscounting facilities offered by the Imperial Bank, the joint-stock banks and, in some cases, by exchange banks. The indigenous bankers in Assam have practically no dealings with the joint-stock banks nor do they make much use of the Imperial Bank branches. Some of the *Marwaris*, however, have current accounts at these branches and can get cheques and *hundies* cashed there. The Imperial Bank and the joint-stock banks make advances to Chettiyars in Rangoon in the form of loans and overdrafts, on the security of Government paper and on promissory notes payable on demand. The rate of interest is based on the bank rate and varies according to the season. The Imperial Bank is prepared to rediscount the hundies of indigenous bankers in the Punjab at about $\frac{1}{2}$ per cent above the bank rate but it is reported that the indigenous bankers do not resort much to the bank. In the United Provinces, the accommodation, which the indigenous bankers receive from joint-stock banks is neither free nor regular, but is sought occasionally and only in the last resort, when the bankers' own funds are exhausted and other bankers give no further credit. This is explained as due to their inability to furnish adequate security and their refusal to disclose their accounts or publish a balance-sheet, making it impossible for the banks to assess the true financial position of the indigenous bankers rediscount about 26 per cent of *muddati hundies* with the Indian joint-stock banks

including the Imperial Bank and keep deposits with them when the market rate of interest is low. On the whole, in Delhi, the indigenous bankers get in times of need more credit from the Indian joint-stock banks than from the Imperial Bank.

In all the provinces, the indigenous bankers get remittance facilities from the Imperial Bank on the same terms as the general public. The special concessions given to the joint-stock banks are not extended to the indigenous bankers as the indigenous bankers do not keep any balances with the Imperial Bank and do much less business with that bank than with the joint-stock banks.

ORGANISATION

In a few centres in the Bombay presidency, indigenous bankers have organised themselves into associations e.g., the Bombay Shroffs' Association, the Ahmedabad Shroffs' Association and the Marwadi Chamber of Commerce. There is also an association of Shroffs at Calcutta. Each association conducts its business on well-defined lines and is governed by its own regulations. Members of one association have dealings with those of another but there is no organisation for interchange of intelligence. The indigenous bankers work independently of one another and co-ordination is lacking among the various classes of bankers, though certain sections of them, such as the Marwadi bankers and Vaishya bankers at Agra, are always prepared to help the members of their fraternity.

ARE YOU A MEMBER
OF
THE BUY INDIAN LEAGUE?
IF NOT
ENROL YOURSELF TO-DAY
AND
Contribute Your Quota Towards The Economic
Advancement Of Your Country.

FINANCING OF INDUSTRIES

By "Mr. M."

IN the recent discussions on the economic position of India both in the Central legislatures and outside it, it is significant that no stress has been laid on the financing of industries in our national economy. The indifference shown by politicians and economists to this important aspect of our industrial position can be easily explained. We are, at present, obsessed with a number of pressing problems in the realm of Indian finance. When is the Reserve Bank going to be established? Is it to be a shareholder's bank or a state bank? How far will the future finance minister exercise control over all India finances. The list of problems can easily be lengthened but I shall content myself for the moment with this statement that there is an excuse for our leaders ignoring such an important question as the financing of industries because bigger and, certainly, more momentous problems are engaging their attention. But the question has to be dealt with sooner or later and it will be worth while to describe our position in regard to the financing of industries and contrast it with the systems obtaining in England, Japan and the U. S. A.

In embarking on a discussion of the problem, it has to be admitted with regret that the Government of India's attitude towards Indian industries for a long time, and, to be more specific, up to 1914 has been of a casual nature. The Industrial Commission appointed in 1916 explains away the apathy of the Government in these terms and their conclusions are to a great extent correct. "The commercial instincts of the East India Company", said the Commission "had from its earliest days in this country led it to make various attempts to improve those Indian industries from which its export trade was largely drawn, as for example, by organising and financing the manufacture of cotton and silk piece-goods and silk-yarn, although this policy met with opposition from vested interests in England which were at one time sufficiently powerful to insist that it should be suspended and that the company should instead concentrate on the export from India of the raw material necessary for manufactures in England. But as *laissez faire* views gradually gained increasing acceptance both in England and India, these spasmodic efforts became less frequent and the first attempt at a general policy of industrial development took only two forms—a very imperfect provision of technical and industrial education and the collection and dissemination of commercial and industrial information.

This policy of drift was pursued till 1914 when an attempt was made to set up Departments of Industries in most of the provinces; and Madras led the way in the industrial development by trying to foster

the aluminium, hollow-ware and chrome-tanning industries. In spite of the establishment of the Department of Industries, there has been a good deal of discontent concerning the Government's policy, which, in many quarters, has been described as unsympathetic and discouraging.

