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COCHIN.	MADRAS PRESIDENCY.
2 ollaks = 1 nri.	41½ fluid ounces = 1 Madras seer.
2 nris = 1 Nali.	62½ " " = 1 Madras
3 Nalis = 1 padi.	Measure.
4 Nalis = 1 Edangali	8 Madras
(standard).	measures = 1 Malabar Para.
10 Edangalis = 1 Para.	
Note — 1 Edangali contains two rathals of raw rice.	

(Liquid Measure.)

4 thavis	= 1 Nali.
4 Nalis	= 1 Edangali (standard)
10 edangalis	= 1 para.
12 edangalis	= 1 chotana.
25 chotanas	= 1 candy.

Note.—1 edangali contains 44 ounces of water.

II. Table of Weights.—(used in weighing all articles other than gold, silver, precious stones and medicines.)

6½ rupees weight	= 1 palam.
6½ palams or 42½ Rs. weights	= 1 rathal (standard.)
20 rathals	= 1 thulam.
25 rathals	= 1 maund.
2 mannds	= 1 candy.

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Chapter I.

INTRODUCTORY.

Area and population.

Cochin State has an area of 1,361½ square miles and a population of 918,110.

Divided according to Religion, the population stands:—

Hindus	...	...	615,708
Christians	...	...	233,092
Muhammedans	...	...	63,822
Other castes	...	...	4,313
Jews	...	...	1,175

Occupation.

Of the various branches of occupations:—

Agriculture contains	...	...	51 per cent.
Industries connected with cocoanuts support.	...	...	50,000
Fishing	...	...	30,000
Forest Produce	...	...	27,000
Weaving	...	...	6,626
(caste-weavers = 4,000).			
Professional	...	...	3 per cent.

Agriculture is the predominant occupation of the people of Cochin as in the rest of India, but as the following comparative table shows, it supports a less proportion of the population than elsewhere:—

		Agriculture.	Industry and commerce.	Professional.
Cochin	...	50.4	34.6	3.3
Travancore...	...	47.2	28.5	2.5
Malabar	...	60.7	30.1	3.0
Madras Presidency	...	70.0	21.3	3.2
...	...	65.2	16.9	1.7

“The small amount of industrial population in Cochin,” says Mr. C. Achuta Menon in his State Manual, “is due not to the infertility of the soil or its unsuitability to agriculture, but to certain natural advantages by the State... These natural advantages are the extent of back-waters and canals and of valuable

forest tracts (which latter cover 605 square miles or 43 per cent. of total area of the State) and the facilities for the cultivation of cocoanut palm."

But the term agriculture itself requires some definition. "Agriculture in its widest sense includes everything that is connected with the obtaining of produce from the land, whether it be in the form of crops, or of animal feeding on grasses and crops grown on the land. According to this definition, arable farming, cattle and poultry breeding, apiculture, sericulture, and several other allied industries come under agriculture. The people of the West coast do not take such a comprehensive view of this time-honoured profession. To them agriculture means hardly anything more than the mere cultivation of crops and the maintenance of such cattle as are indispensable for cultivation. The other branches of agriculture which have assumed a pre-eminence and importance equal to that of cultivation in more advanced countries are lost sight of and neglected in this country. Here every farmer seems to be under the impression that his business is only to raise some crops from his land and consume them himself or dispose them of for the consumption of other people. He does not for a moment think of the immense possibilities he has in store for making money by taking to cattle-breeding, poultry farming, bee-keeping, silk-worm rearing, and other industries allied to agriculture." (From Mr. Kunjan Pillai's address on Agricultural Improvement delivered at the Cochin Industrial Exhibition of 1912).

Men and women in different industries.

It is interesting to note the proportion of the sexes engaged in the different industries:—

		Males.	Females.
Field labourers	...	46,624	47,674
Fibre-making	...	7,821	17,417
Baskets, etc. making	...	3,301	5,571
Rice pounding	...	688	9,102
Washing and cleaning	...	1,885	3,647
Sweeping and scavenging	...	115	

"In a few groups of occupations the work is and the remuneration not adequate for male workers given above, female workers greatly preponderate. Thirds of the female workers are engaged in these, and liquor, domestic service and cotton weaving. Cent. of them, though males preponderate in these

cent. of them have interest in land as owners or tenants, and about one half per cent. are bankers and money lenders. They carry on these two occupations mainly through agents or servants. Only 15 per cent. of the females are engaged in all the other occupations put together. There are several occupations from which women are practically shut out, such, for instance, as forestry, work in wood, metals and precious stones, toddy-drawing, masonry, boating and fishing, cart-driving, railway and postal service, army, police, and public administration, law and letters, arts and sciences except music." (Cochin Census Reports, 1911).

Another important fact to remember is the influence of the caste system upon the division of labour. To quote from the Census Reports again, "The lines of caste and occupation do not now enclose identical spaces as they once did, and though the association between them is still kept up to a considerable extent, the altered conditions of modern times are sweeping away many old hindrances to a free choice of occupation. Toddy-drawing and selling is the hereditary occupation of Iluvans, but there are ten Iluvan workers for every one toddy-drawer required for the State. The remaining nine-tenths of the Iluvans must live, and they therefore take to other occupations such as cultivation, fibre-making, trade, general labour, etc. The Brahmins are still priests and clerks, but some of them are cultivating tenants, police constables, and domestic servants, while educated Nayers compete with them in every literate employment; but no one in these days scoffs at the former or resents the latter. The inner barriers however have not yet been broken through by the new waves of innovation, and in the case of these castes, the majority are still engaged in their hereditary occupations. In the case of several other castes, though the majority are not engaged in their hereditary occupations, the majority engaged in those occupations belong to the respective castes. Only a tenth of the Iluvans are toddy-drawers, but the great majority of toddy-drawers are still Iluvans. Similarly though only a small proportion of Brahmins are priests, almost all the Hindu priests are Brahmins."

With regard to the distribution of population between towns and villages 12 per cent. of the people of the State live in towns according to the Census of 1911, as against 10.7 per cent. in 1901, the percentages for Travancore, Malabar, and the Madras Presidency as a whole being 6.2, 8 and 11 respectively. Only three of the

towns are completely urban in their character and contain over 20,000 inhabitants each, while the remaining six are partly urban and partly rural in their appearance and contain between them only 38 per cent. of the urban population. All these towns are of comparatively recent growth, as the Malayalis have from time immemorial been averse to living in closely built villages. The extension of industrial and other business concerns however has in recent years drawn the people to certain convenient centres and made them congregate there. This tendency is becoming more and more marked now-a-days, the urban population having increased by nearly 26 per cent., although the population of the State as a whole has increased only by 13 per cent. (Census Reports.)

The early village organization of Cochin, and of Malabar generally affords interesting materials for a study of the indigenous methods of administration; but it is no more applicable to the present condition of things. The so-called villages as entered in the Revenue records are now merely arbitrary areas, each covering an average area of three square miles, so divided to suit the exigencies of revenue administration. "The State was thus divided into 273 villages, but as the revenue demands of most of the villages was found too small to afford sufficient work to a separate village staff, they were clubbed into 165 villages for revenue purposes. A Parvathikaran is in charge of each village, with an accountant and two peons to assist him in revenue collections" (Cochin State Manual). The State is divided into six Taluks each Taluk having a number of "villages" under it.

Each "village" contains a number of houses in blocks; these blocks being interspersed in paddy fields or *parambas*. The temple and the tank are special features, often two or more blocks sharing in the same temple and the same tank. People of the same caste tend to preponderate in particular blocks. Hindu houses are as a rule built not in rows but as units, each house being surrounded by a compound and hedged round with a fence. The Moplahs (as Malabar Mohamedans are called) and Syrian Christians however live in houses built in two rows facing opposite each other. It is interesting to note that the Tamil Brahmins who have migrated to the Coast while still keeping to the habit of building closely packed houses in rows very near the Ghats, the first place of their settlement, those who moved to the interior build single houses as the rest of the Malayalis do.

These areas are more or less self-sufficing economic units, but the present improved methods of transport and communication tend to break down the barrier of self-sufficiency. "It has its own set of hereditary officers and menials, such as the priest, barber, blacksmith, and even its favourite beggar." (Sirkar, Economics of British India, p. 45). These are often paid for by an allowance of grain at the time of the harvest. But the intervention of a Government with its hierarchy of officials—revenue, judicial and executive—is not particularly conducive to the development of communal life in these villages. For every silly matter the people now look up to the official world and for every petty differences they rush into the Courts. The danger of this state of affairs was recognized by the Government of His Highness the Raja and it was proposed in 1913 "to revive the old village Panchayat system which will give facilities to the people to settle several matters of each village easily and quickly amongst themselves and give them some training in the art of self-Government." (From the proclamation of His Highness in introducing the Panchayat Regulation of 1913). Panchayats having certain administrative functions were accordingly introduced in certain select areas, but they have not become by any means universal in the State.

One of the chief economic effects of the village system is the preponderance of agriculture as an occupation of the people. The principal problems concerning the "economics" of an agricultural community are those dealing with the different forms of Land Tenure; the number, habits and aspirations of the agricultural classes and their relation towards one another; the incidents of Rent, the manner in which they arise and are distributed among those classes who have a stake in the land; the principles and method of revenue administration by the Government which is solely or principally dependent on Land; the method and means of cultivation employed by the actual cultivators of the soil, the capital that they employ in raising the various crops, the amount and value of the produce which they raise, their capacities and possibilities; the principles on which wages are distributed to the different artisan classes of the population who subsist by 'ministering' to the needs of the cultivators of the soil. Indirectly we have also to consider the extent of such subsidiary industries for which will be exchanged the income from agricultural produce, as food alone is not sufficient for an agricultural population; and incidentally to note the facilities for credit and saving and

the method of trade—organization and such other facts of industrial environment as are intimately related to the problems of Distribution and Exchange among an agricultural community.

Chapter II.

AGRICULTURE.

Section I—Land Tenures.

