

Buy Indian

V. 1 No. 11, August 1933

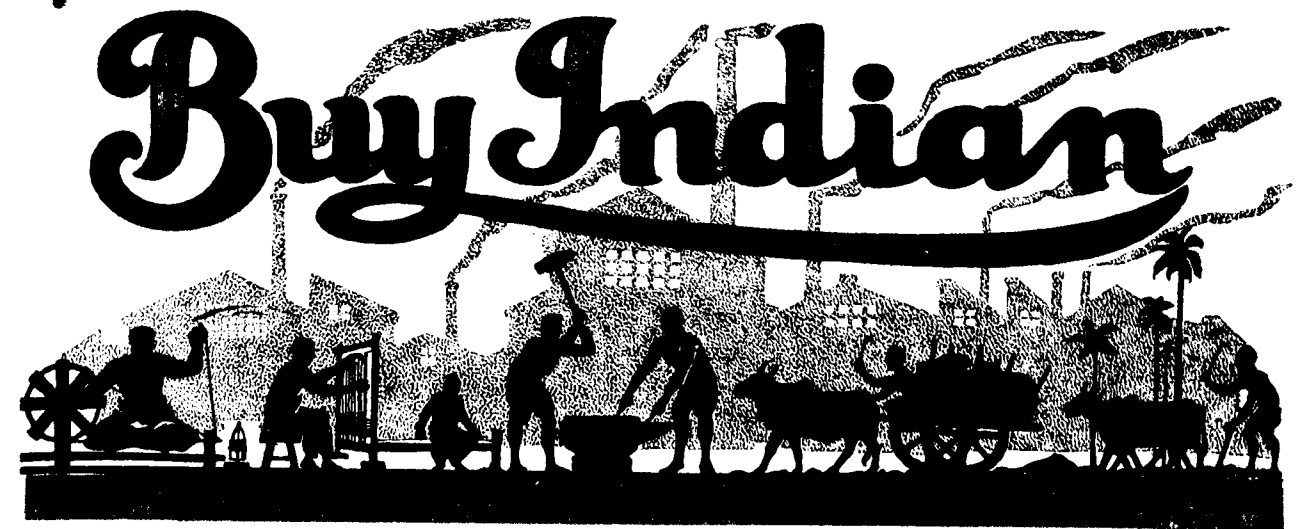
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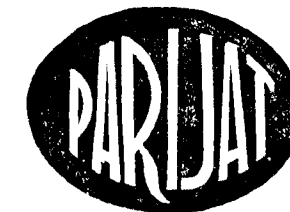
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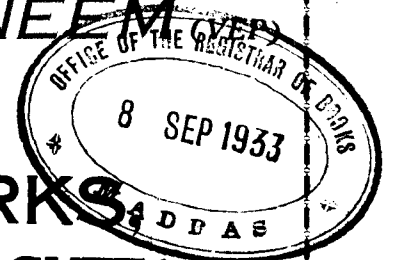
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The Hon'ble Justice Sir V. RAMESAM Kt., writes.

"Gopal Vihar," Mylapore,
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Dear Mr. Srinivasan,

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

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Yours sincerely,
(Sd.) V. RAMESAM.

To

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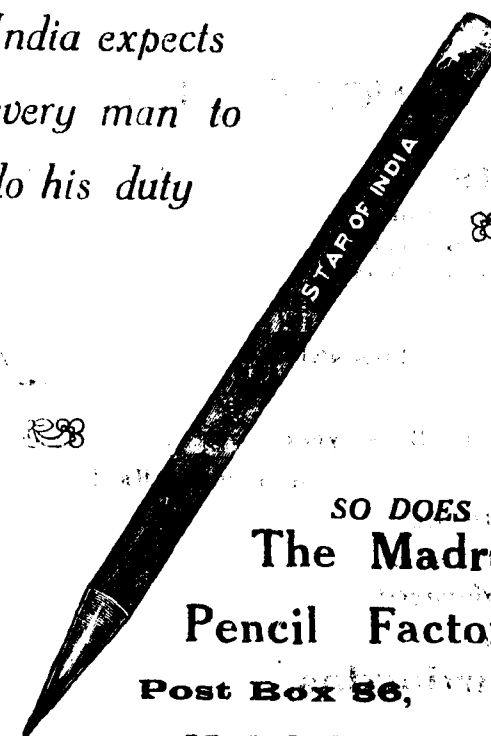
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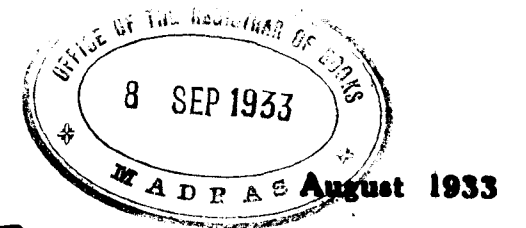
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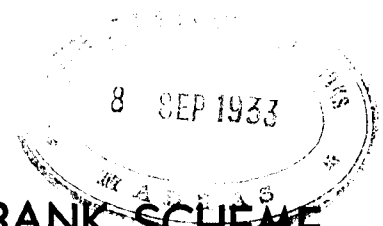
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All communications with regard to Editorial matters should be addressed to the Editor. Contributions, preferably illustrated, on all subjects coming within the scope of this journal are solicited. A stamped addressed envelope should accompany M. S.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



BUY INDIAN

THE RESERVE BANK SCHEME

The Report of the Committee on the Indian Reserve Bank legislation has already been published as a Parliamentary paper, and it is stated that a Bill for the establishment of a Reserve Bank will shortly be drafted and placed before the present Indian Legislature with a view to its being brought into force before the expiry of the existing constitution. The Report, though satisfactory in certain respects, is vitally defective in other matters of great importance to the future welfare of this country which we think it our duty to bring to the notice of the public and especially to the serious consideration of the Members of the Indian Legislature who will have to tackle the various problems in all their details when the Bill is brought for discussion.

The very fundamental principle underlying the constitution of the Reserve Bank is that the Bank should be free from all political influence. Certainly this fact nobody is going to question, and opinion has been unanimous on that one principle without which the Bank's future may be seriously threatened as a result of its then becoming a "plaything of party politics." But in the present scheme, it seems this principle has not been strictly adhered to. On the very outset, it has been stated that the appointment of the Governor and one or more Deputy Governors, as the case may be, will be made by the Governor-General-in-Council under the present constitution and the Governor-General "at his discretion" under the new constitution. Opinion is held that the "discretion" of the Governor-General-in-Council will be shaped according to the orders from White Hall or be influenced by the British interests. Including the Governor and the Deputy Governor, there will be one officer of the Government in the Directorate and 12 other mem-

bers of whom 8 will be elected by the share-holders in the five areas into which the country has been divided, and the remaining to be nominated by Government, meaning, by the Governor-General "at his discretion." Though the Bank is supposed to be free from all political influence, British interests would figure predominantly in the affairs of the Central Bank.

Besides, nothing is stated as regards the maximum number of shares one is allowed to possess, and no provision has also been made in respect of the minimum number of shares to be held by Indians. The former will result in a "concentration of shareholding" whereas due to the latter there is every probability that a great proportion of the capital will be subscribed to by foreigners.

The Report says that the minimum gold holding would in the beginning amount to Rs. 35 crores or 20 per cent of the present Note liability. This sum is very inadequate, and to bring confidence to the Indian public, the reserve should be considerably increased.

The new scheme has provided undue privileges to the Imperial Bank of India which will be the sole agent of the Reserve Bank at all places where the Imperial Bank is now having its branches. On the other hand, if the agency system be thrown open on a competitive basis, it would certainly have advanced the cause of Indian banking. Another grievous wrong done to Indian banking is that whereas the Imperial Bank will be allowed interest-free deposits to the extent of 3 crores of rupees, the Indian banks have to part with a large amount of their money as deposits with the Reserve Bank. This is very unfair, indeed.

The most painful feature of the scheme is the continuation of the

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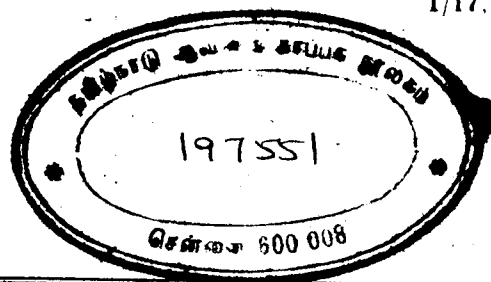
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present 1sh. 6d. exchange ratio. The Committee holds that the "public have been accustomed" to it, and that the only sound course for India is to remain on the gold standard. Times without number, has it been admitted on all hands that the present high rate of exchange and the linking of the rupee to the sterling have been the cause of most of our economic troubles. "India needs sadly a rise in prices and the installing of 1sh. 4d. ratio would raise prices by 12 per cent." The fall in prices and the consequent trade depression affecting grievously the agricultural masses in India are mostly due to the highly appreciated rupee. The rupee should, therefore, be delinked from the sterling and it should be allowed to find its own level. The reversion to the 1sh. 4d. ratio may perhaps result in "budgetary difficulties," and "external indebtedness may become more heavy," but the wider interests of India are opposed to the continuation of the present exchange ratio.

Bristling with such defects as are pointed out above, the scheme, as it is, would never be acceptable to India. The Bank which will have control of such large funds as currency reserves, bank reserves and cash balances of the Government, will be mostly influenced by the London City interests. There is no knowing whether the Indians will get a fair proportion of the number of shares. The cause of Indian banking has been relegated to the background and the Imperial Bank given undue privileges at the expense of Indian banks. The present disastrous 18 d. ratio is to continue and the question of the sterling-rupee link to be left untampered. These are the most unacceptable features in the scheme which require drastic modification on the lines suggested. Of course, we do favour the early establishment of a Reserve Bank for India, but it should not be at any cost, and never at the expense of our country's future welfare and prosperity.

The Indo-Japanese Conference

The rapid industrialisation has brought about a very unhealthy competition among countries of the world to-day, the victims being chiefly those who have not had much of commercial progress. Countries fighting with one another for obtaining the maximum advantage for each in the world markets are little inclined to ponder over the morality or otherwise of their actions. They raise high and impenetrable tariff walls all round, and resort to every method for success in the trade war. But are they mutually benefited? Are the results in any way satisfactory—for any country in particular or for the world in general? There has not been anything of the like to boast of. On the other hand, commercial isolation of an aggressive type has set in. Everywhere manu-

factured goods and raw materials cannot easily find markets outside their country of origin. The net result is that which should inevitably happen—trade depression, economic stagnation and wide-spread unemployment, agriculturists and factory-men suffering alike.

But these are the general aspects of the trade war among countries which are equally industrialised and politically independent of one another. The case of India, however, is quite different, and peculiar, too. She is neither industrially well-advanced, nor politically independent, meaning thereby, not free to act as she chooses. As such, she is no party in the present trade war so universally prevalent, yet her helplessness and industrial

backwardness have been taken advantage of by other countries and she has now become the most convenient dumping ground for the rest of the world. Our markets have been flooded with foreign goods, which sell at prices dead cheap. The result is that many of our industries have been adversely affected and, in some cases, threatened with extinction even. There is no branch of industry in India which is not having a superior rival in Japan.

To impose a sufficient protective duty on foreign articles so as to afford some relief to the Indian manufacturers the Government had to be appealed to a thousand and one times. For long the Government cared nothing whatsoever for the nation's unanimous cry for help and protection. The Government were concerned more with England's interests than with India's, and hence action on their part was postponed. In the meanwhile, with the highly depreciated Yen Japan was enabled to oust her rivals from the world markets, and especially in respect of textiles, her success was complete. This tolled the death-knell of Lancashire's prosperity, and she lost most of her markets in India and elsewhere. Many of the Indian mills had to be closed down, unable to withstand the aggressive competition from such a powerful rival as Japan, and from the privileged mills of Lancashire. Consternation of an unprecedented nature prevailed throughout the commercial circles. Such a state of affairs could not be continued for long, and the nation with one voice, pleaded piteously for protection. Lancashire also made a great hue and cry, and, at last, the Government, faced with pity in front and order from behind, passed what is known as the Anti-Dumping Act for the safeguarding of Indian industries. The textile industry being the most important that required immediate protection, the Government increased the duty to 75 per cent on all non-

British piece-goods imported into India. Action against Japan being impossible under the existing Trade Convention, the Government of India notified to her their intention of abrogating the Indo-Japanese Trade Agreement which would be expiring on the 10th October this year. Japan got greatly enraged, as she alone was thus singled out for attack. In fact, she could not have any cause for complaint since her aggressive dumping necessitated such an action on our part. Yet what she did was to immediately resolve on a boycott of Indian cotton as a retaliatory measure.

At the time the boycott campaign was decided on, it was considered by the Indian commercial circles as a "mere bluff," a simple threat which could not be of any avail. It was pointed out that Japan could not get cotton cheaper from anywhere else than from India, and that she would be forced to abandon the boycott campaign in her own interests. She was simply cutting the nose to spite the face.