SLOW GROWTH

Whatever might have been the Government's policy in the past, the fact is significant that industries have made progress, which is remarkable in view of the fact that state-aid was never forthcoming to efforts to develop them. A glance at the figures relating to joint-stock companies will bear out this contention. In 1895-96, the number of joint-stock companies (with rupee capital) was 1309 with a paid up capital of Rs. 29 crores; in 1921-22, the number had risen to 5,189, with Rs. 231 crores as the total capital; and in 1928-29, the figures stood at 6,330 companies and Rs. 279 crores (capital). Jute, cotton, iron and steel industries also progressed:—the number of looms and spindles employed in the jute mills in 1924-25 (I am unable to get at the latest statistics, were 50,000 and 1,068,000 as against 10,000 spindles and 215,000 looms in 1924-25; the total Indian production of cotton mills in 1924-25 was 719 million pounds of cotton yarn and 459 million pounds of woven goods as against 423 million pounds of yarn and 83 million pounds of woven goods in 1896-97.

Though these figures indicate a general improvement in the industrial position of the country, it has to be admitted that the development is not commensurate to India's vast economic resources and the needs of her population. Take, for example, the current year's Government of India's Budget. The Budget is a clear proof of the extent to which India is dependent on imported goods. The import of piece-goods and cotton yarn showed an increase last year of just over Rs. 7 crores in value over that of the previous year. Even raw cotton was imported to the value of Rs. 6'36 crores. Imports of machinery stood at 9½ crores. India had an adverse balance of trade, her exports standing at Rs. 110½ crores and imports at Rs. 112½ crores. These figures are a sufficient indication of the country's poverty in regard to resources for advancing the industrial improvement of India. Raw materials are not wanting in the country. The Industrial Commission observed: "India produces nearly all the raw materials necessary for the requirements of a modern community; but is unable to manufacture many of the articles and materials essential alike in times of peace and war".

THE INDUSTRIAL COMMISSION

The Indian Industrial Commission, in a striking analysis of the difficulties in the way of industrial development observed: (1) that, in future, Government must play an active part in the industrial development of the country with the aim of making India more self contained in respect of men and material and (2) that it is impossible for Government to undertake that part, unless provided with adequate administrative equipment and forearmed with reliable scientific and technical advice. Their recommendations were given partial effect in the establishment of Department of Industries in the provinces devoted to (1) research (2) industrial and technical education (3) commercial and industrial intelligence (4) direct assistance, technical and financial, and (5) the purchase of stores.

HOPES NOT REALISED

The vesting of control over these departments in elected ministers did not, in any manner, improve the situation, owing to the difficulties in the way of securing satisfactory finances for "transferred departments" under the dyarchic dispensation. The establishment of a Tariff Board has eased matters to a certain extent but the prevalent feeling is that the Board moves very slowly in emergencies. Discontent is not confined to these factors alone. It is pointed out that some of the industries are run with non-Indian capital and that this militates against Indians securing responsible position in such industries. The Central Banking Enquiry Committee observes. "Generally speaking, the managing agents have not given any scope to Indians to hold such positions in the companies they manage as might have given these Indians an opportunity to have a comprehensive idea both with regard to the technique of production and management of business".

CONTRASTS

Let me now proceed to contrast the Government of India's policy with those of some advanced countries. I have contented myself so far with the exposition of the historical aspect of the subject and shall deal with the details of the problem in an article in the next issue. In the scope of this article, there is room only for a contrast of the Government's policy in regard to industries with those of other countries. It is well-known that the growth of industries in the U. S. A. has been rendered possible only by the existence of high tariff walls. A well-known writer, Professor Taussig, says of America "Rich

natural resources, business skill, improvements in transportation, widespread training in applied science, abundant and manageable labour supply—these, perhaps, suffice to account for the phenomenon. But would these forces have turned in this direction so strongly and unerringly but for the shelter from foreign competition?"

JAPAN

Japan, unlike the U. S. A., which started its industrial career under encouraging conditions, had to struggle against tremendous odds. At the time of the Restoration in 1868, her economic condition was worse than that of India in 1759 but, by a vigorous and far-sighted policy of sending students to the West to study its technique in commerce and industry by supplying capital and; by giving subsidies and protection to needy industries, Japan has been enabled to build a unique reputation as the foremost commercial nation in the East. The Yokohama Specie Bank established in 1880 and the Industrial Bank of Japan started in 1902 have played an important part in the industrial development of Japan.

England has also realised the urgency of giving protection to industries and the Import Duties Act of 1932 can be cited as an example of the change in England's fiscal policy. Private enterprises have always received considerable encouragement in England and the report of the Liberal Industrial Enquiry shows "that between 1921-27 an aggregate loan of more than £ 74 millions was raised under the Trade Facilities Act for approved purposes on behalf of private concerns with the guarantee of the Government".

WANTED: A NEW POLICY

My object in contrasting the industrial policies of other countries with that of India is to lay emphasis on the necessity for a vigorous and well-defined plan of industrial reconstruction. There are everywhere pessimists and objections:—Where is the money to be had for such a scheme? And, even if there is money, there will be far too many claims for its use. To such arguments, we can reply seventeen to the dozen. There can be no getting away from the fact that we have been pursuing an industrial policy of a tepid character and if, in all quarters, the realisation dawns that "the building up of industries where the capital, control and management should be in the hands of Indians (as Sir William Clark, Member of-Commerce said in the Imperial Legislative Council in 1916), all will be well.