The land tenures of the State, in common with the rest of Malabar, are somewhat complicated but capable of clear definition and close analysis. The historical evolution of the conception of these tenures is extremely interesting and instructive, but for our purpose we need concern ourselves only with the present conception of such tenures in so far as they affect the methods of production employed by the immediate cultivators of the soil and the distribution of the income derived from that produce among the different claimants who have their interest in the land. Speaking generally the three claimants in the soil now are (1) the Sirkar; (2) the landlord; and (3) the *raiyyat*. But the theory that the State is the supreme landlord has no place, for the actual distribution of tenures, as is described below, only confers on the Sirkar the right of collecting revenue according to a fixed proportion from the *ryot's* lands in which the relation between the Sirkar and the *ryot* is direct and from the *Janmis* in which an intermediary comes in between the Sirkar and the *ryot*. Till 1762 the Rajah did not even claim any revenue from the lands of *Janmis*, the produce in such lands being shared exclusively between the *Janmi* and the tenant in certain fixed proportions. It was in that year (1762) that the exigencies of administration compelled the Sirkar to levy revenue (*rajahogam*) from *puravaka* or *janmi* lands and ever since that time this *rajahogam* together with the *janmibhogam* of the lands which belonged to the Sirkar in *janmam*, constitute the land-revenue of the state. It appears that in days gone by the Rajah in common with the other landlords of the state had lands of his own which he had let to the *ryots* on different tenures just as the other landlords in the State had done. Such lands had fallen into the hands of the Rajah either through eviction or escheat. He was a hereditary chief who was expected to subsist on the income derived from his land and together with certain other incidents of taxation to carry on such administrative work

as entailed upon him. But the modern conception of State-sovereignty which emerged as a result of the infiltration of British ideas, the Rajah's lands were considered to be the land of the State *par excellence*, while the land of the *janmi* perhaps sank to a subordinate place. The Raja made over his claims upon land-revenue in consideration for a Civil List which is now annually paid to him. The exact relations of all these towards one another will be made plain by a consideration of the tenures upon which the *raiyyats* occupy their lands.

All the land in the State can in the first instance be divided into :— (1) Sirkar, and (2) *Puravaka* (literally that which is outside). In the Sirkar lands (or *Pandaravaka*, as they are locally called), the Government comes in direct contact with the *ryot*, while in *Puravaka* lands, a third party called the *janmi* is recognized as holding proprietorship and therefore entitled to share the produce with the cultivator and the Sirkar. 60 per cent. of the land in the State are in the hands of *Puravaka*

Sirkar or Pandaravaka tenures.

land, while only 40 per cent. remain in the hands of the Sirkar. Again, the Sirkar lands are let under different tenures which though they had been very much complicated and uncertain were arranged and classified in the following order by the recent Revenue Settlement of the State made in 1905.

Pandaravaka Verumpattam.

(1) *Pandaravaka Verumpattam* or Non-favourable lease.

The *Verumpattam* or simple lease is in theory thus defined: "In accordance with that tenure after deducting the bare cost of seed and cultivation, the whole of the estimated net produce is payable to the landlord—There are other *Verumpattam* leases in which the old custom of reserving $\frac{1}{3}$ of the net produce, after deducting the cost of seed and cultivation, for the tenant is retained and the remaining $\frac{2}{3}$ are payable to the landlord." (Lewis Moore, in his *Malabar Law and Custom*). The State, however, as we shall see, takes only one-half the net produce.

It is the *Pandaravaka Verumpattam* lands which pay the full *pattam* share due to the State. It was accordingly decided by His Highness' Government in 1905 that *Pandaravaka Verumpattam* tenure shall be as the normal tenure for settling the full State demand and that other tenures shall be treated as favourable tenures. It was also that the *Pandaravaka Verumpattamdars* shall acquire full rights in the soil of the lands they hold and that their rights shall

remain undisturbed so long as they regularly pay the State-Revenue provided that the rights to metals are reserved to the State.' (Raja's Proclamation, 1905.) Thus fixity of tenure which was thought to be essential for good cultivation was deliberately conferred on the ryots in Pandaravaka lands by the State, as such fixity did not legally prevail before.

Pandaravaka Kanam.

(2) Pandaravaka Kanam or Favourable lease.

'A Kanam may be defined "as a usufructory mortgage of immovable property for the term of 12 years (unless some other term is specified) by the conditions of which a definite share of the estimated produce is reserved for the mortgagee as interest on the money advanced and for payment of the Government revenue and the balance is payable in the shape of rent to the mortgagor." "In accordance with that tenure a sum of money or paddy is deposited with the landlord, on which the tenant is entitled to interest which varies from 3 per cent. to 5 per cent. The rent, Kanampattam, payable to the landlord will not be more than one-half of the net produce after deducting the cost of seed and cultivation. The tenant is entitled to be left in possession undisturbed for 12 years and to be reimbursed for all unexhausted improvements when evicted—His Kanam is usually renewed at the end of 12 years, when the Kanamdar must pay a fine or premium which, according to ancient usage, ought not to exceed 20 per cent. to 25 per cent. of the Kanam or one year's rental at the option of the landlord, but which in the present day is usually fixed according to the landlord's caprice. After renewal, the tenant is entitled to hold the land for another term of 12 years.' (Lewis Moore, *Malabar Law and Custom*).

But this distinction has ceased to be of any importance in Pandaravaka Kanam lands, for by the Proclamation of 1905. His Highness laid down that fresh renewal once in every 12 years was not necessary in the future. The following is the description of this tenure as given in the Cochin Land Revenue Manual. "In Pandaravaka Kanam the land is held on a lease in consideration of a sum of money supposed to have been advanced to the State and consequently a certain amount is deducted from the State demand on account of interest in the amount advanced. Before the new settlement was made in 1905, it was custom to renew the lease every 12 years; on the renewal of which Kanamdar was to pay over 20 per cent. of the Kanam amount plus half of the full pattam (Rent) for one year and a fee of 5 per cent.

the Kanam amount or Rs. 3—2 as. (whichever is greater) for issuing a fresh renewal. But this practice is now done away with and the tenure is for all practical purposes the same as Pandaravaka Verumpattam tenure only with this difference that from the assessment due thereon a certain deduction is made on account of the interest due to the ryot on some sum of money supposed to have been advanced to the State, i.e. one-third is deducted from the Verumpattam rates."

(3) There is a third form of tenure called Inam. "Inam or gifts are personal grant or grants made in some cases for the performance of certain specific services in religious institutions etc., and in others for services rendered on some previous occasion or for some other similar reasons either absolutely or on certain specific conditions." (Moore) The deductions range from free assessment to one-third of the Pandaravaka Verumpattam assessment in the case of Pand. Inam lands.

These three forms of tenure alone—Verumpattam, Kanam and Inam—are, after 1905, recognized with respect to the State-lands. But the Puravaka or janmi lands still maintain the traditions of an age when land was burdened with seriously complicated forms of tenure and when there was no legal fixity of tenure for the occupier or the actual cultivator of the soil. Therefore it is necessary to note the various forms of tenure which now obtain in Puravaka lands, for these are not merely of antiquarian interest but of living importance in calculating the landlord's share in the produce of the soil.

In the first place the Verumpattam and Kanam forms of tenure as described above exist in Puravaka lands also, but with this difference that whereas fixity of tenure has been established in the Sirkar lands, no such fixity obtains in Puravaka lands. In the case of Puravaka

Verumpattam leases it is not at all uncommon that the tenant is called upon to pay to the landlord the whole of the estimated net produce after deducting the bare cost of seed and cultivation and consequently is merely a labourer on subsistence wages, though it suits his landlord to bind him by a contract. "It not unfrequently happens that the rent which the tenant covenants to pay is more than the land could yield, and in this case a burden of debt accumulates round him, and his position is little better than that of a slave. If he incurs his landlord's displeasure, a

decree for eviction and arrears of rent follows, and his means of livelihood are gone for ever." (Moore).

In the case of kanam tenures the Puravaka Janmies make the tenant renew his kanam once in every 12 years with all the incidental expenses and worry thereon. In some cases, however, the land is held under a *kuli-kanam* or reclaiming lease when no advance is made to the landlord and the tenant has right to quiet enjoyment for 12 years, and to compensation for improvements. "It is usual in some cases for the tenant to advance a further sum of money (Puramkadam) to his landlord, but he is entitled to deduct from the rent the interest on money so advanced. Should the tenant refuse to oblige the landlord, the latter sometimes executes what is called a *Melkanam* in favour of another; and this melkanam-holder will be entitled to redeem the kanam-holder at the expiry of his term." (Moore).

(Melkanam). Sometimes a landlord executes a *panayam* or simple mortgage with or without possession in favour of the tenant. "The terms of a panayam may be similar to those of a kanam, but there are no implied covenants for quiet enjoyment for 12 years nor for compensation for improvements."

(Panayam).

"Another form of transfer is the *otti* which is a usufructory mortgage, the interest on which almost, if not quite, extinguishes the usufruct; the mortgagee has more over all the rights of a kanam tenant, and in addition to this right of pre-emption if the landlord wishes to part with his freehold." "In some cases however the land is mortgaged for its full market value at the time of redemption. The tenant has the benefit of any rise in the value of land. This is known as *Peruvartham*."

Otti.

Sometimes the transfer is made by the execution of what is known as *Attiper-deed*, by which the owner parts with everything except a nominal interest in the land.

Attiper.

In addition to these modes of transfer the landlord sometimes makes grants of land (*Inam*) as rewards for services rendered or more commonly out of religious motives in perpetual leases.

Inam.

Over and above this distinction between Sirkar and Puravaka lands, it is important to note that the State-Government as well as the Puravaka Janmies are *uralans* or custodians or trustees of vast expanses of *Devaswom* or temple lands. The legal liabilities of these managers which are useful in determining their relation to the temple-land under their charge and to the cultivators of the same are as follows:—

(1) The general superintendence of all endowments is vested in the sovereign and is termed *Melkoyma*.

(Moore) Malabar Law and Custom).

(2) The *Devaswom* is a corporation sole and acts through its *uralans* or managers.

(3) The *uralans* have no right to alienate trust-property, but they may create subordinate tenures in accordance with local usage.

(4) The *uralans* have no authority to transfer their office and its duties together with the trust-property to a stranger.