In view of the ensuing Indo-Japanese Conference and the discussion between the textile representatives of India and Lancashire, which will be held in September, let us consider certain problems connected with the Indian textile industry. There has been of late a greater demand for finer cloth in India (which perhaps may be attributed to our climatic conditions here); and this is evidenced by the increasing production of finer cloth in the Indian Mills. India does not produce cotton suitable for the production of finer cloth of counts above 30, and so the demand has been met by importing not raw cotton but yarn produced in foreign countries, since a duty has been levied on raw cotton in the "supposed interests of Indian growers." This duty has been of great advantage to Lancashire, because there is a duty of only 25 per cent.

against her and 75 per cent against non-British piece-goods, and so "the way is made clear, for imports of Lancashire goods into India and the stopping of Indian mills working on finer counts." It has been observed that "it is far better for India to import foreign cotton of longer staple and spin finer counts in her own mills than to import foreign cloth of finer quality. After all, the spinning of finer counts means employment of Indian capital and Indian labour."

Besides, of the 60 lakhs of bales of cotton annually produced in India (taking into account the approximate average for the last 7 years), about 30 lakhs are consumed by the Indian mills, and the rest exported—15 to Japan, 5 to China, 8 to continent and only 2 to England. Most of our cotton is short staple suitable for yarn below 30 counts, and of the total production only 50 per cent is absorbed by the Indian mills. Even in spite of the Ottawa Agreement, Lancashire takes in only a negligibly small portion of our cotton. Thus it will be seen that Japan is the largest buyer of Indian cotton. There is no probability of

Britain consuming a greater amount of our cotton in the near or distant future; and our demand for finer cloth is increasing day by day which could not be met except by the importation of foreign cotton, or yarn or cloth. Thus it is clear that the boycott of Indian cotton by Japan would spell disaster and ruin to Indian cotton producers. What is wanted is that Lancashire should undertake to buy a specified minimum of Indian cotton per year, and that Japan should be convinced of the fact that mere selling without purchasing would never be tolerated any further. The proposed Conference should therefore afford the best opportunity to end the one-sided policy of Lancashire and Japan and stop their further exploitation of the Indian markets. India will not hesitate to make the necessary sacrifices for the promotion of her industries without in any way impairing the interests of others. If the discussions be carried out in a fair spirit of 'give and take,' much can be achieved towards the promotion of healthy economic relations, and then the Conference would not have been held in vain.

India and Motor Car Industry

"It is my opinion that a well organised company employing experienced designers familiar with local conditions, using the best raw materials available and eliminating waste in manufacture, could produce a car in India suitable for Indian conditions; backed by an efficient sales and service organisation, this company could make a bid for India's motor car business and keep in the country the huge sums of money which now leave it every year to pay for imported motor vehicles." Thus said Mr. W. J. Madden, Managing Director of Messrs. Maddens Ltd., Automobile Dealers and Engineers of Lahore, in the course of a speech on the possibilities of manufacturing motor cars in India delivered under the auspices of the Lahore Rotary Club on July 10th.

According to him, from both the economic and financial points of view, it was both possible and desirable that India should manufacture her own motor cars. The motor industry would give employment to thousands of people, particularly to the educated youth of India to-day.

The speaker next referred to the bold attempt made by an Indian motor mechanic to manufacture

a motor car for the Calcutta Corporation. This was the only instance of the kind. In spite of inferior materials and crude tools at the mechanic's disposal, he had made quite a good job of the parts that were finished. The mechanic would be making all the parts of the car himself.

The average import of motor cars into India was 15,000 vehicles per annum, and, therefore, to capture at least 50 per cent of the Indian market, we should be producing yearly over 7,000 vehicles. This need not be considered as a low annual output, since, as the speaker said, certain factories in Europe, were working at a profit on a smaller output than this.

For the motor industry to prosper in India, the Government must assist the industry either by the grant of a subsidy or by permitting component parts intended for the manufacture of these vehicles to be admitted either free of duty or at a very preferential rate. But such assistance would only be necessary for the first 10 years by which time the industry would have developed considerably.

PROGRESS OF THE MOVEMENT

KISTNA PUSHKARAM EXHIBITION

The All-India Kistna Pushkaram Fair and Swadeshi Exhibition, Bezwada, was opened on the evening of Tuesday the 1st of August by Mr. N. R. Sarkar, President of the Federated Chambers of Commerce, Calcutta.

Mr. D. T. Rao, Bar-at-Law, Chairman of the Exhibition Committee, in a short speech, referred to the exploitation of India by foreign countries and stated that the 60 crores of rupees that we were losing on textiles alone could be saved if we took a vow to use Indian cloth and Indian cloth only. "We are so dependent upon foreign countries," he said, "that we import from haberdashery to the hair-pins. There are many industries in Bombay and Calcutta that are failing for want of public support. Even in our own Andhra, the sugar factory of Masulipatam died out for want of public sympathy and support." He added that it was with the idea of encouraging Swadeshi that they had organised the Exhibition at Bezwada.

Letters and messages conveying best wishes of success for the Exhibition were received from Sir M. Visveswarayya, Dr. B. C. Roy, Sir J. C. Bose, Mr. G. D. Birla, Srimathi Hathi Singh (who wrote for Dr. Rabindranath Tagore), and Messrs. M. Ramachandra Rao, N. Subba Rao and S. Satya-murti.

Next, Mr. Sarkar delivered his address and declared the Exhibition open. A summary of his learned address appears elsewhere in this issue.

This exhibition consisted of some 150 stalls where-in were exhibited the numerous Indian textiles, the metal works of Malabar, brass works of Cochin, Lily's wax works, ivory and porcelain works, Indian inks ('Saraswati' and 'Neelkal'), confectionery, soaps, and leather works from Trichy. The Bezwada Health Department demonstrated healthy and sanitary ways of living.

Khaddar and Handicrafts Exhibition

The Kistna Pushkaram Khaddar and Handicrafts Exhibition was opened on 3rd of August by Deshabhakta Konda Venkatappaya. "The most conspicuous in this exhibition," writes the correspondent of the *Hindu*, "are the Kashmir woollen embroidery works, Northern India prints and laces, woollen carpets, Trivandrum ivory works, Lily's wax works, jewellery, Dayal Bagh products, and the products of the Benares Hindu University." Some historic articles and paintings of the famous South Indian artists were also exhibited.

Mr. K. Nageswara Rao, Chairman of the Reception Committee, in the course of an address, said that the past economic glory of India was due to

the development of handicrafts which enabled her to export textiles and others to foreign countries also, besides herself being self-sufficient. The revival of those handicrafts, he added, could be achieved only by public sympathy and support. There was no salvation for India if the huge drain of wealth to foreign countries through imports of important articles like textiles, sugar, leather, etc., was not checked. In conclusion, he said that the development of handicrafts might be a good solution for the unemployment problem.

Mr. Konda Venkatappaya in the course of his opening address, referred to the glorious days of India when she exported textiles to foreign countries like Persia, Rome and England. The day when she neglected the sacred spinning wheel, he said, was the beginning of our present misery which was due to the craving for foreign cloth. The average income per head in India was below Rs. 50 while that in foreign countries was over Rs. 700, and this low average rate of income, according to the speaker, could be accounted for the decay of Indian handicrafts, which was due to neglect, resulting in a false craving for things foreign, by English-educated Indians. The only remedy for this was freedom from slavish mentality. He cited the Andhra public as an example who took great care in their industrial concerns however small they might be. Finally, he made a spirited appeal to the audience to grasp and assimilate the principles and doctrines of Swadeshi.

Regarding the Khadi and Swadeshi Exhibition, Bezwada, the correspondent of the *Hindu*, writes under date 10th August as follows.—

Both the exhibitions are in full swing and are attracting numerous visitors. Sales in the Khaddar and Handicrafts Exhibition amounted to about Rs. 7,400 up till now of which Rs. 6,000 were from textiles. The most attractive feature of this Exhibition is the stall of the Mysore Department of Industries and Commerce, Bangalore. Besides several toilets, it exhibits specimens of beautiful ivory in lay work on rose-wood, representing especially the idea contained in some of the poems of Omar Khayam, Sandalwood carvings, porcelain works, electrical insulators and several other things.

CALCUTTA SWADESHI EXHIBITION

At a meeting of the General Committee of the Swadeshi Exhibition, Calcutta, held recently at the Albert Hall with Sjt. Santosh Kumar Basu, Mayor of the Calcutta Corporation and President of the Exhibition Committee, in the chair, a Working Committee was formed of 15 members consisting of Sjt. S. K. Basu, Captain N. N. Dutta, Rai Bahadur F. N. Gupta, Mrs. Sushma Das Gupta, Dr. S. C. Roy, Sjt. Nirmal Chandra Ghose, Mr.

BUY INDIAN

Brajendra Bhadra, Mr. Diptendu Pramanik and others.

It is understood that Sir R. N. Mukherjee will open the Swadeshi Exhibition on September 2nd at Wellington Square, Calcutta.

Regarding the Exhibition, a correspondent of the "Liberty" writes as follows:—

The special features of the Exhibition will be its Educative, Industrial, Agricultural, Banking, Health and Ladies' Handicrafts including Cottage Industries. The inclusion of an Art Gallery will add an additional importance to the Exhibition. Special arrangements will be made for amusements including cinema shows, comic skits and magic, songs, music, oriental and folk dances, physical demonstrations, and other entertainments will also be included in the amusement programme of the Exhibition. In the Educative Section arrangements will be made to show by actual demonstrations, charts and models how to improve the present economic distress of the country specially of Bengal and suggestions will be given as to how a young man with a small capital may earn a decent sum.

There will be accommodation for only 250 stalls, and a good many of them have already been booked.

Ladies' Section

In connection with the above exhibition that is to be held at Wellington Square, Calcutta, it is understood that arrangements are being made for a ladies' section, for which a committee has been formed with Mrs. Santana Roy and Mrs. Purnima Bazac as Joint Secretaries.

PERMANENT EXHIBITION OF BENGAL PRODUCTS

The authorities of the Calcutta Engineering College, it is understood, have opened a permanent exhibition of all the Industrial products of Bengal, in the Museum of its Department of Agriculture and Industries. Though the exhibition is meant for only Bengal products, it is stated that articles of Indian make from other places will also be accepted for exhibition, should their producers send suitable samples with all connected information.

MYSORE DASARA EXHIBITION

The Secretary of the Mysore Dasara Exhibition which will be held from 20th September to 4th October 1933, says that there will be a Ladies' Section to which the following articles made by girls or women will be admitted free of charge:—

1. Garments (for men, women and children).
2. Varieties of Embroidery.
3. Pen Paintings (pictures and various articles).
4. Amlique work.
5. Crochet work of various kinds.
6. Drawn thread work.
7. Knitted articles of various kinds.

8. Lace.
9. Bead work.
10. Flowers on cloth and paper.
11. Net work.
12. Door mats, carpets, and specimens of weaving.
13. Hand-spun yarn.
14. Varieties of cushions.
15. Spray-painted articles of various kinds.
16. Varieties of hand-bags.
17. Various useful Hand-made articles.

It is stated that articles which have been exhibited in previous years will be rejected, and that the exhibits should be sent on or before the 15th September.

SALEM KHADI AND SWADESHI EXHIBITION

It is understood that the Salem All-India Khadi and Swadeshi Exhibition will be opened on the 31st August by the Rajah of Bobbili, Chief Minister to the Government of Madras, and that applications for stalls must reach the Secretary of the Exhibition Committee on or before the 25th instant.

EXHIBITION AT ERODE

The Khadi and Swadeshi Exhibition at Erode opened on the 1st July came to a close on Sunday the 9th of the month.

Under the auspices of the Exhibition Committee, a meeting was held on 10th July in the Urban Bank Hall, when the President of the Committee thanked the exhibitors and workers for their hearty co-operation.

It is stated that the total Khadi sales amounted to Rs. 2095—10—0 at the stall of the A. I. S. A. and Rs. 350 in that of the Gandhi Ashram, Tiruchengode, and that nearly Rs. 700 was realised by the sale of non-textiles, including sugar free from bonechar, soaps, stationery and fancy articles.

BELLARY SWADESHI EXHIBITION

We understand that an All-India Swadeshi Exhibition is going to be held in Bellary in the coming Christmas season, details of which have not yet been received.

A. I. S. A. BRANCH AT TRICHUR

A new Sale Bhandar for Trichur, of the All-India Spinners' Association was opened on the evening of Friday the 14th July by Mr. Kelappan, a staunch supporter of Khadi and Swadeshi. Several prominent persons including ladies were present on the occasion.

In the course of the opening speech, Mr. Kelappan explained the Message of the Charka and the economic importance of Khaddar.

A summary of his speech appears in the "Swarajya" as follows:—

Explaining in the most comprehensive terms the possibilities of popularising the Charka, Mr. Kelappan said that the art was so simple, that it could be

mastered by anyone over 5 years, with hardly a week's training. More than 71 per cent of the entire population of India belonged to the category of agriculturists, of whom only 45 per cent were practically engaged in cultivation. About 55 per cent of the agricultural population were depending on the actual workers and even those who were engaged in cultivation had only work for 6 months in a year.

Only 2 per cent or so, being employed in manual labour and an equal percentage in Government employment, the percentage of population without any work at all was also too hideous, as hardly 7 per cent were engaged in Industrial and Commercial pursuits. Thus, a large section of the people with an enormous amount of spare time was available for work at the spinning wheel for at least a few hours in a day, not to speak of those engaged otherwise, themselves being able to do so every day.

Continuing, Mr. Kelappan said that in 1920, when the Mahatma introduced the spinning wheel, which apparently could bring hardly an anna of income per head per day, as a serious measure for solving poverty in India, not too many there were to appreciate the idea. But, today, there was hardly a single soul born on Indian soil who does not realise the economic importance of khaddar.