INDIAN FINANCE AND WORLD FINANCE

By C. S. Rangaswami, Editor, Indian Finance, Calcutta.

I AM a practical but impatient idealist and wish to urge that, in the interest of world trade and world prosperity, the economic well-being of India should receive widespread and keener world appreciation. In my view, when steps are taken by India and the world for the conferring of a sunnier, ampler, and happier life for the poverty-stricken millions in India, they would, in their new-found happiness and their newly-enlarged scale of life, repay the world by causing so vast an increase in the consuming demand as to end, once for all, the irritating problem of the world's surfeit of commodities. Nor have I the slightest doubt in my mind that, if the Government and the people will it, India shall be great and prosperous. I believe that ere long will dawn on the British officials and the British business men in India the sense that the interests of British trade demand the creation of an India politically contented and economically prosperous. On the part of the people, what is needed is a popular and more widespread understanding of the fundamentals of the Indian economic problem and a keener insistence that the right action at the right time should be taken in the right manner. On the part of the Government, what is needed is that measure of intelligent self-interest which will lead to the recognition that the rehabilitation of Indian finance is the basis of the rehabilitation of British finance and world finance.

A NATIONAL ECONOMIC POLICY

Right action, at the present moment, is the definite adoption of a national economic policy on the part of the state and the creation of a supreme economic council. By national economic policy, I mean, that every step should be taken to convert the potential wealth of the country into actual wealth; that all national resources must be conserved and made full use of; that the budgetary, fiscal and monetary policy of the Government should be regulated so as to result in the improvement of national economy; and that every opportunity should be seized for the improvement and strengthening of the intrinsic financial and economic position. The suggestion, that a policy of this nature should be adopted, implies, surely, that such a policy has not been in force hitherto. Such is, in fact, my contention. From this analysis, it will be clear that it is not national economic considerations that were the prime motive in the formulation of Government's policy as regards questions like standard ratio and the utilisation of suitable opportunities for the strengthening of the intrinsic financial position of the country. India was to have only a sterling exchange standard and was to be denied a gold standard because it did not suit others that foreign balances in her currency reserves should be converted into gold. It rather suited those interests

that such balances should be kept in the form of foreign treasury bills. India was not to have her choice in favour of a lower ratio but must needs put up with such artificial exchange values for her currency as 2 sh., and 1 sh. 6 d., just because higher ratio suited foreign manufacturers to command an easier market in India. India was not to take the fullest advantage of a situation in which she could have utilised the substantial favourable trade balance for the wiping out of her external obligations mainly because any such plans in this behalf did not suit the financial policy and operations of the British Treasury. India's trade, industries, currency system, and the ratio of her currency for international exchange purposes were, all the time and every time, subordinated to foreign interests.

WRONG FINANCE

I want to contrast America's transformation, during the war period, from a debtor country to a creditor country with the failure on the part of India to effect a like transformation. India could have achieved a result as favourable as America's and it is the wrong financial and exchange policy that has prevented India from taking advantage of the situation. A process of currency and exchange manipulation was adopted with a view to wipe out the enormous claims of India for war supplies. Firstly, silver was acquired at absurdly high prices and a gratuitous present made to American producers of silver. Emphasis was laid on the internal convertibility of the note into rupees instead of on the maintenance of the integrity of the international convertibility of the currency. The most inexcusable of these operations was the triangular operation of the British Government between New York, London and India, the taking over of the dollar claims of India against the delivery of sterling and the liquidation of these sterling resources at what, in effect, amounts to absurdly high valuation of the rupee. As a result of this reckless policy, India found herself a suppliant and was denied all her claims to resources in the international centres.

India had a like chance in 1924-26 to create for herself substantial foreign balances and utilise such balances for the repayment of external obligations. India, in fact, could have done exactly what France did under the adroit leadership of M. Poincaré. France depreciated her currency and created foreign balances of the order of £ 400 million with which she has created for herself a supreme position in international finance to-day. It was exchange and currency manipulations again that stood in the way of India securing the advantages which were her due. What is, therefore, needed now is an economic policy which would be entirely different from that hitherto pursued.

INTELLIGENT SURVEY

The pursuit of a national economic policy would mean, that, in the first instance, a complete, comprehensive and intelligent survey be made of India's various potentialities and possibilities both in agriculture and industry. After such a survey is made, wherever favourable results are assured, definite programmes should be laid down for the exploitation of these potentialities. For the execution of those programmes, the necessary organisation should be set up and the requisite capital should be provided. The work involved requires expert knowledge, broad outlook, wide experience and thorough earnestness. It is unthinkable that work of this nature can be carried out by the existing government departments as they are not trained to do such work. What is required is that a supreme economic council should be inaugurated with the least possible delay. Such a council should be made up of real experts-men who have knowledge, experience, vision, outlook, driving

force and sincerity. I do not agree with Sir Arthur Salter's proposal for the establishment of an economic council in India somewhat on the German type. I favour the creation of a council on the lines of what Russia has established.