It is not necessary to trace the historical evolution of such trust-properties except to note that the lands which are held by the trustees in the name of a temple may have come into their possession in one of two ways; either some pious person might have entrusted the business of looking after the land which he had alienated to a temple to a manager or managers; or the ancestors of the present manager or managers themselves might have made over a part of their own property to the temple and their descendants are still managing it in the name of that temple: for it is customary when a new temple is founded in the vicinity of a big landlord's place perhaps by himself, to endow it with a part of his own property for the maintenance of '*puja*' or worship in that temple. Whatever may have been the origin of such lands, suffice it to say that vast areas of land are to-day held in custody by managers of big temples. There is a department in the state called the *Devaswom* Department which deals with such *devaswom* lands as are left to the sirkar as trustees or managers.

These lands again are let out under different tenures—*Verumpatam*, *Kanam*, etc., by the *uralans* or managers to the cultivators of the soil. In common with the *Pandaravaka* or Sirkar lands, the tenures of such *devaswom* land as are under the custody of the sirkar were simplified to the three sorts conferring at the same time fixity of tenure upon the cultivators subject only to the assessment of revenue. Such *Deva-*

sworn lands as are managed by the *Puravaka uralans* still retain their ancient complications and uncertainty of tenure.

Though the complicated tenures of *Puravaka* lands leave in the hands of the *janmi* extreme elasticity for oppressing the tenants, it is to be noted that on the whole he has treated them with moderation, for the influence of custom as well as his self-interest dictate a policy of moderation towards the cultivators; it is plain that his prestige and authority depend a great deal on the prosperity and willingness of work on the part of his cultivators. But the recent economic outlook which has to an appreciable extent broken down the barriers of custom and sentiment between the landlord and his tenants presented a serious problem for the State Government and after some consideration it resolved to interfere in the matter by conferring some sort of fixity of tenure on the cultivators of *Puravaka* lands; for such fixity was deemed essential for the protection and welfare of those tenants. The *Sirkar* itself had set the example in 1905, and it now resolved to extend the measure, as far as is practicable, to the *Puravaka* land too. Accordingly

Cochin Tenancy Regulation, 1914.

the *Cochin Tenancy Bill* of 1914, an extremely moderate measure indeed, was passed in the teeth of much opposition from the *Janmis*. The Regulation intends "to make better provision for the payment of compensation for the improvements made by tenants, and provide for the speedy realization of rent and other customary dues, by investing the District Munsiffs and District Judges with summary jurisdiction in the matter." The provisions in the regulation apply only to "Kanam tenants who, by themselves or through their predecessors in interest have uninterruptedly held the holding for a period of not less than thirty years prior to the coming into force of this Regulation," and provide some restrictions on the part of the landlord in matters of renewal of *kanam* holdings, and ejection of *kanam* tenants and dispensation altogether with the right of *Melkanam*.

Section 2.—The Principal Crops.

Let us now note the chief crops raised in the soil and the methods of cultivating them.

All arable lands in the state are divided into *Nilams* and *Parambas*. *Nilams* designating lands which are used in paddy-cultivation, while all other cultivable lands are termed *Parambas* in which are grown coconut and areca nut

palms, jack and mango trees and other fruit-trees, plantains and other vegetables, rubber and tea and coffee. Of these, paddy is the staple crop that is raised, as the whole population subsists on rice. In the northern parts of the State where the soil is laterite, paddy cultivation is extremely thriving while *Paramba* cultivation is only carried on as a subsidiary industry in lands or groves interspersed among paddy-fields while in the south which is on the sea-board the coconut palm is the chief crop and owing to the rise in price of coconuts in recent times paddy flats are being converted into coconut groves.

The *Nilams* (paddy-cultivable lands) are divided into one-crop, double-crop, and three-crop fields—the first and second sorts being more common, while the last being very rare. Some lands can be cultivated only during the South West Monsoon which usually begins in June and lasts four months succeeding, while others only during the North-East Monsoon which brings water in November.

There are different kinds of paddy grains each having different periods of growth and specially suited to particular kinds of soil. As paddy depends upon plenty of water for its growth, monsoons are the chief support. Heavy rains lasting for days together bring plenty of water into the fields. The fields are usually ploughed through when the soil is just loosened by the showers that precede the S.W. Monsoon. The soil is then well crushed and with the down pour of the rains, the field is more well ploughed over by means of a wooden plank drawn by a bullock. If the paddy is to be transplanted it is at first sown in selected favourable areas and then the grown up paddy is plucked out after a few days and replanted in the fields which have been made ready for it after a course of good ploughing and manuring. Some kinds of paddy take 60 days to grow to maturity, others 80 and some other longer periods. The crop is harvested early or late in September according to the variety of the seed sown. In the case of double-crop *Nilams* a second crop is raised between October and December during the North-East Monsoon. The land is allowed to lie fallow between January and March. In certain patches, however, a third crop is raised in summer by means of artificial irrigation from wells or rivers, but the cost of

cultivation is very high and is chiefly resorted to not so much for profit as for giving work to the agricultural labourer.

"In the sandy tracts where cocoanut cultivation is easy and inexpensive, the tree is planted in every available acre of Paramba, while in the laterite regions where the cultivation is more difficult and expensive, it is generally planted on the banks of rivers and streams and on the lower slopes of the hills that surround paddy flats. Fully matured nuts from middle-aged trees are selected for propagation. They are first dried in the sun for a week and then soaked in water for about a fortnight, after which they are put down in rich soil with the tops showing above ground. The nuts begin to sprout in about three months, and the seedlings are planted out within a year in small pits in alluvial soil and in much larger ones in laterite parambas. The trees should be planted at least thirty feet apart, or about sixty to an acre; but over-planting being only too common in Cochin, as many as a hundred trees are often found in an acre. The plants are watered everywhere in the hot weather for the first three years, after which watering is not necessary in sandy soil. All that is required thereafter is to stir the soil throughout the paramba twice a year and to dig a shallow trench round each tree during the Monsoon and fill it up with manure. In laterite soil watering is essential after three years, but a crop cannot be had without the time required for a cocoanut tree to bear depends on the nature of the soil on which it is planted. One species begins to bear in two years, but the average time required is eight years in alluvial and ten in laterite soils. The tree bears vigorously for about thirty years and then begins to decline. The average annual yield of a tree in sandy soil is about forty, but trees yield over a hundred." (State Manual).

The areca palm is cultivated very extensively in the laterite regions. The process of cultivation is almost the same as that of the cocoanut palm, but it requires more watering and manuring than the latter. "Neglect of watering often destroys the areca palm, while it affects only the leaves of the cocoanut palm. In a fairly good plantation, the average annual yield of a tree is over 200 nuts worth about four annas, and as six hundred trees can be planted in an acre, it is obvious that areca cultivation is a very profitable undertaking." (State Manual).

APPENDIX A.

Statement giving the extent of each class of land under occupation in Cochin State:—

Taluk.	Assigned lands in acres.			Unassigned land in acres.
	Nilam.	Paramba.	Total.	
Cochin-Kanayannur ...	31,600	41,213	72,813	1,613
Cranganur ...	2,916	6,551	9,467	...
Mukundapuram ...	54,339	67,201	1,21,540	9,317
Trichur ...	48,336	45,295	93,631	1,479
Talapilli ...	40,529	68,202	1,08,731	4,349
Chittur ...	28,074	45,719	73,793	145
Total ...	2,05,794	2,74,181	4,79,975	16,903

Section 3. The Agricultural Classes.

All the land in the state is thus ultimately divided between the **Small holdings.** Sircar and the **Puravaka Janmis.** But the actual cultivation of the soil in the last instance devolves upon petty peasant proprietors and farmers who usually provide their own capital and labour for the purpose. The Sirkar and the Janmis alike are mere sleeping partners in the concern. In the case of Watakanocherry, Talapilli Taluk, Cochin state, the extent of and number of tenants stand as follows:—

The total area of Sirkar lands=315 acres.

Number of Pattadars =120.

Average per holder =2½ acres.

The total area of Puravaka lands=1275 acres.

Number of Puravaka Janmis =54.

Average per Janmi=24 acres.

There are no exact figures for the number of tenants who occupy Puravaka lands, but there are reasons to believe that the same feature of small holdings obtains in Puravaka lands too.

Now agriculture is an occupation which runs through all the castes, from the highest Brahmin to the lowest Pariah. The caste-system in this respect at least is no exclusive barrier, and hence exact division of labour according to caste is impossible of demarcation. We can only speak of agricultural classes who consist of landlords, cultivating and non cultivating tenants, and farm-labourers. The non-cultivating tenants let out their lands on simple leases to mere agricultural labourers chiefly to avoid the difficulty of recruiting and managing labour that is to be employed for the cultivation of the soil, but also to some extent in order to employ themselves in Government service or in a learned profession. The tenants who let out such lands may themselves be tenants of other lords holding under different tenures of those other lords. There are different forms of contract between such tenants and such labourers. In some cases, the tenant undertakes to provide the cattle and the seed necessary for the labourer who may possess nothing except the labour of himself and his family; interest on the use of cattle as well as on the seed advanced and the quantity of the seed are collected from the labourer at the time of the gathering in of the harvest. In other cases, the cultivator may possess the cattle and seed himself and only stipulates to pay the rent to his immediate landlord. He generally contracts to work for a single year or even for a single season and if he wishes to do so may continue by executing a fresh contract from year to year. The tenant of course drives his bargain hard and leaves the labourer only mere subsistence-wages and sometimes not even that; he is allowed to recoup himself as best as he can by raising some minor crops for himself.

Below these labourers are the coolies that work for daily during the ploughing and harvesting seasons of the year. Below are to be classed the Cherumas or Pariahs, peculiar to Malabar are practically agricultural serfs working year in, year out for masters. The State made an enquiry into their social and economic condition last year from which I extract the following:—

There are nearly 300 Cherumas in the Village of Wataka. They are more or less serfs attached to
The Pulayans. of their master. They are agricultural workers only and have no sort of proprietorship in the land. They are

daily wages in kind and that in very low measures. The following is the daily rate:—

An adult male = 2 Edangalis of paddy per day.

" female = 1½ " " "

" boy = 1 " " "

Over and above this rate of daily wages, 5 Edangalis of paddy to the males and 4 Ed. to females are paid on certain festive days in the year; and once a year their master presents them with a piece of cloth, 2 yds. by 1 yd. to every male and 3½ yds. by 1 yd. to every female member of the family. The males plough, tend cattle, water the gardens, gather fuel for their masters and in general do such things as their master bids them to do; while the females are engaged in crushing the sod, providing manure, replanting of paddy in the fields, mowing, harvesting etc. They are kept employed throughout the year; in leisure-days, however, they are paid a little lower than the rates given above.