The various articles displayed in the Bhandar included the Bengal Silk, the Behar Kokti, the Jarika embroidery works from Surat, and carpets, sweaters, banians and curtains from U. P., lace sarees from Salem and Theinur, the Payyanur "Thorthu Mundus" (towels), striped patterns from Bombay and the thread varieties from Andhra.

KHADI WORK IN GUNTUR

According to a report recently published in the "Swarajya" regarding the work done by the Guntur District Association which was started in October in the year 1931, it is understood that the total amount of Khadi produced during the last 21 months was worth about Rs. 37,000. Though the production of Khadi had fallen by 23 per cent, there was actually an increase of 26 per cent in its purchase. The increase of about 45 per cent in the exports to other places shows the popularity of the cloth, and the great awakening amongst the village folks in respect of khaddar is amply evidenced by the commendable increase of sales of khadi by hawking.

The Secretary of the Association, in the following concluding paragraphs, appeals for greater encouragement for khaddar from the public:—

The village folk are patronising Khaddar more than the towns people. That the imports of foreign piece-goods are increasing this year as compared with last year is not complimentary to our national self-respect. At a time when there is intensive propaganda in favour of Swadeshi and when there are many solid reasons for encouragement of Swadeshi, the Khadi trade shall be on the

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increase. But if, on the other hand, it stands still, or worse still, it declines, it does not redound to our credit, it must be deemed a painful misfortune.

Khaddar means food and salvation to millions of starving Indians. We are thankful to the public for the encouragement extended to our Association up till now and we request that in future, they may show greater patronage to our Institution and our Khaddar.

KHADI WORK IN THE PUNJAB

From a report recently published by the Secretary of the Punjab Branch of the A. I. S. A., it will be seen that the production of Khadi in the Punjab during 1932 is more by 5 per cent as compared with the value of 1931 and that quantity in yardage and weight is more by 16 and 17 per cent respectively.

The report says: "The value of khadi production represents the price of cotton which indirectly goes to the pocket of the village cultivator and wages of carding, spinning, weaving and dyeing paid to poor sisters and brothers in reward to their labours. Khadi work thus helps to cure the disease of India's poverty.

The Charka industry is a matchless one when we find that with a capital of Rs. 1,13,165, the Punjab production centres are serving 438 villages and are supplying either part time or whole time work to 84,318 spinners, printers, dyers, washermen and management workers."

KHADDAR WORK IN KALLAKURICHI

The following is a report of the work of the Khadi Asram, Kallakurichi, for the half year ending 30th June, 1933:—

Value of khadi produced, Rs. 11,969—0—9.
Value of yarn purchased directly from spinners, Rs. 1,668—5—3.

Wages paid to spinners, Rs. 1,707—0—6.
There are 95 weavers attached to the Chinna Salem Depot. During the 6 months, they wove 9,170 lbs. of yarn into 31,836 square yard of cloth.

The wages paid to them amounted to Rs. 3,465-8-0
Printing and dyeing charges to Rs. 323—5—9,
Bleaching charges Rs. 377—5—6, and tailoring charges Rs. 40—6—6,

The number of spinners supported was about 1,500 scattered in about 50 villages.

From the figures it will be seen what a power for good this Institution conducted by the All-India Spinners' Association is for the poor villagers and how great is the need for all classes of people to patronise Khaddar so that the Institution may be of wider help to the poor.

KHADI EXHIBITION AT BHAVANI

A Khadi Exhibition was held in the second week of July at Bhavani. Mr. Kesavalal Kalidas Sait, merchant and municipal councillor, Erode, opened the Exhibition.

TRAVANCORE INDUSTRIAL EXHIBITION

An exhibition of industrial, horticultural and agricultural products was opened on the evening of Friday the 21st July at Kuzhitara in Travancore by Mr. Justice K. P. Gopala Menon of the Travancore High Court. The exhibits included textile products of the Central Technological Institute and Khaddar produced by the A. I. S. A. The Government of Travancore, it is stated, had given the exhibition a grant of Rs. 100. Prizes for the best exhibits were distributed on the evening of Saturday the 10th July.

SIMILA INDUSTRIAL EXHIBITION

In connection with the recent Conference of Ministers of Agriculture and Directors of Industries of the various provinces, an industrial exhibition organised by the Industries Department of the Government of India was held on 9th July in the Committee Room of the Legislative Assembly. The exhibition lasted till 13th July.

COCHIN INDUSTRIAL CONFERENCE

The sixth Industrial Conference of the Cochin State was held on the 20th and 21st July under the presidentship of Mr. I. N. Menon, Director of Public Instruction, Cochin State, in the Boys' High School Hall at Irinjalakuda when various questions concerning industrial education were discussed by the industrial teachers of the Education Department.

A public meeting was also held in the same premises on the evening of Friday the 21st July with Mr. I. N. Menon as President, when Mr. T. S. Balarama Iyer, Managing Director of the Sitaram Spinning and Weaving Mills, Trichur, spoke on "The Weaving Industry."

PEELAMEDU INDUSTRIAL INSTITUTE

The first anniversary celebration of the P. S. G. and Sons Charity Industrial Institute at Peelamedu (near Coimbatore) was held on the evening of Monday the 17th July. Mr. H. G. Stokes, I. C. S., Finance Member to the Government of Madras, presided on the occasion. Founded in the year 1925 by the sons of the late Mr. P. S. Govindaswamy Naidu as part of the charities instituted in memory of the deceased, the Institute imparts instruction in mechanical and electrical engineering, useful handicrafts, etc.

In reply to an address of welcome, Mr. H. G. Stokes congratulated the Management of the Institute for adapting their forms of charities to suit modern conditions and to the better equipment of the rising generation.

INDUSTRIAL SCHOOL FOR BANGALORE.

On the evening of Saturday the 12th August, Lt. Col. Plowden, Hon. President in Mysore, laid the foundation stone of The Abdul Hakim Industrial

School at Bangalore. The school has been named after Sowcar C. Abdul Hakim Saheb, who has generously donated a sum of Rs. 7000 for the same. The school is attached to the Cantonment Mahomedan Orphanage, and its object is to train the children so that when they leave the Orphanage they can become self-supporting and self-reliant members of society.

CLASSES FOR THE EMPLOYED AND UNEMPLOYED

Under the auspices of the Y. M. C. A., Esplanade, Madras, a series of classes in French, Accounts and Office Management, is now being held to help young men to better their positions. The Commercial Classes are being conducted by Mr. V. P. Chowdury, Incorporated Accountant, on Thursdays at 5-30 p.m., and the French classes by Jerome Fernandez on Thursdays and Saturdays. The classes began on the 1st of August, and will be conducted for a period of six months.

HANDICRAFT AND UNEMPLOYMENT

Under the auspices of the Boys' and Girls' Exhibition, Mrs. Krishnabai Nimbakar delivered the second series of lecture on "Handicraft" on Thursday the 20th July in the Y. M. C. A. Auditorium, Madras. Nearly 200 boys and girls from the various schools of the city were present.

The speaker said that boys and girls would do well to spend their leisure time in works of handicrafts which would not only teach them skill but also discipline. They should also exhibit their works in handicraft in exhibitions which would serve to give them an idea of their progress. She pointed out that the unemployed should take to spinning Khaddar by which they could earn their livelihood. In conclusion, she gave an instance of a glass factory in Poona which by the contribution of the people by *paysa* (quarter anna) had progressed very much and which now employed hundreds of people. She suggested that factories similar to that should be started so that the unemployment problem would be solved appreciably.

The Chairman, Mr. Kuruvilla Jacob of the Madras Christian College, in a brief speech, said that the study of handicraft enabled one to spend one's leisure hours very profitably.

ON SWADESHI

In the course of a lecture on "Swadeshi" delivered under the auspices of the Buy Indian League, Tenkasi, Mr. S. Satyamurti stressed the necessity of buying Swadeshi articles.

A correspondent summarises the speech as follows:

Every country, the speaker said, is keen on improving and encouraging its own industries and productions and it is up to us to follow their example. In this connection, he warned the merchants

not to take advantage of the people's desire to buy Swadeshi and put a premium (by high prices) on their good desire.

He regretted that in the matter of food, cloth, soap and our other ordinary necessities we depend upon foreigners. Indian manufacturers can, to-day, supply to most of us our necessities. Unless and until one one is compelled to buy foreign articles, one must, buy Swadeshi.

Swadeshism is not inconsistent with loyalty. In one of the British Empire Exhibitions, the King-Emperor regretted that English typewriters were not used and on his sending a note to that effect, foreign typewriters were removed and English typewriter substituted. He quoted this as an example and exhorted the audience to follow the lead given by the King-Emperor himself and to encourage Swadeshi.

FREE SOAP-MAKING DEMONSTRATION

According to a correspondent of the *Advance*, it is understood that free practical demonstration as to how to prepare washing soaps was carried out in the last week of July at the Edward Industrial School in Bogra, Bengal. The enterprise was undertaken by the Industrial Department of the Government of Bengal; and many students, it is stated, attended the lectures delivered by two experts deputed for the purpose by the Department of Industries. Besides, it is stated, another class for preparing cutlery things, for example, knives, scissors, spades, etc., will also be organised shortly.

TRAINING IN CUTLERY

Under the auspices of the Industries Department of the Government of Bengal, says a "Free Press" message dated 17th July, a centre has been opened at the Local Board Office at Ranaghat for training youngmen in cutlery. It is stated that out of the thirty applicants, ten were selected.

ART GALLERY FOR MADANAPALLE

An *Associated Press* message dated July 23rd says:—

At the the initiative of Dr. James H. Cousins, an art gallery containing the best paintings of modern Indian artists was opened this morning at Madanapalle in a building which has been constructed at a cost of Rs. 5,000, by the family of Mr. Trilokekar, the late Principal of the local College. In accepting the building from the donors, Dr. Cousins briefly referred to the function of Art in Life, and to the need for art exhibitions on a popular scale. The paintings of Pomade Kumar Chatterjee of Bengal and of Madhava Menon of Malabar found the rank of honour in the Art Gallery. Dr. Cousins hopes to combine music with art in this Gallery.

EDUCATIONAL EXHIBITION

It is understood that an educational exhibition, entirely run by the school students, will be held in Bangalore during the ensuing Dasara Festival.

JAMNADAS MEHTA ON SWADESHI

At a meeting held on Wednesday the 16th August at the Exhibition grounds in Bezwada under the auspices of the Pushkaram Exhibition Committee, Mr. Jamnadas Mehta spoke on "Swadeshi and Protection". According to him India at present imported only thirty per cent of what she was importing in former years. Swadeshi, protection and patriotism had paved the path, and if this was continued the country would easily be self-sufficient. Regarding the Japanese dumping, the speaker pointed out that the cheapness of Japanese goods not only beat Manchester and Liverpool hollow but that Japan was also a great menace to the Indian Industry. The Japanese competition and Manchester with the Government of India and the Indian Mill-owners to support and further its interests were detrimental to the prosperity of Indian industries. He said that protection was economic armament and that our duty was to protect our industries. According to him protection by itself was of no value unless there was an honest currency policy and a beneficial railway policy. He deplored that while Russia could industrialise itself within eight years, and Japan in half a century, in a hundred and eighty years of British rule, India could not industrialise itself. The commercial predominance of the British in India, he said, had blocked the royal road to our economic prosperity.

BEZWADA EXHIBITION

The Krishna Pushkaram Fair and Swadeshi Exhibition which should have ended on the 20th inst. was extended by two more days so as to give an opportunity to the crowds that gathered at Bezwada on the 21st (for the Solar Eclipse) to visit the Exhibition.

A. I. S. A. KHADI PRODUCTION

The following figures regarding production and sale of Khadi by the A. I. S. A. for 15 months ended with December 1931 will be found interesting.

Production of Khadi in India ... Rs. 72,15,502
Sale ... " 90,94,932
Wages disbursed for spinning & weaving .. 19,25,550

Ambit of operation.

Villages	...	5751
Workers	...	1952
Centres	...	610
Carders, spinners and weavers (about)	...	2,44,000

Each Rupee spent in Khadi is being distributed as follows:—

Cotton Growers	...	Rs. 0 3 9
Ginner	...	0 0 6
Carder	...	0 1 9
Spinner	...	0 3 9
Weaver	...	0 4 9
Dhobi	...	0 0 6
Merchant	...	0 1 0

UTILITY OF SWADESHI EXHIBITIONS

SIR N. R. SARKAR'S ADDRESS.

The following is the speech delivered by Mr. N. R. Sarkar on the occasion of his opening the All-India Kistna Pushkaram Fair and Swadeshi Exhibition at Bezwada on Tuesday the 1st of August :—

EXHIBITIONS of this kind fulfil a very important function, especially in the present stage of our economic development. Their advantages are so great and so widely recognised that in advanced Western countries the Governments render all kinds of assistance to commercial bodies organising them. Railway companies, shipping companies, the post office, municipal authorities, hotels and city Transport companies vie with one another in offering concessions and conveniences to exhibitors and visitors and thus contribute to make the exhibitions successful in serving the economic interest of the country. It is rather unfortunate that our Governments, Provincial or Central, do not evince the same interest or enthusiasm in the matter of organising and holding trade exhibitions, neither are they very generous in helping those organised at tremendous cost of money and personal effort by quasi public agencies. In these matters they may well take a lesson from some of the advanced Indian States. From my experience as the Secretary of the Congress Exhibition held in Calcutta in December 1928 I can say that they are a most valuable institution. I believe I am right in saying that it was one of the largest and most successful exhibitions held in India. The range and variety of purely Indian products displayed, their quality and price, were indeed a revelation to the million visitors who came to the exhibition. The exhibitors admitted the great help it had rendered in popularising their products and increasing the sales.