Economist after economist has, in recent months, emphasised that considerable expansion of currency and credit is essential through all the countries of the world; and, that, only, by this means will world trade be able to show any striking increase. If the Governments on their part agree to such inflation, the problem still remains as to how the additional currency is to be made to filter down to the masses, I suggest that it is only schemes like the jute corporation and the electricity corporation that could make available to the vast population the benefits of increased currency and credit. Both these schemes would come under the category of public works expenditure on which Professor Keynes has laid great stress.

[Extracted from an address delivered under the auspices of The University of Calcutta].

FELICITATIONS FROM MERCHANTS

[The following address was presented to the League on the occasion of its first Anniversary.]

To

The President of the Buy Indian League,
Madras.

Dear Sir,

On this happy occasion, we desire to convey to the Executive Committee of the League through you our heartfelt feelings of gratitude to the League for the splendid manner in which it has organised the Swadeshi movement in this province. The general public can have at best only a surface knowledge of the beneficial effects of the Swadeshi movement but it is only we, businessmen, who can realise adequately the full force of the propaganda for Swadeshi. We are not exaggerating matters when we state that, though we are passing through difficult times, we have been holding our own mainly due to the awakening among the people of the need to support home industries. And this awakening has been, in a large measure, due to the propaganda carried on by the Buy Indian League.

The Swadeshi movement, in recent years, has had a chequered career. In 1931, when the movement was in full blast, it had come to acquire a political complexion; and it was entirely due to the efforts of the Buy Indian League that it was converted into a purely economic movement, which has now come to receive the support of all sections of the popula-

tion whatever views they may hold about politics. A string of successful exhibitions—successful both from the points of view of the visitor to the exhibition and the stall-holders, lies to the credit of the League. The establishment of the Swadeshi Museum has taken us a step further; here we have a place where Indian articles are on permanent show and the advertisement value of such an exhibition cannot be underrated. The League has earned the gratitude of the lovers of Swadeshi by disseminating information about indigenous goods both in the daily press and in its excellent official organ "Buy Indian". The League has completed the first year of its career and we wish it many happy returns. It has secured for itself a valuable niche in our economic structure and we want it to function as successfully as it has been doing; for, on its success depends our prosperity. In concluding, we want to express once again our gratitude to the members of the League for their selfless labours and particularly to Mr. B. Shiva Rao, the energetic Secretary of the League, for giving this Province a valiant, disinterested and brilliant lead in the Swadeshi movement. We wish the League a long career of continued usefulness and prosperity.

The Exhibitors in the Buy Indian Museum
and Swadeshi Dealers.

MADRAS,

11TH APRIL 1933.

THE BUY INDIAN LEAGUE

Annual Report for 1932-1933.

THE Buy Indian League was inaugurated in March 1932 as a non-political organisation having for its sole object the encouragement of the use of Indian-made goods by all lawful means. That the League came into being at the right moment is evident from the fact that during the year that is covered by this report, 70 branches have been established in this Presidency, in spite of the exceptionally difficult period through which the country had passed. It may be added that organisations similar to the Buy Indian League in character and in methods have been functioning actively in Bombay, Sindh, the United Provinces, Mysore and some other parts of India. There is no doubt that the year 1932 saw a most remarkable growth in the Swadeshi movement in the country.

ACTIVITIES

Our main function, as an organisation, was to do propaganda in favour of Swadeshi by means of meetings, leaflets, pamphlets, posters and newspaper bulletins. We have been publishing a monthly journal known as the "Buy Indian" which has been very well received by the public. We also published in July last a Swadeshi directory containing the names of as many manufacturers of Swadeshi articles as could be compiled. At the end of the year, the League published a "Buy Indian Diary" and sold a large number of copies both in Madras and in the mofussil. (As a measure of precaution, copies of our literature were forwarded to the Commissioner of Police, Madras, and to District Magistrates and Superintendents of Police throughout the Presidency.) In the early weeks of the League, there were a few unfortunate clashes with the police in some places, particularly in the Northern Circars; that, however, proved a short-lived phase, and, subsequent to it, there has hardly been any active interference with the work of the League or of its branches by the police. Indeed, I have reasons to believe that some of the heads of the nation-building departments have begun to appreciate our work and see in it possibilities of bringing to the knowledge of the masses the work done in their respective departments.

EXHIBITION

A notable feature of the League's activities has been the utilisation of religious festivals for purposes of propaganda. Exhibitions of Swadeshi goods have been held at Conjeevaram at the time of Garudotsavam, at Rajahmundry at Pushkaram and at Kumbakonam at Mahamakham. Other centres to hold such exhibitions were Calicut, Trichinopoly, Madura, Tuticorin, Vizagapatam, Guntur, Bangalore, Mysore, Bagalkot, Chickmagalur, Arni and Nellore. Many of them were conducted by the local branches

of the Buy Indian League and proved, by their results, the great value of this means of propaganda.

A point of particular interest in regard to the Exhibition at Tuticorin was that it was opened by the Lord Bishop of the place. In a striking speech, His Grace observed that Swadeshi was not the monopoly of any particular community and exhorted his Christian followers to be in the forefront of the movement. It is to be hoped that this salutary piece of advice would be borne in mind by every one, for India's economic prosperity will benefit the Muslim and the Christian and the Harijan as much as the Hindu or any other community. The Tuticorin branch of the League is hoping to establish a permanent Swadeshi Bazaar in the heart of the town.