They take *Kanji* (rice boiled in water) and toddy in the morning; idly in the afternoon; cooked rice at night; they eat also fish and

They behave well, are generally obedient and loyal to their masters, very honest, and very earnest about their work. They are practical agriculturists, very shrewd, very efficient in their work, and face any sort of weather.

They worship spirits in the shape of stocks and stones and on the occasion of festivities to their Gods and goddesses, they take in a good deal of toddy and with a crude beating of drums and blowing of bugles in the premises of the 'temple.'

The Cherumas dwell in a colony of two or three families in low huts thatched with straw near the land of their masters. It may be admitted that they are sometimes ill-treated by their masters by a few high-caste Hindus, though they form the back-bone of agricultural labour in these parts. They are low paid and underfed. Still they cherish obedience to their masters and earnestness about their work. There are however a few in recent times who try to get rid of the yoke by running away, but the majority are contented to stay with their masters. I have met with farmers who say that were it not for their cheap and efficient and conscientious labour, agricultural occupation would be unprofitable to them.

There are altogether 73,000 Cherumas in the State.

Section 4.—Agricultural Capital.

In agriculture as well as in other industries the question of capital is of vital importance.

Capital as applied to agriculture is that part of a farmer's income which is used in cultivation in the shape of seed implements, stocks, manure, minor works such as tanks, wells or canals and such labour as he employs in the agricultural seasons of the year. All these investments possess the two essential characteristics of all capital, productiveness and prospectiveness. But there is some difference of opinion as to whether the cultivator's food can legitimately be included within the category of capital.

In considering this question it is important to distinguish the economic status of the different classes of cultivators. We have seen that the ultimate cultivator is often one who provides himself with nothing other than the labour of himself and his family. In this particular case, the cultivator borrows his seeds, implements etc., from the immediate land-lord stipulating to pay them back with interest on the same. He has moreover to support himself and his family from the proceeds of his undertakes to plough till the corn is harvested and that generally a period of four or five months. During this period what he generates is to borrow money from the usurer or grain from his land stipulating to pay back the same with interest when the corn is harvested from the fields. Thus the amount of money or corn which he borrows to support himself and his family at a time when he or cannot employ them elsewhere must, I think, be regarded as capital just as the money or corn that is paid to any other kind of labourer employed by himself in the cultivation of the soil.

Agriculture in Malabar is in a peculiarly favoured position because of the plentifulness and usual fixity of the monsoon rains. Therefore the use of irrigation works such as canals, tanks or wells are dispensed with for the most part as nature is bountiful with her water. Only in one Taluk in the extreme north-west of the State where the rain fall is much less copious have there been constructed irrigation works of a permanent character. That was done by putting up an anicut over a river that takes its source from the Ghats. Now the area irrigated by these works covers 20,000 acres of land with a total length of channels, main and branches comprising nearly 130 miles.

It is usual, however, just when the monsoon rains begin to subside to put up mudbands (or Chiras) across small water courses so that the adjoining fields and gardens could be watered during summer. They are constructed by throwing so much mud mixed with tender branches of trees across the water course. Such a bund costs nearly Rs. 25. Occasionally small wells are also dug in the middle of a field from which by means of a wooden bucket it could be watered in summer. A well 24 ft. in depth by 36 ft. in circumference paved with laterite stones on the sides would answer the purpose. Its probable cost is Rs. 10 to 15. Sometimes a bigger one 75 ft. in circumference is dug whose cost will come to Rs. 20 to 25.

"There is a general impression," says Mr. C. Achuta Menon, "that the copious rainfall of this coast renders costly irrigation works unnecessary. This might have been true in the times of our grandfathers, when the State was sparsely peopled, but now that the pressure of population on the soil is become extremely hard, the aid of artificial irrigation for increased production is becoming increasingly imperative." He is also of opinion that if operations on a large scale are undertaken in the rivers which run through the State of which there are at least four well-known ones "there is every prospect of large areas of waste lands being converted into single crop nilams and thousands of acres of single-crop nilams into double-crop ones." (State Manual).

The bullock and the buffalo are the two animals used in ploughing, the latter being more in use than the former. These are also used to drag the country carts; to turn the rotary mill or to lift up water from a well by means of the *mhote*. Most of the bullocks in this part appear to be lean and weak; a pair of bullocks used in ploughing costs approximately Rs. 40, and a pair of buffaloes used for the same purpose is about the same price.

Cattle which could be seen in these parts are roughly divided and distinguished locally as Northern and Eastern—the northern belonging to the Mysore breed and Eastern to the Coimbatore breed; these are brought at the weekly fairs which meet at Kilur and Gudaloor for the northern breed and at Vaniankulam and Pollachi for the eastern breed. The local breed are distinctly bad and weak, and I wonder if any that are born here reach to maturity. This is due to the negligence and indifference in the matter of crossing, castigating the bull at the proper

time and of feeding and to the wretched insanitary condition of the 'sty' in which they are indiscriminately made to stand throughout the year. They are invariably overworked and underfed; and what with the unscientific method of breeding and the insanitary surroundings in which they grow up, even the newly imported ones soon sink into impotence along with their indigenous brethren.

Agricultural Implements.

The chief agricultural implements and their approximate value are as follows:—

- | | |
|---|------------------|
| (1) The country-plough | ... 12 As. |
| (2) A wooden roller | ... 8 As. |
| (3) A flat wooden plank | ... 1½ to Rs. 2. |
| (4) A sod-crushing stick | ... 1 a. |
| (5) A spade | ... Rs. 1. |
| (6) A big knife | ... 6 As. |
| (7) A sickle | ... 2 As. |
| (8) Water-raising apparatus of which there are five well-known sorts. | |

The ploughs used are primitive and old fashioned, but cheap and efficient. A sharp iron piece of about the width of the human palm is attached to the end of a wooden frame which is provided with a handle; this handled frame is connected to a yoke by means of a stick, five to six feet long, and the yoke is placed on the neck of a pair of oxen or buffaloes. The worker then catches the handle and drives the oxen until the whole field is furrowed over. The sod is then crushed usually by six or seven workers—labourers who, standing in a row, move to and fro the handy stick which they hold in their hands. Then the wooden roller is run over the fields. With the down-pour of the rains the field is once more ploughed over by means of a comparatively heavy wooden plank. The plank,—6 feet long, ½ to ¾ feet wide, 1 inch thick—is provided with a handle which the worker who also stands upon it catches hold of and is attached to the yoke by means of iron-hooks.

Water-lifting from wells is confined, as we have seen, to gar cultivation in summer and the raising of the second crop of paddy. The water wheel, which costs about Rs. 35, is very rarely used except in fields where water has to be lifted out of the land. The most common sort is seen in these parts. The more common sorts of water-lifters are—

- (1) An oval shaped bamboo-basket (costing about 2 as.); (2) A wood

groove provided with a handle, costing about Re. 1; (3) and a framework consisting of two long bamboos, one small and another big in size balanced on a horizontal beam which is supported by two vertical poles; a picottah is attached to the small-sized bamboo and is drawn up and brought down by one or two persons standing opposite each other on two planks thrown across the middle of the well. The whole frame together with the picottah costs about Rs. 2. The oval shaped basket and the wooden groove are used to spread water from water courses and not from wells. Two persons, generally women, stand opposite each other on the side of a watercourse and pull the basket towards themselves by means of ropes tied round its 'ears' after filling it up with water; the extreme ease and facility with which they carry on the operations, often to the accompaniment of a patch of song, is wonderful. The wooden groove is allowed to swing on a string and is moved to and fro by a person catching the handle.

The art of manuring is much neglected. This is partly due to the ignorance of the ryot about scientific manures,

Manure.

but also to his confidence on the natural fertility of the soil and the copious rainfall. Moreover the existence of a large number of pretty farmers who are merely tenants-at-will of non-cultivating tenants is not conducive to the ready use of sufficient manure. The ryot, however, is no conservative unwilling to use scientific manures, but really doubts whether they will prove profitable in the long run. Human manure and cow-dung form the chief items of manure. The practical agriculturist of these parts has laid down for himself that ten loads of green manure together with ten basketfuls of cow-dung (so of the weight a single person could carry) costing on the whole about 12 as. (8 as. + 4 as. respectively) would be sufficient manure for a lock of field in which one para of paddy-seed could be sown. But in this amount is seldom reached in practice. Green manure is not grown by the cultivator himself, but is obtained from a neighbouring village or wood. But owing to the strict vigilance of the Forest Department, this supply is becoming precarious. Cattle manure is wastefully expended and what with the deterioration of the cattle breed and the bit of tending them in the open fields, it too is not of much consequence.

The probable cost of wages to be paid at different stages of cultivation for one acre of land in which 8½ paras of paddy could be sown:—

Table of wages.

Extent one acre = has $8\frac{1}{2}$ paras of paddy-seed-receiving capacity.

Nature of Work.	Unit of person.	Rate of Wages.	Total number of days.	Total amount of wages.	In kind or money?	Remarks.
(1) Ploughing	1	3 as. or 3 ed. of paddy per half-day.	25	Rs. 4 12 0	Both customary; but more in kind in interior parts.	Works only during first half of the day. A single person with a pair of oxen is said to plough 3 times over one para-seed receiving field in a half-day; it requires 9 times ploughing.
(2) Plucking for replanting.	1	5 (1. or 5 ed. of paddy per day (piece-wages))	8	3 8 0	Both customary; but more in kind.	Women chiefly employed: A single person is said to pluck out one para-seed area for which is paid 5 ed. of paddy. The work is done twice as easily.
(3) Replanting	1	Earns 5 as. or 5 ed. of paddy per day (piece-wages).	4	1 4 0	"	Weeding only when replantation does not take place. One person however is sufficient to supervise 100 para-space or $12\frac{1}{2}$ acres.
(4) Weeding	1	4 as or 4 ed. of paddy per para-space.	2	2 0	"	At the period of harvest he is paid in kind.
(5) Water-inspection.	1	4 as. per day.	for 3 months.		"	
(6) Safe-keeping of matured paddy	1	4 paras of paddy (Rs. 2) for 15 days.	15 to 20	2 0 0	"	
(7) Harvesting (including mowing, thrashing etc.).	1	For every six paras of paddy gathered one para is paid.				Women chiefly engage themselves.

lands even more.

a (which is the market-rate now).

tion 5.—Land Revenue Assessment.