The exhibitions give us an invaluable opportunity to take stock of our material resources, commercial, agricultural, industrial, mineral and technical, and to gauge the material advancement of the country. We know, for instance, how greatly this country is dependent upon foreign sources for some of the very necessities of our life and for many things that can so easily be made here. We import such a discouragingly large proportion of our cloth from abroad. Until very recently we did not make a cake of soap in India, a lead pencil or a pen, a nib or even a bottle of ink. Even now for the paper you write on, your little pen-knife, for the cycle you ride, the glass you drink from, the spade with which you turn your soil, the colour with which you paint your walls, the kerosene that lights your way, nay for the very salt and sugar we eat, we are (so disgracefully enough) dependent upon foreign countries. And it is when you visit exhibitions that you realise the real extent of your economic backwardness. But this very realisation is most useful and necessary.

From that springs the desire to fill the gap and to make up our deficiencies.

Almost simultaneously we witness the vast array of our potential resources; and almost naturally we begin to think whether it is not possible out of these to turn out a great number of the articles that we are at present importing. The realisation of our industrial shortcomings and the possibilities of utilising our natural resources mark the beginning of an active national industrial consciousness, which is the preliminary to national economic development.

BENEFIT TO EXHIBITORS

To the exhibitors themselves, an exhibition provides an excellent opportunity for the exchange of ideas regarding trade, industry and agriculture. Manufacturers from different parts of the country meet and can examine their mutual problems. A manufacturer may have been confronted with a serious problem which was affecting the quality of his goods or his cost of production. A discussion with another manufacturer, or the inspection of the products of a sister industry or a brother manufacturer, may give him the clue to its solution. Or again, the superior finish, the packing and display of a competitor can very often be profitably applied to one's own industry. When almost every Indian industry is facing virulent competition from abroad, the advantages offered by sharing one another's experience, of learning from one another, can hardly be exaggerated. It is a sort of pooling of information and resources in order to fight a common danger.

Furthermore, it often happens that every firm interested in a certain line will be labouring under the same handicaps. They may relate to marketing, transport or selling policy. Mutual discussions at such exhibitions would enable them to evolve a common line of action, or establish a common organisation for overcoming these handicaps. It may be, they are victims of freight discrimination on the railways or are feeling the lack of encouragement from the Government. In all such cases individual action cannot achieve much results. Common problems require joint action.

The immediate utility of exhibition is its advertisement value. The actual amount of business transacted therein may not be very large. The visitor comes more to see the variety of goods displayed than to buy anything in particular. But when he goes home he carries with him impressions of things that have interested him that will turn him

into a prospective buyer. Very often it is at an exhibition like this that one finds certain articles of Indian manufacture, of good quality and reasonable price, which may easily take the place of the foreign article that one might have been using. It is again at such exhibitions that one becomes convinced of the quality of some kinds of Indian goods against which one may have had some prejudices. These exhibitions by helping to remove prejudices and canvassing consumers, help to increase the demand and extend the markets of Indian industries. As a preliminary to that, surveys should be made in and around the area of exhibition as to the requirements and needs of that area. Producers and organisers should co-operate. Profiteering should be severely discouraged. The spirit of the country's economic development should be kept prominently in view.

PERMANENT MUSEUMS

In order to achieve these objects fully, occasional exhibitions held in certain places cannot be of much avail. They must be a permanent feature of the commercial organisation of the country. The idea of an organised display of India's important manufactures should be fully developed and I would suggest that every Province should have a permanent Commercial Museum or Exhibition. They must be supported by their respective Governments and the interests served by them. They should be completely equipped with an efficient staff and an information bureau. The information section is most essential, for without it the exhibition would lose much of its value. You are all aware that Japan is maintaining a permanent exhibition of her manufactures in Calcutta. The goods are artistically and elaborately displayed, and a very efficient information bureau is attached to it. There is in Osaka a permanent Commercial Museum which displays various commercial samples collected from the world markets for the inspection of domestic producers and manufacturers and the varied products of Japanese industry for the benefit of merchants and foreign representatives.

Besides the Provincial Exhibitions, there must be a permanent Central Exhibition for the whole of India, which would concentrate more on the features of our economic development which are of an All-India character. Therein would be displayed not only the great staples of India, but also the method of utilisation, all information regarding their production, their use, their market, etc., should also be available at the exhibition. An important feature of the Central Exhibition should be the display of foreign goods that are likely to be of interest and use to Indian agriculture and industries, especially the type of labour-saving machines that will increase the efficiency of our labour, increase its output and maintain uniformity of quality, and will yet be within the reach of the ordinary factory owner or large agriculturists. New and improved type of tools, chemicals and small semi-automatic machinery

that can be easily used by our artisans should find a prominent place in the exhibition.

One of the main features of the Central or inter-Provincial exhibition will be to emphasise the complementary resources and development of the various parts of India, and how each Province can benefit by what the neighbouring ones have to offer. It will help the growth of a common economic feeling and a sense of economic unity, which may be marred by inter provincial jealousy which may make its appearance in Federal India.

SWADESHI—A NATURAL INSTINCT

Recognising as I do the value of exhibitions in stimulating demand, I have often felt why exhibitions should at all be necessary in order to coax us or to stimulate us to buy Indian goods. I feel it a shame that these things should at all be necessary in order to induce us to do what is our most obvious duty. 'Swadeshi' is a natural instinct. It is a part—an essential part—of that larger and greater love of our country. If you love your country you must make it a principle of your life to buy what it produces. 'Swadeshi' is not a mere sentiment, it is a sacred duty. What is more natural than to prefer goods made by your own brethren in your own country? I have heard it repeated by some people that they will buy Swadeshi goods if they can be had at the same price as foreign goods. Yet others say they are ready to buy Indian goods if the quality is the same as that of foreign goods. Now, gentlemen, there is no particular merit in that. If you really love your country—and who amongst us does not?—and if you really desire to serve your country and who amongst us will not?—you must be prepared to buy swadeshi goods even if they are slightly dear, even if they are slightly inferior. Not that I say they are in fact dearer or inferior. India is turning out increasingly better goods at increasingly cheaper prices. After all, we are a new industrial country, and without some conscious sacrifices, development is not possible. As time goes on the patronage we bestow on Indian industries will be justified. They will improve the quality and reduce the cost. But we must give them a chance. Nobody is born perfect in the industrial world. We must achieve perfection by long years of endeavour.

When you buy Swadeshi goods you have the added satisfaction that you are helping to keep the money in your own country. Remember it goes to feed your own starving brethren, to give employment to our own young men who would otherwise be forced to remain in dangerous idleness. Every time you buy an anna worth of Indian goods you are indirectly increasing the wealth of your country and reducing its poverty. The best reason for buying Indian goods is that they are Indian goods. A true Indian should not ask for any other reason, for Swadeshi is the economic "Dharma" of every citizen of this country.

ANCILLORY INDUSTRIES

In addition to these large industries, scope would also be found for developing ancillary industries which are particularly suited to the smaller resources of rising provinces. The distinctive feature of the industrialisation of Japan is the scope it gives to small cottage industries to flourish side by side with larger units and often depending on them. In that country, pottery, cutlery, shoe-making, the manufacture of brushes and umbrellas, and a host of other industries, are run with small plants employing from 10 to 20 hands. According to Kysto Dyers Association, its 3,600 members employ some 21,000 workers. The pottery industry in Japan is mostly a village industry. Each village workshop has not more than 3 or 4 workers. Sakai, the cutlery centre of Japan, has some 500 manufacturing concerns, most of them employing to 4 to 5 men. Manufacture of rubber goods is also done on a small scale. In the clothing industry in Japan small workshops play an important part. The Jobber gets his yarn dyed, twisted and woven by different small workshops in turn and payment is made by piece rate. Such small industrial units possess a certain amount of elasticity and gives larger scope for the employment a large number of artisans that are spread all over the country.

Sericulture in Kashmir.

The salient features of the silk industry in Kashmir are that (1) the worm is reared from univoltine seed either imported from France or produced locally, (2) the leaf used for the feed of the worms is of the mulberry which is the property of the Government and (3) the silk is reeled in modern filature equipped with the latest appliances and mostly exported to Europe for sale as raw silk.

The Imperial Institute Committee on Raw Silk has reported very favourably on the quality of the raw silk produced in Kashmir. The Committee considered that for the most important branch of the silk trade, that is, for what is demonstrated as the "Broad Silks" trade dealing with the Crepe-de-chine, erepoline and Georgette and other plain silks, raw silk with plenty of what is called "bone" was required and the Kashmir silk fulfilled this requirement to a satisfactory degree. It was, however, not sufficiently unisize and was deficient in cleanliness and winding qualities when produced in Italy and Japan. If compared to silk of similar quality, standard of production under these requirements could be improved. The Committee held out great hopes for the future of Kashmir silk. Since the report of the Committee, the quality of Kashmir silk has been much improved as the large exports to Europe testify, but the receipts to Government have seriously declined owing to the fall in price of silk.

Along with the economic development of the country we must also devise suitable machinery for the solution of the problems that may arise. These problems may be purely technical, or they may be financial or commercial. Sometimes they are political. In recent years there has been a marked tendency for the increase in the number and dimensions of inter-provincial economic problems. With increasing complexity of our economic structure and variety of industrial development, inter-provincial economic questions will tend to become acute matters of more frequent occurrence. The sugar industry has provided the latest example. The clash of interest and viewpoints at the Delhi Conference was rather pronounced. It should be a warning of the coming danger. In a Federal India, a machinery must be provided for the settlement of all such questions. We must minimise the possibility of such conflicts. We must pool our resources. Leaders of business from every Province must meet as often as possible to discuss and settle all outstanding problems. The development of inter-provincial economic jealousy and conflict will seriously endanger the economic strength and development of the whole country.

The Government of Kashmir have realised that the production of raw silk for export is not very profitable and they have carried the industry one stage further beyond its position in Bengal. The stage of cocoon production is the limit up to which the Sericultural Department interests itself in the fortunes of the industry. In Kashmir the Government took up the industry one step higher, that is, the production of raw silk. Although the results are more satisfactory than they are in Bengal, they are not so good as they might be. The Government have now decided to encourage silk manufacturers in the State.

The industry in Kashmir labours under two fundamental defects, one of which is remediable and is being remedied by the Government and the other is not. It is a mistake to stop at raw silk production and the Government are endeavouring to produce manufactured goods. The second and more fundamental defect is that no agricultural industry can be carried on the basis of hired labour. The Director of Sericulture recommends higher wages to cocoon rearers to ensure better results and it is doubtful how far the Government can accept his recommendation in the face of declining revenues. Sericulture is only possible where labour is cheap, efficient and abundant. This explains the dominant position now acquired by Japan and China in the industry and the relative decline in France and Italy.

—From the *Industry*, July, '33.

A CENTRAL BANK FOR INDIA

A short history of the proposals made from 1800—1928

By T. C. V. SUBRAMANIAM, B.A. (Hons).

ONE of the most important differences between the pre-war and post-war currency theory is the emphasis given to banking in currency matters. The growing adoption of the Gold Bullion Standard after the War which necessitated an increased use and influence of credit instruments and the greater fiduciary character of the currency naturally led to the realisation and the necessity of Central Banks as supreme arbiters of the national currency. Prof. Keynes gave expression to this thought when he wrote in 1924 thus:—"The tendency to-day rightly I think is to watch and control the creation of credit and to let the creation of currency follow suit rather than as formerly to watch and to control the creation of currency and to let the creation of credit follow suit." It is in this light that we are to view the proposals of the Hilton Young Report for a Bullion Standard and the establishment of a Reserve Bank.

Now, before analysing the condition of money market in India, let us state briefly the duties and responsibilities of a Central Bank. This can be dealt with from two points of view the duties of a Central Bank towards the state, and secondly towards the nation as a whole. As regards the first condition they are ordinarily defined by the bank charters. In short, "they (the central banks) manage the government accounts and the business connected with the National Debt and act as fiscal agents for the government, generally, without specific remunerative." Here we have to note that the custody of the government deposits is an important factor as giving the central bank control ordinarily free of interest of larger sums which like the deposits of Joint Stock Banks form part of the working assets of the bank.

Secondly what are the duties of a central bank towards the nation? Says Montague Norman: "It should have the sole right of note issue; it should be the channel and the sole channel for the output and intake of the legal tender currency. It should be the agent so to speak through which the financial operations at home and abroad of the government would be performed." To put it in polite language, we find almost all the central banks of the world being endowed with the following main operations:—

- (a) The issue of notes.
- (b) Dealings in precious metals and foreign exchange.
- (c) Discounts, loans and advances.
- (d) Deposit business especially in relation to commercial banks and the organization of arrangements for clearing. Again central banks are nor-

mally authorised to deal in silver and in special cases, such as in Russia and Lithuania, with platinum.