Outside the Presidency, the Buy Indian League has participated in the Swadeshi Exhibitions at Indore, Delhi and Lucknow. I am glad to record that some of our cottage industry products have been greatly appreciated at these places. The League will participate in the Exhibitions to be held at Madura and Ujjain at the end of April and hold one under its auspices at Conjeevaram early in June next.

Never perhaps in any previous year have so many Exhibitions of Swadeshi goods been held at different centres in all parts of India. Those mentioned above represent only exhibitions in which the League participated or for which it was responsible. The importance of exhibitions, especially at religious centres which attract lakhs of pilgrims, cannot be overrated in a country like ours; with a vast illiterate population, emphasis has to be on the demonstrative side rather than on the printed word. The remarkable progress of the Swadeshi movement in 1932 must to a large extent be attributed to the number of successful Swadeshi Exhibitions held.

At the same time, the point is worth considering, whether by careful planning and with the active assistance of manufacturers the same and even better results cannot be achieved with less expense to every one concerned.

LOCAL BODIES AND SWADESHI

The Secretary sent out, in January, a circular to District Boards, Municipalities and Taluk Boards in the Presidency urging them to adopt resolutions in favour of purchasing Swadeshi articles only.

A number of them responded to the appeal, chief among them being the District Boards of Ganjam, South Canara, Tinnevely, Anantapur, Coimbatore and Malabar, the Taluk Boards of Ramachandrapuram, Trichinopoly, Dindigul, Sivaganga, Papa-

nasam, Narsapatam, Palghat, Karkal, Hosur, Palni, Ponnani, Kandakur, Kollegal, Cuddalore, Chengam, Kasargode, Uppimangady, Kumbakonam, Tirupattur and Kurnool, the Municipalities of Cuddappah, Villupuram, Udumalpet, Dindigul, Bellary, Tiruppur, Hospet, Karaikudi and Coconada. It is a matter for surprise and disappointment that a larger number did not do so.

The All India Swadeshi Sangha at Benares issued a similar circular to local bodies outside the Presidency with appreciable results. Much can be done for the furtherance of the Swadeshi cause by local bodies and institutions such as banks, insurance companies, business houses, schools and colleges.

FINANCE.

The work of the League was commenced in March last year with donations from some of the members of the Executive of the League and a few persons outside interested in its work. Lack of funds has been a source of constant difficulty and even anxiety. Indeed, our work would have been on a much more limited scale but for the generosity of the Hindusthan Co-operative Insurance Society which has allowed, since August last, the use of the ground floor of its handsome structure at the junction of Armenian and Errabalu Chetti Streets at a nominal rent. The Executive of the League is under deep obligation to this patriotic and go-ahead Swadeshi concern for its great assistance.

HELP FROM INDIAN STATES.

The Secretary visited during the year Trivandrum, Bangalore and Hyderabad with a view to secure the co-operation of these South Indian States in the work of the League. Travancore has made a contribution of Rs. 1,000, Hyderabad has promised for this year Rs. 600, and Mysore will shortly consider the question of a similar grant. H. H. the Maharaja of Travancore, Sir Mirza Ismail, the Dewan of Mysore and Sir Akbar Hydari, the Finance Minister of Hyderabad have expressed their warm appreciation of the efforts of the League to stimulate indigenous industry. These States have promised their active co-operation to the League in building up a Museum of Swadeshi articles and, in fact, Travancore and Mysore have already commenced sending their products. The Cochin Government will place a proposal for similar co-operation with and assistance to the League before the Budget Session of the Legislative Council.

The Secretary has been able to collect interesting information as to the number of Swadeshi stores in the Presidency and other particulars regarding them. The information will be published as soon as it is complete; but it is worthy of note that while in some areas there are such stores almost in excess of requirements, there are, on the other hand, a large number of towns which have no stores transacting

purely Swadeshi business. The publication of this information will, it is hoped, remedy this defect in the distributive side of the movement and also lead to a certain co-ordination of the activities of these stores.

SWADESHI MUSEUM

The League had its Swadeshi Museum formally opened on 19th December 1932 by that veteran public worker, Acharya P. C. Ray who seems to grow neither weary nor old in the service of the country. A temporary Swadeshi bazaar was also conducted at the time for a period of two weeks, and its closing function was presided over by the late Dewan Bahadur R. N. Arogiaswami Mudaliar whose sudden death we have not ceased to mourn. I take this opportunity of saying, on behalf of the Executive of the League, that we owe more than words can express to his wise counsel and constant readiness to assist us in our work; the gap left by his death in the public life of this Presidency will be very difficult to fill.