When we turn to the principles of land-revenue assessment so far as the problem of Rent we may be in a position to share the share due to the State.

It is not necessary to refer to the previous history of land-revenue administration in the State in order to understand the present working of the principles of assessment. The whole land was surveyed according to the newest principles during the years 1898—1902, at a cost of eleven lacs of rupees; and the outturn of the general survey was 974½ Sq. miles of theodolite and 974½ Sq. miles of field survey; the extent of wet or paddy land was 2,05,795 acres and that of dry lands 2,74,180 acres. The settlement of revenue was taken in hand and by 1905 the whole process was complete.

Lands were divided into Nilams and Parambas for purposes of assessment and their areas were recorded in terms of English acres and cents. Parambas again were divided into Payattupattam (i.e., according to the productive capacity of the land and not on the basis of trees), and Vrikshapattam (i.e., taxable on trees), the only taxable trees being coconut, arecanut, and jack. All lands were classified according to the nature of the soil. The Pandaravaka Verumpattam in which the full pattam or share due to the State was treated as normal tenure for settling the full state demand. From Pandaravaka lands only $\frac{1}{2}$ of Verumpattam rate is collected. And in Paravaka lands the assessment was one-half of Pandaravaka Verumpattam rates for Nilams and one-fourth for Parambas; and the settlement was made with the janmis and not with the Janmis and their tenants jointly as was done previously.

For fixing the rates of assessment on Nilams, the gross produce was calculated by means of harvest experiments, and the outturn thus arrived at was converted into money at the rate of 4 as. 7 p. per para of dry. From this amount deductions are made on account of vicissitudes of season, profitable areas and cultivation expenses, and the balance assumed as the net produce. One half of this net produce was taken as the share due to the State in respect of lands held under the normal tenure, viz., Pandaravaka Verumpattam. The assessed land

was divided into nine classes according to their product and the rates of assessment were fixed as follows for Verumpa

Class.	R.
1	Rs. 7 8
2	6 8
3	5 8
4	4 8
5	3 8
6	2 8
7	2 0 0
8	1 8 0
9	1 0

"For an occasional second crop raised on single crop Nilam half the single crop assessment was charged. In the case of deon lands, the ryots were given the option to compound the second charge at one-fourth of the first crop charge, which he should whether he raised the second crop or not in any year. The Pandaravaka kanam and Puravaka lands were two-third and of the rates given above." (State Manual).

Payathapattam parambas were classed into seven classes according to their productive capacity:—

Class.	Rates.
1	Rs. 1 8
2	1 0
3	0 12
4	0 8
5	0 6
6	0 4
7	0 2

It has been pointed out that cocoanut, arecanut, and jack alone are taxed in Vrikshapattam parambas. "Cocoanut tree is divided into 4 classes not with reference to the yield of individual trees but with reference to their situation on the sea-board (3 as. 6 p. per tree); or alongside the backwaters (3 as. per tree); or on river swamps or river sides (2 annas); or the interior hilly tracts (1 as. per tree). The assessments fixed on arecanut and jack trees were at the rates of 4 pies and 4 annas per tree respectively. Only bear

were counted and assessed, and the maximum number of cocoanut trees assessable in an acre of Paramba was fixed at 60 and of arecanut trees at 480, the trees in excess of the numbers being left unassessed." (State Manual).

APPENDIX.

Amount of the Settlement demand in the State:—

Taluks.	Extent.		Settlement Demand.		
	Nilam.	Paramba.	Nilam.	Paramba.	Total.
	Survey.	Survey.			
	ACRE.	ACRE.	Rs.	Rs.	Rs.
1. Kanayannur	19,336	456	57,813	51,084	1,08,897
2. Cochin	11,764	13,742	41,340	82,797	1,24,137
3. Mukundapuram	54,339	67,201	1,51,626	60,100	2,11,726
4. Trichur	48,336	45,295	1,47,597	40,548	1,88,145
5. Talapilli	40,529	68,202	1,50,688	30,147	1,80,835
Chittur	28,074	45,719	1,45,049	25,368	1,70,417
Kodungallur	2,916	6,551	9,582	27,569	36,951
Total	2,05,794	2,74,181	7,03,495	3,17,613	10,21,108

Section C.—Agricultural Rent.

It is not necessary here to discuss theoretically, in detail the various forces that govern the emergence of rent in an agricultural country. The prevailing forms of land tenure and method of revenue assessment which fix the shares due to the janmi and to the cultivator; and—from the cultivator's point of view—the fertility of different stretches of land according to the capacity of such lands to grow

different kinds of crop which the cultivator is ready enough and shrewd enough to undertake to grow, if he likes; the income which is likely to be derived or even the expectation thereof from permanent improvements in the land; "the industrial environment on which depend the prices at which the various requisites of the farm can be bought and its various products sold and which determines the relative values of different crops and therefore the relative values of land in different situations"; the ability and resourcefulness of the cultivator, his command over capital and his willingness to invest that capital for productive purposes—all these different factors affect directly or indirectly the emergence and distribution of economic rent from the soil.

We have seen that about 60 per cent. of the cultivable land in the State are in the hands of Puravaka Janmis and only 40 per cent. are left with the Sirkar. The land-lords or Janmis have let out their lands under different tenures, each having different incidents of their own. In the case of Verumpattam tenure of Puravaka Janmis the tenant-at-will is completely at the mercy of the land-lord and can only be regarded as an agricultural labourer living on mere subsistence-wages. The favourable as well as the more common form of tenure in Puravaka lands is the *Kanom* tenure. But the limit imposed by the 12 years' lease afforded opportunity to the Janmi to rack-rent his tenant at his sweet will by enhancing the *Michavarcu* (i.e., whatever is agreed to be paid to a land-lord by a *Kanom* tenant after deducting from the pattom or rent the interest due on the *Kanom*) and other customary dues. Still for twelve years the tenant is comparatively free, but the want of security precludes his making any permanent improvements in the land. The Cochin Tenancy Regulation, referred to above, has laid down however certain restrictions in these respects. Sometimes it so happens that a Janmi is willing to sell his full Janmi rights in a land to another and this kind is keenly sought after by intending purchasers of land. People are willing to invest money in such Janmi lands at a nominal interest of 1 per cent. or $\frac{1}{2}$ per cent. annum or at times even for no interest at all; while in Pandary Verumpattam lands, they expect 2 per cent. to 3 per cent. But in Puravaka *Kanom* lands, they will not invest their money unless they expect to secure 5 per cent. to 6 per cent. interest. The land-lord's share is invariably calculated in kind and if paid in money is compounded at the market rate for the year.

The pressure of population on the soil together with the prevalence of short-term tenures give room for the play of competition in raising

rent in Zamindari or Janmi lands. Even in the case of Sirkar lands where practical fixity of tenure is now secured for the tenant, the pressure of population on the soil and the mania of the people for investing money in land even at such low rates of interest as 2 per cent. and less, and the constant changing of hands which is inevitable among small proprietors afford sufficient room for the play of competition.

Another question of some importance is whether the share of the State is to be regarded as rent or merely as a tax. Taking the average for the whole State, the revenue from Nilams (i.e., paddy cultivable land) approximates to Rs. 3.4 per acre. Let us take the particular case of a tenant who possesses 4 acres of land which he holds under Sirkar Verumpattam tenure and see what proportion the State takes from it:—

Extent = 4 acres. (nearly)	
Seed sown = 35 paras of paddy.	
Approx. cost of cultivation = 145 " "	
Total = 180 " "	
Gross produce/harvested = 400 paras.	
∴ Rent = 270 paras.	
Revenue paid to the state = Rs. 15-10 As.	
" in paddy equivalent = 55 paras (according to 4 As. 7 pies per para),	

But according to the present market rate of 8 As. per para, the paddy equivalent ... = 31 paras.

So according to the present market rate the tenant gives up only the rent as State-revenue.

N. B.—In calculating the cost of cultivation in this table, I have taken into account the actual wages paid for different kinds of labour; the cost of agricultural implements and of maintaining the stock have not been taken into account. The calculation moreover is very rough.

Following in the wake of the economist who says "that the distinction between a tax and a rent is merely a matter of amount and if a land-tax is so high as to absorb the rent, it becomes in fact a rent," we are forced to conclude that the state demand from Sirkar Verumpattam tenure is more in the nature of a land-tax than other-

wise. Payment to the State is made in money, and owing to the rise in price of agricultural produce in recent times, the tenant has immensely benefited thereby. Against this, however, must be set the general increase in the price of all commodities.

As to the differing fertility of land as well as the nature of the industrial environment, they are well appreciated by the tenants as is shown by the way in which they calculate the pattom or rent from a particular block of land and the price they are willing to pay for it. But in the matter of carrying out permanent improvements on a large scale and of investing large amounts of capital, the tenant is practically restricted by various causes, viz., the prevalence of small holdings, the shortlease system, the existence of a large number of mere farm-labourers cultivating lands let out to them by non-cultivating tenants, etc.

Let us now turn to the way in which rent as well as the price of

How Rent and value of land are fixed in practice. land are calculated practically in these parts for the three different kinds of produce, viz., paddy, cocoanut and arecanut.

i.—Paddy.

—First inquire the nature of the tenure, say, Pandaravaka Verumpattam.

ee by referring to the produce of a series of years how much per para of paddy the land will yield, say 15 times. Subtract from it the amount of seed and cost of cultivation, (1+4), say 5 paras. The remaining 10 paras is taken as net produce; out of this deduct also the share of the Government, say 2 paras. Remaining 8 paras may be taken as the net rent.

Price.—Taking this amount of net rent (8 paras in this case) as the tenent, the buyer after taking into account the general fertility of the soil, its situation, its tenure etc., makes his investment. In the present case, he may be willing to invest Rs. to 120 for 8 paras of paddy as interest per annum (ne $3\frac{1}{2}\%$ in money); sometimes he invests greater sums of money, at less and less rates of interest.

ii.—Cocoanut paramba.

Acres = 1.