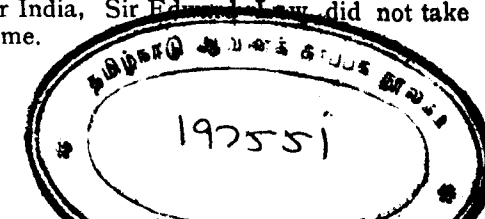
We have mentioned briefly the duties and responsibilities of a Central Bank. In every country we find, whether in England, France, Germany or Japan, the whole banking system revolving round the central structure. It is the central bank that controls the money market, the regulating instrument being the discount rate which moreover is helped by the sale or purchase of bills and securities in the open market when either contraction or expansion of the currency is required. All this leads to our fundamental conclusion that the function of note issue is the most important of all the business of a central bank.

Let us consider here about the desirability of having a central bank for India for which it is incumbent on our part that we should begin to answer this question by first giving a brief history of the various proposals made from the second decade of the nineteenth century to the year 1926, when the Hilton Young Commission submitted to the Government of India their proposals for the establishment of a Reserve Bank, and secondly we should give a brief summary of the working of the money market in India at the present day which necessitates the immediate establishment of a Central Bank.

The idea of an All-India Bank is practically as old as the Bank of Bengal founded in 1806 with the idea of making it the Central Bank for India. Again in 1836 a large body of merchants submitted to the Court of Directors of the East India Company a project for a great banking establishment for India, such a bank confining its transactions strictly to banking principles and business by affording the Company facilities and advantages in their future financial arrangements.

From 1860 to 1876 the possibility of the Bank of Bengal developing into a Bank of India was constantly in the air, successive financial members of the Council not unfriendly to the idea. In 1867 a specific proposal for the amalgamation of the three presidency banks was laid before the Government of India in a memorandum of complete grasp and mastery by Mr. Dickson, the secretary and treasurer of the Bank of Bengal. But the Government of India was not favourable to it and the Secretary of state rejected it. The matter came up again before the Fowler Committee and one of its members, Sir Edward Hambro, wrote a separate minute in its paper. But unfortunately a change of ministry occurred in England and the Secretary of State for India, Sir Edward Law did not take up the scheme.

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A third proposal was submitted to the Chamberlain Commission in 1913 by Mr. Lionel Abrahams, Assistant Under Secretary of State for India. The Commission recommended the appointment of an expert committee for its consideration and meanwhile Prof. J. M. Keynes in collaboration with Sir Earnest Cable appended a memorandum to the report advocating a State Bank for India. Here we have to note, that already in 1913, Prof. Keynes in his book "Indian Currency and Finance," had clearly indicated the chief defects of the currency system of India as being (a) the divorce between responsibility for the note issue and that of banking generally which is contrary to modern practice, (b) want of elasticity in the system and (c) the absence of a central banking authority which leads to a general lack of direction in the banking policy of the country. He advocated the establishment of a State Bank and concluded his masterly survey thus:—"It is in the state banks of Europe—especially in that of Germany or in those perhaps of Holland and Russia—that the proper model is to be found."

The War prevented the application of many of the resolutions of the Chamberlain Commission. After the Armistice in 1919 the Government of India addressed a despatch on the subject of an "Imperial Bank" to the Secretary of State who approved it. As a result, a bill for the establishment of an Imperial Bank of India was introduced by Mr. Hailey into the Indian Legislative Assembly in March 1920, and finally in January 1921, the Imperial Bank of India was officially established by the amalgamation of the three presidency banks.

We need not enter here into the cumbrous details of the management and organisation of the Imperial Bank of India. What matters to us most is to enquire about the kinds of business that are transacted by the Bank and whether it has fulfilled the prophesies of those who pioneered it with the hope that it would act as the Central Bank of India.

Under the Imperial Bank of India Act, the control of the bank is entrusted to a Central Board of governors with local boards at Calcutta, Bombay and Madras. The Central Board consists of a managing governor not exceeding two appointed by the Governor-General in Council on the recommendation of the Central Board, secondly the presidents, vice-presidents and secretaries of local boards, thirdly the controller of the currency and fourthly not more than four non-officials nominated by the Governor-General in Council. In brief, the functions of the bank are as follows:—the Bank acts as banker to the Government of India and transacts all the business of the government. It is the custodian of public funds and government cash balances, central and local and also of the Secretary of States' balances through the newly constituted London office. Apart from this activity abroad, it has kept to the form of business previously done by the Presidency Banks, i. e., first advancing money on the security

of (1) stocks, (2) securities issued by State-aided Railways and (3) accepted bills of exchange or promissory notes; secondly, with the sanction of the local government advancing money on Courts of Wards; thirdly, drawing, accepting, discounting, buying and selling bills of exchange payable in India and Ceylon; fourthly, buying and selling gold and silver, investing the banks' funds in certain securities and receiving deposits, and lastly transacting agency business on commission. The restrictions placed on the bank's business are worth studying. They are: (a) it shall not make any loan or advance for a longer period than six months upon the security of stocks or shares of the bank, (b) the amount which may be advanced to any individual or partnership is limited, and (c) the bank is not allowed to deal in foreign exchanges.

The service which the bank renders to the country is confined to granting loans and credit to businessmen engaged in trade and commerce and requiring short term loans. Hence it is primarily and mainly a commercial bank. Moreover as the Imperial Bank cannot borrow or receive deposits outside India or maintain a branch for this or similar purposes, the bank is virtually prevented from raising money in London or other centres for use in India.

Before beginning to put forth our arguments for the creation of a Central Bank, let us briefly examine the other constituents of the money market of India. They are the Exchange Banks, the Joint Stock Banks and the indigenous Banks. The Exchange Banks are generally, though not necessarily, mere branch agencies of banks, having their head offices either in London or on the Continent or in Japan or in U. S. A. These banks are primarily engaged in foreign exchange operations, i. e., the purchase of council bills and Telegraphic Transfers payable in India; sale of drafts and Telegraphic Transfers payable in London or elsewhere out of India and the imports of gold and silver bullion.

As regards the Joint Stock Banks, one marked feature is the rapid development of this sort of banks during the first decade of this century. They engage themselves to legitimate banking business and they have begun to attract deposits to a very great extent. The indigenous banking system is composed of "the Mahajans" Shroffs, Sowcars, Marwaries.

Now what are the chief characteristics of the Indian money market, as it exists today? In the first place there is not plenty of loanable money in the market to satisfy demand and there exists no bank-rate policy.

Secondly the government keeps to itself the right of issuing notes, and deprives the country of the benefits of a monetary circulation capable of easy expansion such as all other countries enjoy. "Under these circumstances it is not surprising to find in India, the strange phenomenon of a favourable trade

balance combined with a high bank rate. The bank is dependent on the government for its resources."—(Prof. Wadia)

Thirdly "Isolation, absence of specialisation and differentiation of functions mark our banking and financial organism," and lastly, one of the most important functions of the central bank dealings in foreign exchanges and precious metals is being exercised by a special set of banks.

India requires today in her Banking System two essentials, viz: (1) a Central Bank of Issue controlling both currency and credit with an undivided reserve for both and (?) a great development of banking faculties with branches all over the country. We shall treat these points in the light of the recommendation of the Hilton Young Committee. The Hilton Young Report in its criticism of the Gold Exchange Standard pointed clearly to the evils to be corrected when it said "There is a cumbrous duplication of reserves with an augmented and a dangerous division of responsibility for the control of currency and credit policy." The commissioners recommended the adoption of the Gold Bullion Standard and for the smooth working of the standard they wanted to create a Reserve Bank.

"The necessity of unity of policy in the control of currency and credit for the achievement of monetary stability involves the establishment of a Central Banking System." There arguments in favour of a Central Bank are the following:—An equilibrium between the paucity of credit and currency must be obtained if the money market has to be adequately supplied with credit. In short, credit and currency must be co-ordinated in a single institution, then alone the evils of inflation and deflation can be averted, and if the Reserve Bank is able to establish an equilibrium between the demand and supply of currency at a given time, it will have reached the goal of maintaining the stability of the value of the monetary unit.

In the second place a Reserve Bank is necessary in India for the controlling and managing the currency and banking reserves of a country. Whenever a Reserve Bank is instituted, the scattered reserves of the banks of the country get centralized in the vaults of the bank. It is in this respect then that a Reserve Bank is able to play the part of a banker's bank. The centralization of the reserves also enables the reserve bank to extend its credit facilities liberally to the money market in times of emergency and the Royal Commission recommended that all commercial banks should be compelled by law to maintain minimum balance with the Reserve Bank. These balances were to be 10 per cent of their demand liabilities and 3 per cent of time liabilities.

In the third place if the foundation of credit organisation is to be truly laid, a Reserve Bank should be in possession of such an instrument that

at a moment's notice it could safely advance money to commercial banks in times of stress. That instrument is the rediscount of bankable bills. By this operation the Reserve Bank pours out cash in exchange for bills and thereby expands currency, and when the bills get matured it receives back cash which leads to a contraction of currency.

Finally when the Reserve Bank becomes the currency authority a two-fold function devolves on it. It shall be incumbent on it to supply foreign exchange to businessmen and a statutory obligation shall be laid upon it to buy and sell gold at prescribed rates.

In short the Commission recommended the establishment of a Central Bank in India, based on the model of the Bank of France with the sole right of note issue and control of credit policy. Some general features of the Reserve Bank for India suggested by the Commission need mention:—

(a) Its capital shall not be very large. Five crores is sufficient.

(b) Its administrative machinery is to be on the same lines as that of the Imperial Bank of India.

(c) It is clearly laid down that this great bank should be free from political pressure and its constitution be made democratic. There is to be a Central Board of 14 members, 9 elected and the rest nominated.

(d) No member of a legislative council can be nominated on the Board, nor the representative of any commercial bank be appointed on it.

An important question arises in this connection. Who was to be entrusted with these functions? It would be either the Imperial Bank of India or a new institution which could substitute it. An eminent member of the Commission, Sir Purushothamadas Thakurdas opined thus: "I recommend the evolution of the Central Bank from the existing Imperial Bank of India instead of by starting a new bank." Even economists of the type of Profs. Chabiani, Ghayanchand and Wadia, suggested to the Commission that the "Imperial Bank of India was to be transformed into a Central Banking institution. According to Prof. Chabiani there should be two departments—Issue and Banking departments, and the managing Board should be in the manner suggested by Prof. Keynes in his memorandum to the Chamberlain Commission.

On the other hand, Dr. Pramathanath Banerjee favoured the establishment of a state bank, since, in his opinion, the position of the present Imperial Bank of India is anomalous. The commissioners analysed the facts carefully and came to the following conclusion. They stated that the Imperial Bank could not be suitable in discharging the duties of a true central bank and that was so for various reasons. It could be precluded from undertaking a great

many tasks which it already performed as a commercial bank successfully. The country would then lose the benefit of the elaborate and wide spread organization which had been set up throughout India for giving banking facilities in this country. Therefore, they concluded that a new organization was necessary and that the Imperial Bank itself with its various branches could work as the Agent of the Central Bank.

Now what became of the proposals of the Currency Commission of 1926 regarding the establishment of a Central Reserve Bank? In accordance with the proposals, Sir Basil Blackett, the then finance member, introduced the Reserve Bank Bill before the Legislative Assembly in 1927. The bill at first proposed was after discussion sent to a special committee, and in consequence a modified bill, was brought in. There were some differences between the Hilton Young Report and the new bill, the battle being centred on the two points, viz: the Capital and Directorate. The counterproposals of the Select Committee were briefly as follows:—

(a) The Reserve Bank should be a state bank, while the Hilton Young Commission urged that the "bank should be free from political pressures."

(b) The capital should be government capital in order to avoid the control of share-holders by vested interests.

(c) The Select Committee declared that the joint stock principle was not suitable to a Central Bank whose purpose is the public interest.

(d) The clause, excluding members of the legislature from the Directorate—which the Hilton Young Committee recommended—should be deleted.

Sir Basil Blackett and his dissenting colleagues appended a joint minute of dissent chiefly on the point that directors should be chosen by constituencies independent of the State. He then introduced the bill as modified by the Select Committee and

proposed a compromise as regards the moot point of Capital and Directorate. After successive schemes were put forward day by day, the Assembly arrived at the proposal of a "Stock-holders" bank, i.e., a bank, the stock of which was to be sold by Government. But at this stage the Secretary of State interfered and on the 8th of September 1928 the finance member stated "that the Government had decided not to proceed further with the consideration of the bill during that session."

Thus perished the long cherished hope of a central bank for India and the chief recommendation of the Committee—(*the magnum opus* of their proposals)—was placed on the scrap heap of venerable antiquities. But when we survey the history of Indian currency and finance for the last eight years and more one thing stands pre-eminent and that in the words of Prof. Wadia being "that the currency policy of the Government of India is partly used for the benefit of the magnates of Threadneedle Street." It is really heart-rending to note that while the United Kingdom with an area of 1/12th that of India and population of nearly 1/8th possesses 9357 banks with a deposit capital of 2355 millions sterling, India has only 359 banks with a deposit capital of 118 millions sterling. In these respects she is easily beaten by other countries like Australia, Canada and Japan. The need for banking reform is very urgent in the case of India and we will be precluded in our task of maintaining a gold bullion standard with convertibility of the rupee both internally and externally, if a central bank is not established at the earliest opportunity, and in this as well as in other matters the model of the "Banque-de-France" with its branches is advocated by eminent financiers.