The Museum, which is intended both as a place of exhibition and as a sales depot, is steadily growing. While it helps all Swadeshi enterprise without distinction, we make no secret of our desire to offer every possible assistance to cottage industries in particular. It is not an easy task in many instances to get into touch with the actual producer; poverty and ignorance are terrible handicaps, but it is our hope to offer to the worker, in the rural areas, marketing facilities for his goods and the maximum of return for his labour. This is real rural reconstruction, and those interested in such work would be conferring a great boon on the poor workers who are unable to market their goods by establishing contacts between them and the Buy Indian League. There is a valuable report on the conditions of cottage industries in the Madras Presidency, drawn up by a special officer of the Government who was deputed some years ago to study them. The League has derived much instruction from his report, and the development of the Museum idea is to a certain extent based on the recommendations contained in the report. I may add that we are in touch with the Cottage Industries Institute at Patna, the Arts and Crafts Emporium at Lucknow, the Depots at Trivandrum and Hyderabad and the factories of the Mysore Government producing silks, porcelain ware and soaps. The Director of Industries, U. P. has recently, written that the Emporium at Lucknow is being run on lines similar to our Museum and has agreed to an exchange of goods between the two institutions. The same arrangement has been made with the Government Sales Depot, at Trivandrum.

Mention also must be made in this connection of the generous offer of the High Commissioner for India, Sir B. N. Mitra, through the Indian Trade Commissioner in London to popularise Indian-made articles at no cost to us, at industrial exhibitions and fairs in Europe. We have just sent a small consignment of such articles and are awaiting his further instructions.

CONCLUSION

I must, in concluding, this brief survey of our activities, observe that the experience of the last twelve months has been of extreme interest and promise. That the movement should have made such progress in a year of terrible economic depression and exceptional political difficulty is of the happiest augury for the future. The work of the League has been carried on, as remarked above, with very limited and sometimes vanishing resources. But we have been extremely fortunate in our Treasurer, Mr. M. Subbaraya Aiyer, who is now on his way to Europe. Of the members of the staff of the League who are responsible, far more than the public can realise for its present position, I find it difficult to speak. Their devotion to the work has been of the highest order, and they have responded cheerfully

and with enthusiasm to my frequent and almost extortionate demands on their time and energies.

One final observation I shall permit myself to make. Through the League, we have only touched the outermost fringe of the vast problem of creating a new economic order in this country. I visualise to myself a great plan for solving our two biggest problems—poverty and unemployment—in the fulfilment of which there shall be no distinctions, neither of British India and the Indian States nor of community, race and creed.

It is my conviction that, with co-operation, persistent and patient endeavour, there is no limit to the extent to which the League can assist in reviving the economic prosperity of India.

PROBLEMS OF CO-OPERATION

By V. Ramadas Pantulu.

THE Co-operative credit movement in India was not at its inception "popular" in the sense that it was in Germany and some other European countries. But even there, much preparatory propagandist work had to be done by the pioneers and the state had recognised and aided the movement, though slowly. It is everywhere, one of the primary duties of the pioneer co-operators to explore the existing situation; find out the real economic and social needs of the people, and educate them to demand the type of co-operative institutions and facilities which would satisfy those needs. It was not, always, necessary to demand of would be co-operators to establish the conditions which gave rise to the co-operative movement in some countries.

CO-OPERATIVE CREDIT.

In regard to the need for co-operative credit in this province, some of Mr. D. N. Strathie's conclusions were a challenge to the rural economist as well as the practical co-operator. Mr. Strathie was inclined to agree with the opinions expressed by the Board of Revenue, Madras in 1896 that the need for rural credit was much less felt in this province than elsewhere; that terms of money-lending had been far from usurious and that repayments were not rigidly enforced by the ryot money-lender who, according to the Board, constituted the most numerous class of money-lenders in Madras, unlike in Bombay and

Northern India, where, generally speaking, money-lenders were alien and unrelenting in their methods of exaction. This is not an accurate picture of present day village economy. Further, Mr. Strathie considered that the Madras Provincial Banking Enquiry Committee had over-estimated the rural indebtedness of the Province in putting it at Rs. 150 crores. It was not, however, altogether necessary for the initiation and maintenance of co-operative societies in particular places to arrive at an estimate of the extent and character of the entire rural indebtedness of the Province. It was enough to investigate into the conditions fully and accurately in the particular locality before any type of co-operative society was organised therein. Therefore, it is not a fruitful task for co-operators to discuss the relative merits of the several estimates of the total indebtedness which is almost universal among the agricultural classes and in most cases of a ruinous type.

MONEY-LENDER

It is not possible to say whether money-lenders generally lend on easier terms than the alien or the sowcar money-lenders. An agricultural money-lender rarely makes advances for cultivation without coupling with the transaction an agreement for the sale of the produce at prices below the market rate or for the performance of certain free or low paid services. It is, by such devices, that many a poor

agriculturist has been permanently tied to the bigger ryot in the village and debt is being perpetuated from generation to generation. The agriculturist money-lender soon develops into a middle-man, merchant, or commission agent and exploits his indebted ryot brethren in all these capacities. He has a hunger for land, which the alien sowcar has not, and feeds his victims on credit till the latter is forced to part with his holdings for the liquidation of the debt. The example of Punjab where the agriculturist money-lender has now assumed a dominant position ought to put the Madras co-operator on his guard against pinning his faith in the ryot money lender.