1. Number of cocoanut trees = — $\begin{cases} \text{First class} = 30 \\ \text{Second } ,, = 20 \\ \text{Third } ,, = 10 \end{cases} = 60.$

[They are divided into classes, according to the number of cocoan that a tree bears.]

2. The total yield of cocoanut fruits in an acre ... = 2,000.
3. **Price**—Though the market rate now for 1,000 cocoanuts is Rs. 35 to Rs. 37 $\frac{1}{2}$, the buyer of the Paramba gives money at Rs. 17 $\frac{1}{2}$ per thousand ... = Rs. 35.

(This price of Rs. 17 $\frac{1}{2}$ per thousand corresponds to the net produce),

Land Revenue, let us say ... = Rs. 5.

The balance of Rs. 30, which is the value of the net rent per year from one acre, is regarded as the interest; the intending buyer then thinks within himself for what per cent. interest he will invest his money on the particular block of acre. This again is determined by the fertility of the soil, distance from the market and his home, its surroundings, etc. Suppose he is willing to invest at 3 per cent. per annum. Then he pays for the land = Rs. 1,000.

If this acre is let out to a tenant on a simple lease, this is how the rent is calculated:—

Total number of cocoanuts which the landlord and tenant calculate per yield	...	...	...	= 1,000.
At Rs. 30 per thousand, their cost	...	...	...	= Rs. 45.
This sum of Rs. 45 is to be paid to the landlord.				
Now, the actual yield from the soil	...	...	...	= 2,000 cocoanuts.
At Rs. 35 which is the market-rate now, their cost	...	...	...	= Rs. 70.
Cost of cultivation	...	...	...	= Rs. 15.
			Balance	= Rs. 55.
			Rent to the landlord	= Rs. 45.
			∴ The tenant's share	= Rs. 10.

iii.—Arecanut Paramba.

Extent = 1 acre.

(1) Arecanut trees total = $\begin{cases} \text{First class} = 100 \\ \text{Second } ,, = 200 \\ \text{Third } ,, = 200 \end{cases} = 500.$

- The price which people are willing to pay, however, is Rs. 1,000 to Rs 1,500 only. The above income is ideal. A little neglect in watering may spoil the whole crop; moreover it is difficult to look after them. Hence people expect greater returns from such parambas.

APPENDIX.

statement showing the prices of staple food grains in the Cochín State.

[Price per maund of 82½ lbs.]

Items.	1904-5.	1905-6.	1906-7.	1907-8.	1908-9.	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. F.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Rice (husked) ...	4 4	104 15 0		6 5	25 13 35	4 11 5	7 56 2	6 6 12	0 6 8	11 6 5	10
Wheat ...	4 5	105 10 4		7 3	56 11 16	2 2 5	13 56 10	8 7 8	0 5 14	15 5 11	
Peas ...	4 5	04 6 10		5 5	38 10 5	5 1 1	4 13 25	10 9 5	14 10 5	10 65 12	1
Dholl ...	5 2	45 10 4		7 9	77 13 25	15 8 4	15 25 15	9 6 11	4 6 8	11 7 5	2
Gram ...	3 6	73 12 3		3 0	84 1 74	5 1 3	8 73 10	5 3 11	4 3 8	03 10 1	
Gingelly ...	8 1	118 8 7		8 14	58 9 19	5 0 10	1 37 5	11 12 3	8 9 9	78 6 7	
Green Peas ...	5 7	104 6 10		5 8	55 13 54	13 3 4	10 16 1	1 5 12	3 3 5	11 5 7	5
Bengal Gram ...	5 2	94 3 9		6 4	46 1 65	0 6 4	12 65 14	8 6 9	4 5 12	25 15 9	

[From Administr.

Section 7—The Economic Condition of the Agricultural Population.

The economic condition of the agricultural classes in countries where agriculture is the main occupation of the people has given much anxiety to economic and industrial reformers. The rapid ruralization of the Indian peoples which turns them into "mere hewers of wood and drawers of water" was deplored by the late Mr. Ranade who sounded a note of warning that unless a diversity of occupation could be found for them there is no hope for the betterment of their economic condition.

Exact statistics are not available to note the economic condition of the agricultural population in the State. It has been calculated however that while the cost of living has increased only about 150 per cent during the last 50 years the price of the chief agricultural products, paddy and coconut, has risen by 200 and 300 per cent respectively. But such calculations tell us little or nothing about the actual condition of the agricultural classes. It is possible that one class may make great profits at the expense of another by this rise in price, but there are various considerations other than the mere rise in price which confirm the general proposition that in an agricultural community where small holdings prevail the majority of the agricultural classes are in debt. The pressure of the population on the soil which is inevitable in a land where there is no diversity of occupation, the constant need for capital, stock etc., for the small proprietors or cultivators, the soil, the fatal facility for borrowing, the action of the money-lender, the custom of partition among co-heirs, all these factors wherever they exist whether in Europe or in India have always produced the same result, namely indebtedness among the peasantry. The rise in land values which has taken place in Cochin as elsewhere affords an additional temptation to the peasant to mortgage his land to the money-lender.

The money-lender who is generally grain-dealer, cloth-merchant and jack of all trades is an indispensable figure in the village economy. He advances capital to the small cultivator in the shape of paddy and gets back from the latter at the time of harvest two times or three times the amount advanced. The recognized rate of interest in such cases is however only 20 to 25 per cent; that is, the borrower has to pay

at the time of harvest the principal *plus* one-fourth of the amount or $1\frac{1}{4}$ times the amount borrowed. He often has to wait till the next harvest for at the immediate harvest the cultivator may not possess the means to satisfy his creditor. The usual thing in such a case is for the borrower to execute a pro-note saying he would pay back the amount *plus* interest to his creditor whenever the latter requires it. And once the client is in his grip the lender knows well-enough how to wring out money from the unfortunate victim.

The chief agricultural classes in the State can thus be conveniently divided:—cultivating and non-cultivating land-lords, cultivating and non-cultivating tenants, farm labourers, growers of special products and cattlebreeders. The figures for these respective classes stand thus (Census Reports, 1911):—

Non-cultivating landowners	...	...	14,667
Cultivating landowners	...	...	47,476
Non-cultivating tenants	...	...	2,313
Cultivating tenants	...	...	206,509
Agents, Managers etc., of landed-estates	...	...	1,507
Farm servants and field labourers	...	...	167,406
Growers of special products	...	...	23,196
Farm stock breeders, keepers etc.	...	...	1,940

(Tenants are those having no occupancy rights).

From this table it is clear that the majority of the agricultural classes are tenants-at-will and together with the cultivating tenants, farm-servants and field-labourers they form a considerable portion of the agricultural classes in the State. They are invariably rack-rented by their immediate landlords who barely leave them subsistence-wages. Cases are not rare in which such tenants find it impossible to clear off the whole of the rent due to their landlord at a single harvest; the usual practice in such cases is that the tenant executes a pro-note to the landlord saying that he would pay back the remainder with interest when the latter requires him to do so. Often this accumulates for years until at last the tenant is sued for eviction and the remaining amount of rent follows to the ruin of the tenant and his family. Such tenants usually employ themselves otherwise to add to their slender income by keeping bullock- or rotary mills to extract coconut oil or gingelly for which their

cattle could be employed throughout the year; or by husking paddy, selling firewood etc. The appendix given below gives the earnings and the economic condition of a certain tenant of this class.

The cultivating landowners cannot be said to be in a better position as they are generally small holders and therefore subject to the economic evils which beset small peasant-proprietors in all countries. Such small landholders often cultivate the lands of others as tenants in addition to their own and try to increase their income in that manner.

The class that has prospered most are the non-cultivating landowners who sub-let their holdings to cultivating undertenants and pursue occupations other than agricultural, especially Government service and the learned professions. These are the most intellectually advanced community in the State.

Among the farm labourers are the common coolies, including both men and women and the Cherumas or Pulayans. The economic condition of this latter class has already been described; they are paid customary wages in kind and live in the same way as their ancestors used to live for ages. The common coolies chiefly employed during the agricultural seasons of the year are now demanding more money-wages, and if they cannot get higher wages they generally go away to coffee estates or rubber plantations established in several parts of the State or elsewhere. There is therefore an appreciable scarcity of labour in paddy cultivation in recent years. Many landowners have complained to me of the circumstance and that at least is part of the reason why they are ready to sublet their holdings to undertenants who could provide the labour of themselves and their family.

Certain measures for improving the condition of these classes have been introduced by the State-government. Steps for amelioration. An Agricultural Department and demonstration farm in which are carried on experiments on improved methods of cultivation. Superintendent of Agriculture circulates bulletins in vernacular for the instruction of the ryots. But such measures ever well meant are not sufficient to improve the economic condition of the cultivator. The Cochin ryot is already a practical agriculturist well versed in the art of raising produce from the soil, but he is handicapped by economic causes over which he has no control.

The Cochin Tenancy Regulation of 1914 is another measure which seeks to improve the status of tenure-holders under Puravaka Jannmis. This measure is beneficial so far as it goes in that a section of such tenure-holders can be sure of compensation for any improvements which they may make in their lands.

The State Government has also instituted a system of agricultural loans on comparatively easy terms. In the year 1914-15, out of 27 applications only nine loans were granted the total amounting to Rs. 9,480 and sixteen of them were rejected (Administration Report). All the loans advanced were for agricultural purposes. The insufficient security which the tenants have to offer, the tardy and somewhat unsympathetic working of the official machinery, as well as the unwillingness of the tenants to make permanent improvements have all combined to render the system of agricultural loans less successful than they deserve.

But the promotion of co-operative credit among the agricultural classes which has been taken in hand by the State-Government in all earnestness is undoubtedly going to prove a blessing to them in future. A department for the purpose has been created in the State and the present Registrar is indefatigable in spreading co-operative Societies of all kinds. Rural Co-operative Credit Societies have been opened in various villages in the State. The working of such societies, their initial difficulties, and their success can be gathered from the Registrar's reports appended below about the working of two such societies. The first year's reports have been chosen purposely in order to show the initial difficulties which these novel societies have to surmount in areas where the spirit of co-operation as applied to productive purposes is of comparatively recent origin. One of the reports given below shows the ill-success of the other the success which attended the pioneer attempt. There are difficulties in the way of spreading the spirit of co-operation among educated people who work on their own responsibility; but it is evident that they are not insurmountable. The rural co-operative credit banks are very useful in extricating the cultivator from the clutches of the money-lender and in educating him in the habit of thrift and providence. It is happy to note that such societies have taken roots in the soil of the Cochin State.