In conclusion, "the healthy development of our trade, the careful promotion of our Industries, a wise economy of our precious metals and a real increase of our national wealth—these are the problems that a soundly organised banking system in India has to solve." (Dr. R. Raw)

New Road Material

A bulletin of the Imperial Institute of Agricultural Research states that a new road paint called 'Pintar', a composition evolved from the *chir* tree, has been invented at the Forest Institute at Dehra Dun. After subjecting it to a practical test over a stretch of road for a period of 6 months, some portions of the road, it is stated, stood up the 6 months' wear and tear very well, whilst others did not give such satisfactory service. A improved composition, however, has been evolved as a result of further

laboratory experiments, and "if it proves to be successful and capable of production at the cost which will allow of its competition with proprietary preparations imported for road painting, not only will a market be made available for all the *chir* tar that can be produced, but employment will also be provided for the inhabitants of Kumaun (in Northern India), where the making of *chir* tar is an important local industry."

INDIAN MICA INDUSTRY

(By Dr. Ramani Ranjan Chowdhury)

Mica is a very peculiar material, widely varying in its quality and consequently in its degree of usefulness in the electrical and other industries dependent on it. Defects and imperfections are too numerous in Mica, each of which constitutes an important deciding factor of its commercial value, affecting its merits and efficiency in actual employment. The commercial classification is firstly based on arbitrary standard of measurements, which leave ample room for fraudulent manipulation and misunderstanding and secondly it is to be sorted into numerous qualities, based on the varying degrees of clearness, air-stains, mineral and vegetable spots as well as imperfections, distortions and inclusions of foreign impurities, &c. There are no definite limits prescribed for any specified or standardised qualities. This, as a matter of fact, has in recent years been the prime cause of stagnancy of the Indian Mica Trade.

A section of people, who have in recent years, got hold of the major portion of the Behar Mica trade, are directly responsible for playing with the qualities and gradations of Indian Mica, so much so that, the foreign buyers have now-a-days become fed up with their unclean business tactics and they seldom expect to get their money's worth by direct dealings. Instances of fraud and improper supplies have been numerous and Indian dealers are now considered unreliable by those abroad, on whose confidence, good faith and patronage, the prospects of the Indian Mica Industry lies. Formerly in the line of mica, buyers used to open telegraphic banker's letter of credit from 100 to 75 p.c. of the value or order, to be drawn against surrender of shipping documents to bank, whereas the present terms of business are practically free consignments, mostly to the mercy of the brokers and stockholders in important centres of trade, to be sold, charged and paid for at the sweet will and discretion of the consignees, after or long after arrival and control of goods at destination. There is still a solitary exception, i.e. Japan, who also feel disgusted with the dealings of the Indian traders and are threatening to alter or withdraw the present terms of Letter of Credit.

Most of the present mica traders are backward in education, initiatives and arts of commercial marketing and vitally lack a spirit of co-ordination amongst the fellow men in trade. Unending haggling, unreliable supplies, supreme hold and exploitation of intermediary brokers and stockists of mica, free consignments, price-cutting and settlement at any terms dictated by the consignees etc. have been the order of the day and it is high time that the Government and the public should intervene and devise effective means to save one of the most potential and prosperous national industries from sheer collapse and ruin.

The present trade depression has affected Mica as well. All the same the extent of depression in the line of mica is not so appalling as is experienced in other lines of trade. If timely actions are taken by Government for "standardisation in the mica industry and granting of other protective help by way of revision of royalty, rent and tariff rules on mica (including railway freight)," there are yet enormous possibilities of development and expansion of the Mica industry, after recovery of the lost hold in the world's mica market. There are unfortunately very few educated Indians now in the line of mica, and the few connected with it till now have not moved for the improvement of the conditions and prospects of the industry in these lines. I however do yet hope that I shall get their hearty co-operation in my efforts to save the Industry as far as possible, from the present state of stagnation.

In order to investigate thoroughly into the pre-war and post-war conditions of the Mica Trade and Industry and to take effective measures for standardisation and protection of the Industry, I would suggest the Government to appoint a "Mica Inquiry Committee" who would tour in the Mica districts all over India and if possible in the Mica producing and marketing centres abroad, taking expert and technical evidence, specially with regard to the following points:—

Statutory standardisation of the dressing methods, gradations and qualitative classifications of Mica, by setting up well defined limits of differentiation, as far as possible.

Formation of "Mica Mining and Mica Marketing Boards" with necessary authority and facilities vested in them for regulating production and markets of mica.

Penalisation of proved fraudulent practices and trade abuses and effective remedy against the justifiable complaints properly preferred to the "Boards" by foreign buyers of Indian Mica.

Revision of Royalty and rent rules over the mica properties, reduction of railway freights basing it on the standardised prices of the merchandise and reduction of the rate of customs and Port Commissioner's charges on shipments of mica. This will render the working of mica mines and taking to the export of Mica profitable lines encouraging individual efforts amongst the educated young men, offering business prospects with small capital. These charges are at present prohibitive, compared to the cheap prices at which mica is offered for sale by other rival suppliers in some of the South African territories and South American States. The railway freight on a maund of mica from Madras to Calcutta is often more than the Steamer freight and shipping

expenses charged on it from Calcutta to a Continental port. The railway freight of a maund of mica scrap available, say at about two annas a maund, is about $4\frac{1}{2}$ annas from Kodarna to Calcutta and that too if consigned in waggon loads (say about 400 mds. at a time).

Reduction of import duties on micanites till India is in a position to manufacture these materials here and granting of research and industrial facilities for the manufacture of micanites.

Establishment of an Indian Mica Marketing Board with offices abroad, say in London, Hamburg, New York, Genoa, Dunkirk, Yokohama, etc., with facilities for safeguarding the interests of Indian Mica merchants and arranging representation in their behalf in matters of arbitration or litigation.

Appointment of a Mica Commissioner or Mica Specialist, attached to the Government of India Mines or Commerce and Industry Departments, charged with the dealing of matters on Mica and giving the necessary technical advice and guidance to the Mica Trade in general. He should be granted leave for travel in important mica producing and mica consuming countries, enabling him to be up-to-date with the progress made in the line of mica in other countries, in regard to the mining, marketing, manufacture and industrial utilisation of mica.

Publication of trade statistics on Mica and compilation of books, papers and bulletins from time to time, giving all up-to-date informations on the subject specially in respect of the advanced methods of mining, manufacture and utilisation. I would suggest the issue of a quarterly Mica Review for the purpose, containing proceedings of mica disputes or arbitrations as well as dealing in general with the matters of supply, demand and prices of mica from different sources of production such as U. S. A., Canada, Madagascar, Rhodesia, Brazil, Argentine, Bolivia, Russia, Ceylon, etc.

Amendment of the existing Behar and Orissa Mica Act on the basis of the exigencies of the trade and experiences obtained from its working hitherto.

Government in other countries are always alive to the conditions, currents and cross-currents of every national industry ready to stand by it whenever and in whichever effective manner the industry seeks its aid. India possesses an abundance of deposits of the best quality of mica and has before her immense prospects of development, specially as the premier supplier of mica in the world market if only the necessary safeguarding measures are properly adopted by Government according to the trade exigencies in times of accelerated demands and depression. In U. S. A. and Canada, two of the other mica producing countries, (the former consuming the entire domestic out-turn and the out-turn of the latter), there are regular permanent arrangements in the Mines and Commerce Departments to deal with the matters of Mica as I have suggested above, and books, bulletins, instructions and information circulars are published by the State from time to time exclusively on Mica. In U. S. A., an annual review of Mica is incorporated in the yearly State publication of the "Mineral Resources of the United States" which supplies the people with valuable technical informations.

The Government of India so far has not given the proper lead and guidance in this direction. As a matter of fact, the Government either neglected or had been ignorant of the technical complications and needs of the mica Industry and had taken little care to secure expert knowledge and evidence in this important national industry. At the instance of certain firms, the government have in recent years passed a Behar and Orissa Mica Act, aiming at the elimination of theft of mica, which does not deal with the more real and vital needs of the industry such as standardisation, etc., nor does it sufficiently serve as a deterrent to theft as originally contemplated. It is high time that the interested men of enlightenment in Councils, Assemblies and elsewhere studied the problem and took up the cause of the Mica Industry just to save it from ruin and utter collapse, before it is too late.

—From the *Advance*.

Sugar from Palmyrahs

Mr. V. Ramakrishna, I. C. S., Director of Industries, Madras, in his recent visit to Tinnevely, discussed with the members of the District Association the possibilities of manufacturing sugar from palmyrahs which could well be conducted as a fruitful cottage industry. According to him, if all the suitable among the nine million and odd palm-

yaahs of the district are to be tapped, the district's supply of sugar by the centrifugal process would come up to nearly half the requirements of the whole Presidency. The Director has, it is stated, promised to arrange for a demonstration of the manufacture of white sugar from palmyrah juice by the centrifugal process.

TRADE RELATIONSHIP BETWEEN INDIA AND JAPAN

By EVESDROPPER

THANKS to the adroit propaganda and a sinister conspiracy of circumstances, Japan has been made to appear as an arch-enemy of Indian industry. State subsidy, low standard of living, cheap labour, non-observance of the conventions of the International Labour Conference, depreciated currency—these are some of the reasons adduced for the tremendous competitive power of Japan. There can be no gainsaying the fact that whatever the market in which Japanese goods have entered, they have made it extremely difficult for the other brands to maintain their ground. The market for toys in India has been swamped with goods from the Far Eastern Empire; and there is hardly any rival in the field. You get a bright coloured motorcar or locomotive complete with interesting clock work for less than a rupee. These toys used to cost twice as much two or three years ago. Or take electric bulbs. Japanese bulbs can be had at a price which is an eighth of the other makes. Their cheapness is almost incredible. Fancy having a push-bike, bell and lamp and carrier included, for Rs. 15! A rubber tube for the cycle costs one anna. There is no more custom for the hospitals where punctures of tubes are repaired. When you can buy a tube for one anna, what need is there to pay two annas for mending a puncture? Some of us who are particular about using only Indian goods pay for a *ganjee* Rs. $1\frac{1}{4}$ whereas a Japanese product of identical quality could be had for five annas.

To me, the success, efficiency and competitive power of Japan in the miscellaneous trades is far more intriguing than her interest in the piecegoods trade. I am not satisfied with the explanation that it is the subsidy of the Government which enables Japanese goods to rout the rivals in the world's markets. However earnest and all-absorbing the interest of the Japanese Government may be in the national industrial development, the Government cannot have unlimited resources to subsidise each and every industry. If there is any force in this theory of subsidy, where does all the money come from? If Japan had a gold mine, and if the State proposes to use all that gold for giving an artificial impetus to industry, this proposition of subsidy may be said to be tenable. The fact is that Japan has no mine which yields unlimited quantities of the yellow metal. To say that any large monetary assistance is rendered by the Japanese Government for the exclusive privilege of the industrial classes would mean, on the one hand, that the other interests in Japan are willing to allow themselves to be exploited by the industrial magnates, and, on the other, that the resources in reserve available for the Government are unlimited.

The central fact is that Japan has, somehow or other, made a success of every branch of industrial activity she has launched upon. In striking contrast to this phenomenon, India has made a hash of almost every kind of miscellaneous industry started in the last decade and a half. I have in mind, particularly, the large number of subsidiary concerns which were started in Jamshedpur early in the last decade. Sir Lalubhai Samaldas and Mr. Walchand Hirachand were responsible for the Steel Wire Products. Kilburns sponsored Enfield Cable and Enamel Iron Ware. Some other syndicate promoted the Agricultural Implements. For these concerns, Tatas were prepared to extend facilities of various kinds and of great value. Land was given cheap; electric power at a cheap rate; supply of raw material on a preferential basis. In spite of all these factors, there is hardly any subsidiary industry in Jamshedpur which can be said to have got ahead to any marked extent. After a chequered career, Steel Wire Products went into liquidation and the factory was sold for the bare price of the materials. Enamel Iron Ware and Agricultural Implements fared no better. Enfield Cable was taken up by the British Insulated Cables; and despite considerable assistance rendered by the British Company, the Indian cable company has not been able to make any progress worth mention. Then, there were the concerns floated to make bolts and nuts and various other kind of miscellaneous requirements. I can hardly think of one venture of this kind which could be said to have attained a fair measure of prosperity.

Our record is, therefore, one of dismal failure. Japan's record is one of scintillating success—so great a success, indeed, that we have to keep bemoaning the inroads made by her exports in our markets. Is there nothing that we can learn from Japan? Can't some of our industrialists spend a considerably long time in Japan and understand the technique and organising methods which have enabled Japan to produce one hundred per cent. efficiency in the industrial sphere? Is there no possibility whereby there could be co-operation between Japanese capital and Indian capital as also between Japan's Industrial leadership and Indian Industrial leadership for the purpose of starting concerns in India in a way that, while national interests will be protected, we are also assured of the co-operation of the most alert race in the Eastern world? So many of our Bombay friends keep talking about Japan in the most bitter terms. They make all kinds of allegations and charges against Japan. How many of them have taken the trouble to undertake a journey to Japan and study the conditions on the spot with a view to ascertain

the kinds of improvement that they could adapt in the case of their own concerns? I suppose that Japan would not be averse to any plan of co-operation. I see a most fruitful future if instead of making an enemy of Japan as we are now doing, some method could be found for active and more comprehensive co-operation between the two important countries of Asia.