NO LACK OF FAITH.

Co-operative credit, therefore, is far more beneficial than other forms of rural credit. A well-conducted Co-operative Credit Society ought to be and would be a boon to the agriculturist in the province. The fact, that there are to-day many more bad societies than good ones; that overdues have mounted up; and that there are numerous cases of frauds and *benami* loans do not militate against the need for co-operative credit and the necessity for consolidating and expanding it. The causes of the failure of co-operative credit are a little too complex to be explained away by any one factor like the economic conditions of the people or the lack of spirit of service in the local panchayat or want of an impartial handling of local affairs by an administrator in charge of a district. I am glad to note that notwithstanding its dominant note of pessimism there was no evidence of a lack of faith in the movement on the part of Mr. Strathie.

LIQUIDATION OF BAD SOCIETIES.

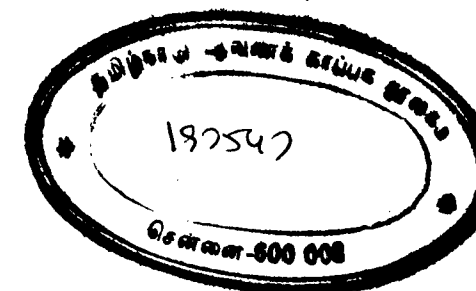
Mr. Strathie was on unassailable grounds when he criticised the policy of post-reform expansion of societies with a craze for the multiplication of their numbers with inadequate regard to considerations of soundness and efficiency in organising them. The bitter fruits that we are reaping to-day are the outcome of the programme of breathless expansion pursued by the first two Development Ministers to whom co-operation was entrusted under the Montague-Chelmsford dispensation. While other causes might have been responsible for the deterioration of some of the societies, the root cause, in my

opinion, is the bad organisation and hasty registration of many of them. I have heard of some Assistant Registrars having registered as many as 20 to 25 Societies in a day in the camp in the vicinity of a railway station. It has now fallen to the lot of the present Development Minister to draw up a programme of progressive liquidation of bad Societies; but it is more difficult to liquidate a society than to register it. Nevertheless, it has to be done.

The process of liquidation of the bad societies must, however, be supplemented by a live simultaneous programme of rectification of the existing indifferent societies in localities where there is a genuine demand for them and where reasonable prospects of their successful working are forthcoming. There are many good villages which are now without Societies and where they ought to be planted as soon as possible. Non-official co-operators must take the lead in the organisation of good societies in uncovered areas. They must be able to convince the registrar that their proposals are preceded by due enquiries into the local conditions and that they have satisfied themselves that reasonable prospects of the successful working of the proposed societies do exist. If these conditions where forthcoming, the Registrar, I hope, would not hesitate to register new societies. If the departmental policy is against even such cautious expansion, it must be reversed promptly. Otherwise, stagnation would set in and the enthusiasm of the people for the movement would vanish.

THE FUTURE OF THE MOVEMENT

As to the future of the movement, credit and non-credit forms the warp and woof of the movement and include in it schemes of co-operation, and insurance of the lives of the village folk on the basis of small policies and low premia. I venture to assert that Mr. Strathie's conception of rural reconstruction is incomplete and not up-to-date and I do not agree with him in the view that ten years hence non-officials would be devoting more and more attention to rural reconstruction and that credit organisations would be much smaller. I also advocate the immediate abolition of the District Federation on the ground that it involves avoidable waste of money, rupees twenty thousand per year and unjustifiable duplication of work.



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HERE AND THERE

UNEMPLOYMENT INSURANCE

THE responsibilities of the State with regard to the unfortunate sections of its population is gradually winning recognition in the U. S. A. and the efforts to establish a sound and constructive scheme to provide unemployment insurance afford a dismal contrast to lack of endeavour in that direction in India. At its recent Convention in Cincinnati, the American Federation of Labour, with a membership of over three million organised workers, advocated compulsory unemployment insurance. Insistence was laid at the Conference on the necessity of the employer contributing money to the scheme and advocates of unemployment insurance demanded that contributions should be compulsory. The inadequacy and the limitations of Federal legislation have been fully realised and the Federation intends to sponsor the scheme in every State-Legislatures. "The whole scheme", says the Federation, "should be so construed as to induce and stimulate so far as possible the regularisation and stabilisation of employment".

INDIA'S TRADE WITH BRITAIN

"There have recently been welcome signs that the decline of India's trade with Britain has been arrested", declared Mr. Lindsay speaking at the India section of the Royal society of Arts recently. The most interesting development was partly due to the "Buy in the Empire" campaign in 1931 in which the percentage of Indian exports to the United Kingdom jumped to 28 compared with the pre-war percentage of 23 during April to November, 1932, when the new preferences came into force. The percentage increased to 30 which must be in the nature of a record. Mr. Lindsay hoped that the Ottawa Agreement and preferences would result in a further increase of trade between the two countries.