APPENDIX (A).

The statement showing the income and expenditure of an actual tenant-at-will:—

(1) *Family and Caste*:—Syrian Christian, 3 men, 4 women and 3 children.

(2) *Property*:—

House	...	...	...	Rs. 50
3 pairs of cattle	...	...	...	" 120
Other implements	...	...	...	" 5

(3) *Income from the field he cultivates*:—

Extent=4 acres (nearly).

Gross produce for a single year=450 paras of paddy.

Seed =30 paras.

Rent to the landlord=275 paras.

Total ... =305 " "

∴ His remuneration= ... 145 "

His income from subsidiary produce=Rs. 40

The price of straw he sells = " 10

Income from a second crop = 50 paras

Total income =Rs. 50+195 paras of paddy.

Compound paddy at 8 as. per para ... Rs. 147½

(4) *Expenditure*:—

Food ... =300 paras of paddy
=Rs. 150

Clothing ... = " 20

Total =Rs. 170

From the above table it is clear that the tenant does not gain assistance-wages even for a year. There are a great many such tenants-at-will in these parts; and the condition of some others is still worse. When there is no work in the fields, they engage themselves as coolies or keep rotary mills for the extraction of coconut-oil, or keep a bullock cart, etc.

APPENDIX (B).

(1) Audit Review on the working of the Nemmara—Vallangi Co-operative Credit Society

For the period of one year and 5 days ending with 31st Karkadagam, 1,090 M. E. (16th August 1915).

1. *Introductory*:—As many as 161 persons were seen to have applied for the registration of the Nemmara Village Co-operative Credit Society. It was registered on 26th Karkadagam, 1089 M.E. (11th August, 1914) with unlimited liability basis and work began the same day. Its operations are confined to the two contiguous villages of Nemmara and Vallangi.

2. *Members*:—The Society began work with 131 members and 34 new admissions were made in the course of the next one month. Of the members, 4 were expelled—one for not having paid up the entrance fee and share amounts due from him, and three others for misconduct. One member died in the course of the year. Thus at the end of the year, there were 160 members of whom about 100 are ascertained to be agriculturists.

3. *Shares*:—The value per share was Rs. 1. The paid up share capital amounted to Rs. 308-0-0. With every share an entrance-fee of 4 as. was also levied and the fee thus collected amounted to Rs. 77-0-0. Of the amounts, a sum of Rs. 14-0-0 under shares and Rs. 2-8-0 under entrance fees had to be debited in the accounts as they were credited by mistake. The amount pending at the close of the period under review on account of the shares was Rs. 294-0-0, and Rs. 74-8-0 under entrance fees.

Borrowings:—A sum of Rs. 500 under fixed deposit and Rs. 11 under recurring deposit were received by the Society. But the then Panchayat body returned the fixed deposit of Rs. 500 no sooner than it was received. This action besides displaying their utter ignorance of the principles of co-operation prevented other willing members from depositing in the society. The saving depositors also made default in paying up their instalments. Thus at the time of review, the sum remaining with the Society under this head was but Rs. 11.

Loans:—In all 34 loans aggregating to Rs. 885 were disbursed: 23 were for purposes of trade, one for paying of prior debt and the remaining 12 for agricultural purposes. All the loans were granted for a period not exceeding 3 months, irrespective of the purposes for which they were granted. The inevitable

consequence of this was that none of the loans was repaid before an extension was granted. The necessity for this could have been avoided if the purposes and the periods for which the loans were required were carefully ascertained before they were sanctioned. The loans granted varied in amounts from Rs. 8 to Rs. 55. Two were for sums not exceeding Rs. 10; 18 for amounts between Rs. 10 and 25; and 12 between Rs. 25 and 50 and only one loan above Rs. 50 was granted. 7 loans were on the mortgage of immoveable properties and 27 on the responsibilities of the borrower and one or more members standing sureties. 17 loans were completely and 8 partly repaid aggregating to Rs. 510. The amount pending repayment was Rs. 275, being the total of 17 loans, of which, it is regrettable to note 9 loans amounting to Rs. 192, were overdue ones. The interest received on loans amounted to Rs. 25-15-2 and sum of Rs. 9-8-1 accrued as interest. The interest charged on loans was at the rate of $1\frac{1}{2}$ pies per rupee *per mensem*, but this rate has subsequently been raised to 2 pies by a resolution of the general body.

6. *Management*:—The affairs of the society were managed by a body of panchayatdars consisting of 9 members elected by the general body. During the year the first president resigned and a committee member died. The Panchayat body was subsequently reconstituted making it less unwieldy and more business-like. 4 general and 27 committee meetings broke up for want of quorum. Strictly speaking, two of the meetings called 'general' were only in name, for the names of members who attended the meetings were not recorded in the minute-book.

The society has earned a net profit of Rs. 88-10-3 during the period under review. This amount should under the bye-law be credited to separate head, 'the reserve fund.' In consideration of the initial and the small working capital of the society the reserve is allowed the time being to supplement the working capital.

The Registrar is constrained to remark that the condition working of the society are not what they ought to be. Want of operative knowledge and ideas on the part of the members is no doubt mainly responsible for the above undesirable state of affairs and it would be next to impossible to educate such a large body of adult members in co-operative matters at the very outset.

The Registrar of Co-operative Societies.

(Signed.)

(2) Audit Review on the working of the Narakkal Co-operative Credit Society for the year 1090 M. E. (1914-15).

1. *Introductory*.—The Narakkal Co-operative Credit Society was the first Agricultural Credit Society registered in the year 1090 on the basis of unlimited liability. It was registered on ^{12th Menum 1090} 25th March 1915 on the application of 28 influential gentlemen of the Narakkal Village in the Cochin-Kanayannur Taluk. Its operations were confined to the village of Narakkal, but were subsequently extended as per the resolution of the general body, to the adjacent village of Nayarambalam. The Society commenced work on 20th April, 1915. The period for which it worked until the date of this Review is 3 months and 25 days.
2. *Members*.—The Society began its work with 46 members on its rolls. The subsequent admissions numbered 26. Thus there were 72 members of whom all but 32 were pure agriculturists.
3. *Share*.—The value per share was Re. 1, with an entrance fee of 4 annas per share. The share capital collected amounted to Rs. 197 and the entrance fee Rs. 49.
4. *Borrowings*.—In the course of the year the society borrowed a sum of Rs. 500 from the Ernakulam Town Co-operative Bank. There were no transactions under current and fixed deposits.
5. *Loans*.—In all 32 loans aggregating to Rs. 1,074 were disbursed during the period under review. Of the loans, 16 were for amounts between Rs. 10 and 25, 13 between Rs. 25 and 50 and 3 between Rs. 50 and 100. Classifying the loans according to the purposes for which they were given, Rs. 40 was granted for agricultural purposes, Rs. 969 for trade, and Rs. 65 for paying off prior debts. It is observed that the major portion of the loans for trade was for purposes of fish-curing facilities which were afforded to the members by the close proximity of the Sirkar fish-curing yard at Narakkal. Every one of the loans were short-term ones, the period ranging from one to 3 months. All the 32 loans were granted on suretyship system. Repayments were punctual. In all 14 loans amounting to Rs. 390 were completely repaid.

The Society charges interest at the rate of 2 pies per rupee *per mensem* and the interest collected amounted to Rs. 11-13-7, while the

amount accrued to the period of the review was Rs. 4-1-8. There was absolutely no extension of terms of the loans nor was there any overdue ones, which reflects much credit on the management.

6. *Management*:—It was conducted by a body of Panchayatdars elected by the general body. During the period under review 1 general and 10 Panchayat meetings were held. None of the meetings convened broke up for want of quorum.

The Society was able to earn a net profit of Rs. 47-4-3 during the very short period of about 4 months it worked.

The Registrar of Co-operative Societies.

(Signed)

Section 8.—Forest Produce.

The present area of the Cochin forests is 605 square miles or about 43 per cent. of the total area of the State. This vast expanse of forest area must give prominence to the industrial occupation of the people and it provides employment to numbers of wood-cutters, sawyers, carpenters, and collectors of forest produce affording a means of livelihood to over 30,000 persons.

Forest produce is divided into major and minor, major including timber and firewood, and the latter, bamboos, grass, various produce that grow on forest trees directly or indirectly and on forest soil. Timber is used for the construction of houses etc.; low-class labourers deal in firewood either by carrying as head loads costing from 4 as. to 6 as.; or as cartloads costing from Rs. 2-8 to Rs. 3. The price however varies with the quality of the firewood, and the distance from the woods. Much timber and bamboo are also exported from these parts. The bamboo is sometimes used in house-construction by poor classes of people; in mat and basket-making; while its prickly branches are used for fencing compounds of houses and gardens.

Besides these local uses, timber and bamboo can yield products for paper making, and wood for pencil making, match-making, etc.

"In Germany," writes Mr. K. Govinda Menon, the present Conservator of Cochin Forests, "the fibres of the spruce tree are spun out

a sort of fine silky cloth not distinguishable from the Tassa silk of Assam. Sugar and alcohol are largely obtained from wood. It has been found by experiment that Cellulose yields 42.7 per cent. of sugar and saw-dust yields 22.5 per cent. of the same substance. 100 parts of saw dust has been found to yield 6.5 parts of Alcohol. Saw-dust by a very simple chemical process yields gypsum and oxalic acid, the latter substance being used largely in Calico printing. There is no item of minor forest produce which cannot be turned to man's account. Leaves and barks of many trees yield tannin and dyeing materials, and barks yield different kinds of gums used medicinally. Fruits of many trees give tannin bases besides being utilized for biscuits and other articles of consumption. Moss that grow on forest soil are largely used for litter. Grasses are used for paper and mat making and give in many cases essential oils which form the bases of scents and medicines."

But the question is not what the forests can yield, not even how much of it could be used commercially, but what the people actually do to tap the resources. Want of scientific knowledge and the shyness of capital the way of converting these into economic purposes.

Chapter III.

THE ARTISAN CLASSES.