There can be definite stipulations laid down as regards the fundamentals of any arrangement in which this kind of co-operation is provided for. The essential principles to be insisted upon in this connection would be that in capital, directorate and the higher *personnel* of the staff the majority should be Indians. The Japanese are practical businessmen. They are interested in the development of trade. They are not likely to seek for any political advantage. Negotiations with them on strict business

lines are not only possible but desirable. When the Japanese delegates come out to India in August, I hope that some of our industrial leaders would utilise the opportunity for a discussion of questions other than cotton mill industry. In the cotton trade in Bombay, the Japanese and Indians have had ample opportunities of mixing freely and transacting business on a large scale. Never has there been a single unpleasant incident in this relationship between Indians and Japanese. The Japanese are most fair in their dealings and most honest. Failure of any Japanese firm or individual is unknown. The Japanese have a genius for fostering and developing the utmost cordiality with all business associates. This is the trait which is of happy augury in the plan which I have in mind for the inauguration of industrial enterprise in India under the joint auspices of Indians and Japanese.

From the *Indian Finance*.

Value of Railway Advertisement

In an article on the "Value of Railway Advertisement in India" which appears in a recent issue of the *Indian Textile Journal*, the author quotes some very interesting statistics regarding travellers in trains and tubes in England from Mr. Johnston's book, *In England To-day*. "A trained observer recently made extended enquiry into an allegation that Englishmen were falling from grace and becoming train babblers. The result of his observation in London trains and tubes during a whole year were given as follows:—

Those who closed their eyes and relapsed into a state resembling death—298

Those who barricaded themselves behind newspapers—473.

Those who just sat and stared into space—845

Those who read the advertisements in the carriage in a frozen silence—794.

I do not believe that he exaggerated at all. Train talkers in England are regarded as the lowest form of life there is."

It can be seen from the above that about 33 per cent of the passengers were reading the advertisements in the carriage. This, therefore, emphasises the importance of the facilities which railways have to offer in bringing before the public the various articles which the manufacturers wish to sell.

"The Indian Passenger," says the author of the article in the *Indian Textile Journal*, "as compared with his English prototype, is less inclined to barricade himself behind a newspaper, he has possibly

less to think about, and consequently is not inclined to just 'sit and stare into space.' Advertisement in carriages, therefore, is more likely to catch his eye and occupy his mind and if it is made to appeal to his sentiment, whether national or religious, it is still likely to leave an indelible impression. The third and second class carriages in Indian Railway trains are, therefore, the best shop-windows in which the seller can display his goods; and it is a moveable and continuously moving shop-window which is always revealing itself to different people and in the different parts of the country."

The author claims this type of advertisements to be the best possible, for, he says, "The effect of an advertisement is greatest when it is operating on a mind which is more or less at rest. The man going to his office in a bus, or train, or on foot is pre-occupied; he is often in a hurry; he has no time to stop or look. On the busy pavements he may be jostled if he lingers by the way. How different is the case of those who travel by train, whatever be their destination. Different too is the case of those who are waiting at stations to catch a train. Time may be hanging heavily on their hands and any distraction is sufficient to draw them and while away the idle minutes."

In conclusion, the author says, "Business to-day consists more than ever in persuading the masses. It is the insignificant buying of the individual that in the mass builds up the prosperity of the merchant. It should, therefore, be a matter of primary importance for any one who has to sell a commodity of general utility to explore the many possibilities which are offered to him through the medium of railway advertisement."

FILM INDUSTRY IN INDIA

By Mr. G. S. M.

The various obstacles in the path of progress of the Indian film Industry and some remedial measures for its healthy development have been clearly pointed out by Mr. Maneklal B. Patel in his presidential address at the first annual general meeting of the Motion Picture Society of India held at Bombay recently. The first and heaviest burden on the industry is the high import duty on raw films, machinery and other commodities. No country in the world would place such a heavy burden on its industries by levying import duties on its raw materials to the extent of 20 to 30 per cent. Under the Ottawa Agreement, the import duty on raw films was 25 per cent for Empire products and 30 per cent for products from other countries, thus giving a preference of 10 per cent to Empire goods. But due to the constant efforts of the Motion Picture Society, the Government of India reduced the duty to 15 and 25 per cent respectively (the preference to Empire goods remaining unaltered). But even this is too high, in view of the fact that the film industry in India has hardly passed the stage of infancy.

While these are the deplorable circumstances under which our industry here is languishing, it is very regrettable that the importers of foreign exposed films are allowed certain extraordinary privileges, which enable them to exploit the Indian markets to the maximum and then to escape almost the whole of the import duty because of the liberal rebate system concerning the re-export of foreign exposed films.

Without taxing our industry to the breaking point and impairing its progress, the Government would do well to alter the existing rules concerning the import of foreign exposed films which would surely bring them a great

ter income than at present, and the foreign film distributors should not grudge to pay the full import duty since for every film he is earning a profit of thousands of rupees.

For the furtherance of the film industry in India, certain improvements, as suggested by Mr. Patel, seem indispensable. In respect of any industry, the one essential thing is relevant statistics which give an idea of the progress attained, of the deficiencies to be made up, and lastly, but not the least important, of the position of the industry in comparison with the same in the other progressive countries of the world. "Statistics are to us what a mariner's compass is to the sailor on high seas," says Mr. Patel. Authentic figures regarding the film industry here are at present deplorably lacking. Besides, the imposition of the entertainment tax is another handicap to the industry. The tax may be justifiable if the Government spends part of the proceeds from this source towards the furtherance of the industry. But "as it is, this entertainment tax is, at present, appropriated for general revenue purposes." Certain urgent requirements for the promotion of the industry are a model laboratory and an up-to-date library containing various books on the technical and general aspects of the film industry. It may not be possible for individual concerns to provide these facilities unless the Government considerably assist them financially and otherwise. Also in respect of educational films which especially for a country like ours would go a long way in removing the illiteracy so awfully prevalent among the masses, it is incumbent upon the Government educational authorities to provide the necessary help for the production of such films.

LIFE INSURANCE AND PUBLIC HEALTH

Life Insurance and Co-operation are the two great heritages, which the East has acquired from the West, in the economic field. In an agricultural country like India, in ancient days, where land was the greatest asset, where barter was the medium of exchange, where the joint family system provided the necessary labour and protection, where the wants of the individual were few and where men were happy, contented and long-lived, there was no need for insurance. But things have completely altered now. The inroads of foreign civilisation, the imparting of a soul-less education, the creation of a middle class of unemployed educated young men, the multiplicity of wants bordering on luxuries, the desertion of villages and overcrowding in towns, the disruption of the homes and the separationist tendencies in the joint families, the speedy industrialisation and swift means of communication—all these and many more have made physical wrecks of the present day Indians generally, whose lives are attended with risks at every movement. Under such stress and strain and hurly-burly of existence to lay by something to be of use to them at dotage or to their dependents after death is indeed an act of prudence and the Life Insurance Companies are real boons to the people, in as much as they come to the succour in times of need. The Indian Life Insurance Companies, though only of recent growth, have one and all of them acquitted themselves creditably and their stability, financial soundness and business acumen are matters for admiration and commendation.

But huge profits and surplus balances do not constitute the be-all and end-all of existence of the Life Insurance Companies. These may be the outcome of a careful selection of policy holders by over-strict medical examination, thus minimising premature mortality and judicious investments. Business aspect apart, there is the humanitarian aspect of the problem which is now being sadly neglected by the Insurance Companies. The provi-

sion of the medical relief to their constituents, the safeguarding of their health and comforts by giving them housing facilities and by supplying them with good and unadulterated provisions at cheap rates especially nutritious food such as milk, ghee, oil, etc., the imparting of education more especially health and moral education to them and their children are duties that rightly devolve on the Insurance Companies. The Insurance Companies will be amply repaid by a corresponding prolongation of the lives of the Policy holders and larger returns. The medical examination at the time of admission, however strict it may be, will never do to ensure the health and safety of the candidates for all time to come. India is visited periodically with many diseases such as small-pox, typhoid, cholera, pneumonia, influenza and the like which carry away heavy tolls, the victims being chiefly city and town dwellers. Malaria is another scourge to which the Indians are often subjected and which considerably diminishes the earning capacity of the individuals and thereby renders them unable to meet their premium demands. Tuberculosis is another disease which is widespread in India and has to be guarded against.

The lapses of policies are heavy and deplorable and it was estimated that during 1929, the total sums assured and bonuses which lapsed in all the Companies in India were about Rs. 5,32,56,000. In 1930, they were Rs. 6,97,16,000. The world trade depression, retrenchment of salaries and the general fall in prices of commodities may also be contributory factors. But above all this, there is the essential constant factor of sickness and suffering which are responsible for the lapses. In Western Countries, the Insurance Companies have undertaken not only to cure diseases among their constituents but also to prevent them; but the companies in India, while borrowing only the business aspect, have unfortunately failed to copy this humanitarian principle.

—*The Health, June '33.*

Exhibitions

AHMEDABAD

As we go to Press, we understand that an All India Swadeshi Industrial Exhibition and Bazaar will be held in Ahmedabad under the auspices of the Gujarat Swadeshi League during the ensuing Dasara holidays from the 28th September to 21st October. This three weeks' Exhibition will be a part the League's Hundred Days' Swadeshi Programme, during which Exhibitions and Bazaars will be conducted at prominent cities and towns in Gujarat, namely, Broach, Baroda, Nadiad, etc.

KASHMIR

The Jammu and Kashmir State Exhibition was opened on Tuesday the 22nd August. The Exhibition was first visited by their Highnesses the Maharaja and Maharani of Kashmir and then by the Nawab and Begum of Bhopal. It was subsequently opened to the public.

RANGOON

It is understood that an All Burma Industrial and Agricultural Exhibition will be held during the ensuing famous annual Shwedagon Pagoda Festival from 26th October to 2nd November.

HERE AND THERE

MANTLE MANUFACTURE

A substantial contribution to India's self-sufficiency has been assured by Dr. P. Krishnamurti of the Bangalore Institute of Science, as a result of his discovery of a chemical process by which a type of gas mantle could be produced equalling the best mantle of foreign make. The mantle skeleton, it is stated, possesses high elasticity and, therefore, could be subjected to any number of shocks without disintegrating. The various properties were recently demonstrated in the presence of Sir C. V. Raman and others. The mantles were found to possess the properties displayed exclusively by the best German make costing more than double the price.

Because of the high import duties and the exorbitant cost of the foreign mantles, a large number of firms in Bombay and Calcutta are now manufacturing the same. The quality and strength of the mantle depend upon the chemical treatment to which it is subjected, and the present discovery is sure to give a great impetus to the gas mantle industry in India.

THE OGALÉ GLASS FACTORY

It is very fortunate that India has at last been able to produce her own glass tumblers. Till now the supply of drinking glasses was the sole monopoly of foreigners—of Japan in particular. But at present, the Ogale Glass Factory in India are placing on the market such tumblers in better shapes and at cheaper prices than the foreign ones. "Only six months ago," says a correspondent, "the Japanese monopoly was complete. Then the Ogale Glass Factory decided to make an experiment and the first results, though not quite up to the mark, were encouraging. The Factory persisted and after fresh endeavours they have now been able to place on the market glasses which are distinctly superior in finish and shape at far lower prices. With this achievement, the success of the Indian Glass Industry is complete except in two departments, namely, some types of bangles and electric bulbs. In both these spheres, endeavours to compete with foreign articles are being made in many places; if they succeed, there will be a virtual stoppage in the importation of glass-ware."

INDUSTRIAL PROGRESS IN BARODA

Baroda is now giving particular attention to the promotion of chemical industries. Besides the Kala Bhuvan Technical Institute (started some 50 years back), a new Science Institute with special workshops and laboratories, is also going to be established there, in which students will be given training in industrial chemistry especially in the different kinds of chemical manufactures. The students will be allowed to make use of the laboratories of the Alembic Chemical Works of Baroda.

BOMBAY FISHING INDUSTRY

The number of people employed in the fishing industry in Bombay totals nearly three-quarters of the fishing population in Great Britain; yet she produces only less than 5 per cent of the quantity of fish produced in Britain. This has been attributed to the fact that in Bombay the industry is conducted on a purely individualistic basis and that it makes no use of mechanical motive power with the result that the catch is very meagre and it never reaches the shore in good condition.

As a result of the various visits paid to the fishing grounds by His Excellency the Governor of Bombay, a new scheme for the increase of production and the improvement of distribution has now engaged the serious attention of the Industries Department. The need of the moment, it is stated, is to organise a system of tenders under motor power which would bring the fish to market in good condition and enable the fishing boats to remain at sea continuously for much longer periods. The development of production should go side by side with the improvement of transport and railway cold storage facilities between Bombay and the inland distributing centres, and for this purpose it is proposed to hold a meeting representing the various interests concerned.

NEW METHOD OF PRODUCING STARCH

Starch which is used in large quantities in textile mills, confectionery factories and for other industries is at present wholly imported. The Department of Industries, Bombay, has recently found a new method of producing starch from Jowar. In a bulletin on the subject published by the Department, the method of manufacture and the properties of the starch obtained from Jowar and of the valuable by-products of the manufacture are clearly described. Commercial starch is manufactured from potatoes, tapioca, arrowroot, wheat, rice, maize, etc. About 20 lakhs of tons of jowar are grown every year in the Bombay Presidency as against about $\frac{1}{4}$ a lakh of maize. The application of the new process is sure to prove of great economic advantage, since it aims at the replacement of a portion at least of the enormous quantity of starch now imported from abroad by starch manufactured from our own produce.