RATE-WAR

We have more than once adverted in the previous issues of the journal to the disastrous effects which the rate-war between Indian and non-Indian shipping interests has led to. The following paragraph from the *Mahratta* fully illustrates the gravity of the shipping situation: "Apart from the innumerable disadvantages to the development of our commerce and industries which result from the absence of a national mercantile marine, the fact, that India has annually to pay about 50 crores of rupees to foreigners on account of freight charges, is itself a sufficient ground for the establishment of a mercantile marine. It would not only save this annual remittance for distribution in our own country but, by providing employment to our nationals, would open fresh avenues to obtain a career. The present Government should not be expected to do anything for the realisation of

such a high ambition. For the time being, the protection of Indian shipping that already exists against the onslaughts of the foreign companies is the greatest question, and the sooner it is tackled, the better for the relief of the aggrieved enterprises; because, it is here, if anywhere, that delay is likely to be dangerous and even destructive.

ARMY AND THE STORES DEPARTMENT

Rai Bahadur Lala Jagadish Prasad moved in the Council of State recently that, in accordance with the recommendations of the Stores, Stationary and Printing Retrenchment Sub-committee, definite orders should be issued to all departments that all stores, other than those of a specially technical nature, should in future be purchased through the Indian Stores Department, and that an Advisory Committee, presided over by the Member for Industries, should be appointed to review from time to time how far the policy of the Government regarding the purchase of stores was being given effect to. The Hon. G. A. Natesan, who presided over the Stores, Printing and Stationary Sub-committee, said that the Railways and the Army had not taken full advantage of the Stores Department. The volume of business done by the Department was not commensurate with the expense incurred on its working. He urged that the Army should use the services of the Department more fully and that the recommendations of his Committee should be accepted without delay.

AN AGRICULTURAL COLONY

The Madras Government has granted a plot of about 200 acres of land for the purpose of establishing an agricultural colony at Mannargudi. The objects of the colony are to give relief to the unemployed, to help the educated young men to turn to the land and to educate the villagers in general knowledge and agriculture. A special feature of the colony farming will be the growing of special commercial crops like sugar-cane, fruit-trees and garden-crops. Any young man between the ages of 16 to 30, without any communal distinction, who is prepared to do farming by his hand, of course, with the necessary additional labour and willing to live in a spirit of equality, may become a member of the colony by investing in 4 instalments a capital security of Rs. 500, when he will be allotted an area of 6 to 10 acres for one to three years. The member will be paid a fixed allowance each for his living in return for his labours, which will be counted against farming expenses. The capital paid will be safely returned when the member leaves the colony and the guarantee of a dividend is also contemplated.

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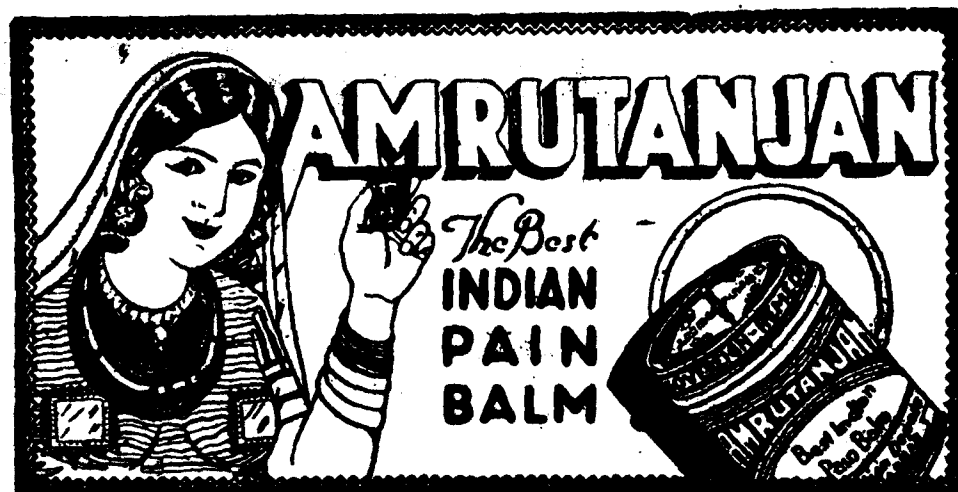
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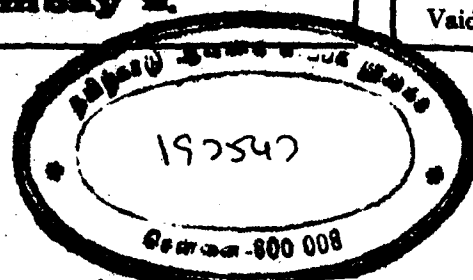
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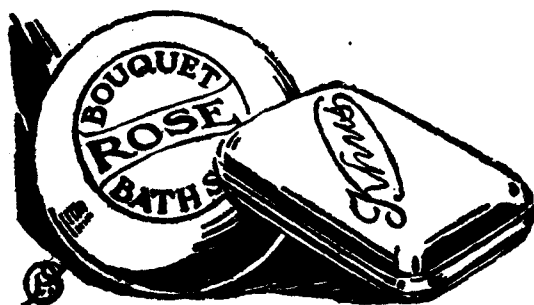
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