UNEMPLOYMENT INSURANCE

A report by the International Labour Office at Geneva states that the number of workers at present insured against unemployment in various countries is 42,000,000. Agricultural workers also should be covered by unemployment insurance schemes, states the Report, as in many countries agricultural unemployment threatens to become a social evil as great as that which has overtaken manufacturing industry.

PAPER MANUFACTURE IN TINNEVELLY

The Director of Industries, Madras, in his reply to the representation of the Secretaries of the Swadeshi and Agricultural Exhibition, Tinnevely, for the investigation of the project of starting a Paper Factory at Papanasam, states that the Government at present do not propose to undertake such an investigation. The Forest Department, however, has conducted a preliminary survey of the "Eta" resources of the area as regards the possibilities of the paper manufacture and carried out experiments with 11 tons of 'Eta' in order to determine the yield and quality of the pulp and paper. But, the results of the survey and experiments, it is stated, are not considered to be sufficiently attractive.

SILK SPINNING WHEEL

Under the direction of Mr. V. Ramakrishna, I.C.S. Director of Industries, an improved domestic eri silk spinning wheel has been constructed at the Government Textile Institute, Washermanpet, Madras. "Immense quantities of castor leaves go into waste at present," says the *Industry* (April 1933) "and the scheme evolved by the Director of Industries for the introduction of ericulture in the Presidency is calculated to benefit considerably the masses of poor women and children in the villages, who take to it as a part time or full time operation. In Assam where the eri silk industry is carried on in an extensive scale, the Charka used is in adaptation of the European wool spinning wheel used in cottages." Various improvements and advantages are attributed to this newly invented type, and it is stated that yarns of 40 counts can be produced with ease on this machine.

WORLD PRODUCTION OF SOAP IN 1932

The world production of Soap in 1932 is estimated at 4.7 million tons of which 2.5 million tons were produced in Europe, 1.8 million tons in America and 30,000 tons in Asia and Africa. It is stated that the greatest amount of soap consumed is in U. S. A., where the consumption is 11.5 kg. per head per annum.

FLEXIBLE RUBBER GLASS

According to the *Industry* (April, 1933), it is understood that one German factory is producing flexible glass which bends like rubber under pressure, which can, therefore, be safely used for automobiles and other applications where there is danger of injury from shattering or splintering. It is stated that after tests, a piece of the glass four feet long and one foot wide was found to be strong enough to support three persons without breaking although a sag in the middle was noticed just as in the case of a sheet of flexible metal.

BETEL-NUT INDUSTRY

The annual loss on account of the koleroga disease of betel-nuts is estimated at Rs. 15 lakhs. The betel-nut industry is an important one of the Kanara district, and the Bombay Government's application for a grant of Rs. 29,000 for a scheme for combating this disease has been discussed at a meeting of the Advisory Board of the Imperial Council of Agricultural Research held in Simla on August 8th. In the course of discussion, it has been pointed out that India is at present importing Rs. 80 lakhs worth of betel-nuts. In view of this fact and also of the great economic advantages to the agriculturists of the Kanara District and elsewhere, it is hoped that measures will be taken to wipe out this dangerous disease of betel-nuts.

AGRICULTURAL COLONISATION SCHEME

It is understood that an agricultural colony will shortly be opened in Kulitalai taluk in the Trichinopoly district by Messrs. Vas and Sinha, planters and mine-owners of Vellore. An extensive tract of cultivable land of about 2,000 acres will be utilised for this purpose. The land will be divided into small farms of 20 acres each which will be distributed among 100 men drawn from the unemployed middle class in South India, selection being made without distinction either of caste, creed or nationality. It is also proposed to establish a school of cottage industries, a bank, a provision store and a national emporium containing only Indian goods, for the benefit of the colonists. Besides, a spinning and weaving establishment will also be opened.

JAPAN'S EXPORTS TO INDIA

The following figures give Japanese exports to British India during 1928-29, which have increased with a rapidly depreciating Yen since 1929 to the level of 'dumping.'

	1928	1929
	(in 1,000 yens)	
Beer	566	712
Wood	3073	2330
Cotton & Yarn	9181	13448
Matches	91	113
Silk Tissues	17074	24717
Cotton Tissues	70185	109139
Silk Kerchiefs	889	627
Buttons	611	546
Paper	884	882
Potteries	2559	2456
Iron	2498	2304
Lamps	517	560
Toys	1277	1413
Machinery	485	382
Glassware	3834	4086

SYNTHETIC CAMPHOR

"Camphor, to most people, means moth-balls," says the *Scientific American* of July 1933. "But two-thirds of the camphor produced is consumed by makers of plastics, such as celluloid." Camphor is obtained from China, the East Indies, Formosa, and other eastern lands where camphor forests are abundant. The wood of the tree is subjected to steam distillation, when the camphor is volatilised and condensed. But now, as a result of a great deal of research, a new process for the synthetic manufacture of camphor from turpentine has been found out, and it is stated that synthetic camphor is being so manufactured in New Jersey in the United States of America.

BRUSH MANUFACTURING IN INDIA

"It is little realised what fine prospects are afforded by brush manufacturing in India," says the *Young Messenger of India* in its Swadeshi Annual for the year 1932-33. "Of toilet brushes alone, not to speak of others, we are importing to the tune of 5 lakhs of rupees annually and those of other varieties will increase the total imports to about 20 lakhs of rupees. There is neither the lack of raw materials nor manufacturing skill in India.

"A fine example of our swadeshi brush industry is the Aryan Brush Co., of Dadar, Bombay, established as far back as 1910. This enterprising company manufactures all the known varieties of modern brushes for the home and factory as well as for commercial purposes."

"SWADESHI IMPLIES EMPLOYMENT TO MILLIONS"

On a very conservative basis, the total imports into India of various commodities and goods, that are capable of easy production or manufacture in the country itself or are being actually produced aggregate a value of more than 150 crores of rupees every year. Of these, 60 crores are absorbed by textiles alone, about 12 by sugar, about 25 crores by non-essential articles such as soaps, provisions, fruits and vegetables, stationery, toilet preparations and perfumery, liquors, cigarettes, boots and shoes and leather goods, spices, fish, bangles, toys, etc., camphor, candles and similar items, and the balance of this vast sum is made up of iron and steel implements and articles, salt, matches, furniture, paper, and other allied goods. If these 150 and odd crores are utilised in India, it would afford directly and indirectly means of employment to at least 3 more millions of people and to several millions more of their dependents. A great stimulus to services in the shape of swadeshi shipping, insurance and banking would also go a long way in realising many more crores of rupees for the essentials of a healthy and progressive national life and more of employment.

—The *Young Messenger of India Swadeshi Annual* 1932-33.

NEW USES FOR PURER IRON

Impure iron is the foundation of modern industrial civilization. From prehistoric days, when iron was used as a superior material for swords, knives and spear points, until modern days when iron and its alloys are the most important materials of factory and farm, pure iron has been commercially unknown. This impurity of iron imparts characteristics, such as great strength, upon which most machines and structures must depend.

Now, however, growth in the application of electricity has brought new needs. High permeability is the one requirement for magnetic applications. For electronic apparatus such as radio tubes, a metal should have qualities including freedom from dissolved or occluded gases, high heat resistance, high heat conductivity and freedom from oxidation. The purer iron has these qualities. One other property growing out of its extreme purity and high heat conductivity, is the ease with which the metal can be welded, either to itself or to other metals. The new iron is already being used in radio tubes, mercury and other vapour tubes, and as filament supports in tungsten illuminating lamps. Experimental uses, not yet in commercial stage, include wire for coils, interior parts of photo-electric cells, for instruments such as telephones, loud speakers, alarm signals, electric clocks, X-Ray apparatus, etc. In addition to these electrical applications, non-electrical uses for the metal are being developed.

—*Scientific American*, July, '33.

JAPAN'S INDUSTRIAL EFFICIENCY

A comparison between India and Japan regarding the wages and efficiency of the workers in the textile mills is worth studying. "In the spinning section of the average Japanese mill," says the *Mysore Economic Journal*, "the number of operatives employed for a given count is less than half the number employed in a Bombay mill. In the weaving section Japanese mills employ about a third of the number of operatives required by the Bombay mills for each 100 ordinary looms. Where automatic looms are employed, the proportion falls to about one-fifth. According to the latest issue of the 'Finance and Economic Annual of Japan,' an official publication, the wages of a cotton spinner in Japan work out at to-day's rate of exchange at about 12 as. a day, whereas the wages of a spinner in Bombay work out at Rs. 1—2—0 a day. Similarly, the wages of a weaver in Japan are 10 as. a day as against Rs. 1—14—0 in Bombay."

SAFETY RAZORS

According to the latest issue of the *Industry*, it is understood that safety razor is now being manufactured for the first time in India by a firm under the name "The Swadeshi Chemical Works," Aligarh, U. P.

BUY INDIAN

INDIA'S CONTRIBUTION

The report of the Imperial Committee on Economic Consultation and Co-operation, appointed as a result of the Ottawa Conference resolutions, has just been published. The report is signed by 15 delegates representing the various parts of the Empire, including Sir Atul Chatterjee and Padamjee Ginwala.

The principal recommendations of the Committee are under the following heads, namely:—(a) scientific information of services and research activities, (b) economic intelligence and enquiry, and (c) the organisation of agencies for inter-imperial consultation and Co-operation. It is also recommended that the cost of the Committee should be met by a fund for which the following scale of contribution has been agreed upon:—

United Kingdom and the Colonial Empire }	8,400
Canada	3,840
Australia	3,360
India	2,880
South Africa	1,920
New Zealand	1,920
Irish Free State	960
South Rhodesia	480
New Foundland	240

It has also been recommended by the Committee that the several Governments should agree to contribute for 3 years from 1st October, 1933.

INDIA'S TRADE WITH FRANCE

France is still a very large buyer of Indian commodities, says, Lt. Col. Bonnaud, Trade Commissioner for France in India. Her purchases in India in the fiscal year 1932-33 amounted to Rs. 7,34,98,406, while her sales in India during the same period stood at Rs. 2,03,49,366.

MANURE SCHEME IN TRAVANCORE

The Government of Travancore have sanctioned a scheme by which the city refuse now thrown as waste could be converted into a valuable organic manure worth about 4 lakhs of rupees annually to the State. This manure is understood to be about three times as rich as cattle manure.

PRODUCTION IN INDIAN MILLS

In the twelve months, April 1932 to March 1933, the quantity of yarn produced was 1,016 million lbs. and woven goods 695 million lbs.

The exports of Indian yarn by sea from British India to foreign countries during the twelve months, from April 1932 to March 1933 were 15 million lbs. as compared with 22 million lbs. and 23 million lbs. in 1931-32 and 1930-31 respectively.

Industries in the Bombay Presidency.

The following extracts are taken from "Bombay—1931-32," which is a review of the administration of the Presidency during that year:—

Cotton Industry in this Presidency has been, in recent years, passing through trying times. This specially applies to the mills in the Island of Bombay. So far as the year under review is concerned, out of 41 Bombay mills, no less than 27 showed a loss in working, the total loss being some 42 lakhs. In Sholapur 4 mills showed a profit of 6.55 lakhs. During the year 1930, the Ahmedabad mills did not fare well. Sixty-one mills with a block capital of Rs. 15.35 crores made a profit of Rs. 48.38 lakhs. Some of the mills also showed a loss of Rs. 20.45 lakhs during this period. If this loss is deducted from the net profits of the other mills, then the net profits would be reduced to Rs. 28 lakhs.

CHEMICAL INDUSTRY

The chemical industry except the heavy chemical industry in the Presidency, on the whole, did fairly well during the year. The soap factories worked at their full capacity and some new soap works were started during the year. The pharmaceutical manufactures also did fairly well. The makers of toilet goods like cold creams, snows, hair oils, perfumes, etc., are reported to have done well, and several new products like tooth paste, shaving cream, shampoos, etc., which were formerly not produced in this

Presidency are now being manufactured satisfactorily.

GOLD THREAD INDUSTRY

To assist cottage manufactures of gold thread in the technique of manufacture, an improved type of machine was designed and constructed by the Department of Industries, Bombay, for gilding, winding and drying the gold thread and was demonstrated at Government expense to the gold thread manufacturers of the Bombay Presidency at Surat and Poona. The machine has enabled the manufacturer to improve the quality of his gold thread by increasing the lustre and softness of the thread, keeping a uniform shade and economising in the working and manufacturing costs of gold gilding.

Efforts were also made by the Department for the improvement of the Glass Bangle Industry and of the indigenous Natural Soda for the preparation of Tallow Substitute and for the manufacture of Essential Oils.

COTTAGE INDUSTRIES

Hand weaving is the most important single cottage industry of this Presidency, there being about 100,000 handlooms at work with production valued at about Rs. 4.5 crores per annum. The Department, therefore, continued to concentrate its attention chiefly on this industry. Improved appliances and methods in hand-weaving, dyeing and calico printing were popularised.

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Santhanathi Thailam	2 oz.	As. 4	Scented Chunambu bottle		As. 4
Syrups	2 oz.	As. 2	Tooth Powder (Tin)		As. 2

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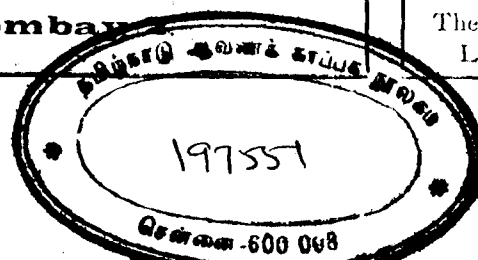
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