The following is taken from the Cochin Census Reports for 1911:—

The Artisan Class. "Kammalan or the artisan class (34,559) is divided into a number of endogamous sub-castes—Marasari (carpenter), Kallasari (mason), Tattan (goldsmith), Masari (brazier), Kollan (blacksmith), and Tolkollan (leather-worker). As their services are much in requisition and as they earn better wages than unskilled labourers, they are still engaged in their hereditary occupations. The first five groups are socially on a par with each other. They all interdine, but do not intermarry. But the Tolkollans are considered inferior in status to the rest and cannot touch them without sing pollution probably on account of their work in leather which in its raw state is considered impure. Polyandry of the fraternal type is prevalent among them, several brothers marrying one wife and the children being treated as common to all. This practice however is fast dying out, if it has not already done so." One special feature about their status in the caste-hierarchy is that they are made to stand at a certain specified distance (24 feet is the rule) while approaching high-caste Hindus.

The services of these artisans together with those of the washerman and the barber are indispensable in the rural economy. In the old village economy each Village had its own blacksmith, goldsmith, mason and so forth and survivals of that system could even now be observed where the agricultural classes pay a certain measure of paddy at the harvest season to a recognized 'desa-asari' or Village smithy and get their agricultural implements made or repaired for them. No other blacksmith is entitled to this dole. The particular blacksmith whose family-budget is given in the Appendix gets 8 paras of paddy. (A washerman and a barber get each of them two to three paras of paddy per annum from every member of the family to whom they render their services. Sometimes they are paid in money too; and in towns and important village centres they are invariably paid in money.)

He generally puts up in a thatched hovel in the border of a village, near if possible the dwellings of his own caste. Sometimes he may possess an house of his own, or he may be merely a tenant vill in the compound of a landlord. In the latter case however he pays rent for the land; and if he is a blacksmith he pays for the rent of the smithy works of his landlord. In addition to the members of the family, he may often entertain, especially if he is known to be a good workman, apprentices from his caste-people. These youngsters are fed in his own house at his own expense, but these bear a sentimental relation to their masters and themselves on becoming master-workmen are bound to entertain such apprentices. But more often a father is the teacher of his children in the hereditary craft.

A good workman can earn from 8 as. to 10 as. a day. On the whole they are thrifty, but their savings when accumulated are often expended in the indispensable marriage or the funeral. In this connection interesting to note that on the occasion of a marriage funeral, his relatives and the other people of his own caste in the village are expected to be present and give one or two rupees towards the expenses of the marriage or the funeral ceremony which not unfrequently come to Rs. 100. Their income is in some cases greater than that of the high caste Hindu in the Government Service, but their aspiration is not to become extremely rich and thus rise above their profession. They are more assured of a certain income, and this certainly is a contributory factor for the preservation of their economic status. Some among them are certainly struggling to make both ends meet, but there are

instances of others who have secured substantial property. It has been calculated that there has been recently a rise in their wages by nearly 300 per cent while the cost of living has not gone up higher than 150 per cent.

There is nothing peculiar to mention about the quality of work turned out by these artisans. Here, as elsewhere, (Blacksmith). "the blacksmith in most places has lost his chief business of turning out new plough-shares, hoes and big knives, which are now imported from foreign countries; but he continues to make the subsidiary articles, as he knows the different shapes of the minor metal utensils of domestic use which different localities prefer. The smith now gets higher wages than before for his repair work" (Sarkar). The Marasari (carpenter) knows by heart certain rules which ought to be observed in the building of houses. They invariably work on wood provided by others and seldom make articles for sale on their own account.

The work of the Musari (Bell-metal worker) is thus described. "They make all kinds of bell-metal vessels from a tiny cup to a caldron, 30 feet in diameter and weighing half-a-ton, and also lamps, bells, etc., of various shapes and sizes. The metal is a mixture of copper and lead, the usual proportion being 2 to 2½ parts of lead to ten of copper. If the proportion of lead is increased to three parts, the alloy will have a brighter appearance, but as it is liable to crack in casting, this proportion is resorted to only in exceptional cases in making small sized articles and that only by very skilled workmen. The mould is made of beeswax with a core of clay and a thick covering of the same material. The wax runs out in the kiln through a hole in the covering of clay left for the purpose and through the same hole the molten metal is poured into the mould. When taken out of the kiln and cooled in water, the articles are found to have raw edges and a rough surface; the former is then cut off and the latter smoothed and polished in a lathe. The methods and implements employed by workmen are old fashioned and some primitive, notwithstanding which some of the articles turned out by them are distinctly good, both in design and finish." (State Manual) also settle down in Villages, but the best artisans are found only in towns where they usually manufacture articles for a middleman who is a shop-keeper. But what with the competition of enamel wares and that with the rise in the price of copper and lead, their business is not so brisk as that of the blacksmith or the carpenter. The Kallasari (on) works on laterite stones and not on the granite or rocky stone.

Here is a table showing the wages of these workmen:—(From Cochin Administration Report for 1914-15). The figures are available only for a single year.

No.	Description of workmen.	Minimum wages.	Maximum wages.	Remarks.
1	Carpenter	0 6 0	1 0 0	
2	Blacksmith	6 0	0 12 0	
3	Mason	0 6 0	0 14 0	
4	Bricklayer	0 7 0	0 12 0	
5	Sawyer	0 10 0	1 0 0	
6	Boatman	0 6 0	0 12 0	
7	Workmen in mills	0 6 0	1 0 0	
8	Coir making	0 4 0	0 12 0	
9	Coolies—Males	0 4 0	0 10 0	
	„ Females	0 3 0	0 6 0	
	„ Boys	0 2 0	0 4 0	
10	Coolies in Rubber Estates:—			
	Males	0 4 0	0 7 0	
	Females	0 2 6	0 4 0	
	Boys	0 2 0	0 3 6	
	Girls	0 2 0	0 3 0	

APPENDIX.

1. The Blacksmith.

- Family:**—1 male, aged about 25 and his mother. He is not married. His sisters are married and have left to their new houses.
- Properties:**—He has a house to the value of Rs. 60 which he has put up in the compound of another to whom, however, he has to do smithy services when required. He said he has implements to the value of over Rs. 250.
- Wages:**—For casual works executed he is paid in money. He moreover the “desa-asari” (village blacksmith) and gets 8 par of paddy at the harvesting season for repairing the agricultural implements of farmers. He said he earns from Rs. 20 to 30 mensem.
- Food:**—Spends Rs. 10 per month on rice. He said that he constant visits of guests in his house of his own castepeople.
- Clothing:**—Rs. 5 worth of cotton cloth would be sufficient per annum.
- Debts:**—He said he has no debts.

6. **Savings:**—He does indeed save something; and once he had deposited in the Savings Bank nearly Rs. 15; but he is careless and spends off the savings on occasional visits to his relatives. For his father's funeral, he said, he spent over Rs. 100; and for the marriage of his sister, a similar amount was spent.

7. **General Remarks:**—He has now two boys whom he trains as apprentices. These are fed in his own house. He is an excellent workman. He hopes to marry soon.

2.—The Carpenter.

- The Family:**—Husband, aged about 45; his wife and 5 children.
- Properties:**—His house costs about Rs. 25; he has put it up on another's compound. The house is mortgaged for Rs. 50. This debt was contracted for his father's funeral ceremonies.
- Wages:**—He earns 6 as per day. His wife earns about 1 anna to 1½ as by weaving baskets out of cocoanut leaves.
- Food:**—He told me that he lives from day to day.

N.B.—The workman is perhaps not representative of his class. There are carpenters in better condition.

3.—The Mason.

They live in a colony of 10 to 12 families; most of whom are descended from their great grandfather. They put up in the outskirts of the “town” of Watakanchery (Cochin State) which is the official centre of the Talapilli Taluk and where live ‘better’ sorts of people.

Family:—Husband and wife, and two children.

Properties:—He has a house costing Rs. 60, which he has set up in another's land (a Brahmin in the Village) for which he pays annual rent of 2 paras of paddy and one bunch of plantain. He has implements to the value of Rs. 5.

Field work:—He earns about 8 as. per day on an average. He said he usually spends the whole of it. His wife does not engage herself in any business, but provides the family with faggots from the neighbouring hill.

Debts:—He said he has no debts.

General remarks:—He manages to get work throughout the year, not only in the village; but he contracts to work for the P.W.D., in different parts of the State. He sometimes stays away a month or two in this tour.

4.—The Goldsmith.

1. *Family*:—2 brothers with their wives; 6 children.
2. *Property*:—He has a decent house and a compound round it, costing about Rs. 300 to 350; he has paddy cultivable land near his house of 20 paras of seed-sowing capacity from which he gets nearly 200 paras of paddy. He has also 2 pairs of cattle; he employs the labour of 3 Cherumas or Pulayans.
3. *Earnings*:—Besides the income from the field, he can get, he said, nearly Rs. 15 on an average in a month from his work as a goldsmith.
4. *Savings*:—He said, he requires the whole of this income for his expenditure, and does not therefore save much. He is thrifty and is in a comparatively good position. he pays by ex.

5.—The Potter.

In the village of Watakanohery, there are two colonies of *usavans* (potters) consisting of 10 and 15 families respectively. They have set up at a distance of about two miles from each other.

1. *Family*:—A man (who is a widower now) and two children; a female relative of his lives with him.
2. *Property*:—He has a house costing from Rs. 12 to 15; built in the land of a local janmi (landlord) like the other families in the colony. All the families together (10) pay a rent of 4 paras of paddy and Re. 1 per annum.
He has absolutely no property, excepting a few mud pots, and a few implements including the wheel with which to fashion the mud-pots.
He procures the mud necessary from the neighbouring paddy-flats and often he pays for it in money to the field-owner. Faggots with which to burn the kiln, he gets from the neighbouring hill at whose feet they have set up their houses.
3. *Earnings*:—He takes nearly a week to finish off the different processes and may make at the end of the period mud-pots to the value of nearly Rs. 2.
His wife (now the female-member) takes the pot on her head for disposal to the interior of the village often five or six miles distant and gets paid in paddy, but sometimes in money too. (It is said that money-price is not profitable for him).

This just suffices to maintain himself during the rainy season he has a very hard time of it, and has to go without meal.

4. *General Remarks*.—He is now a widower. For a marriage, the bride-groom has to pay nearly Rs. 40 to the bride's family. The usual method, he said, of getting this lump money is the practice of instituting a '*kuri*' (i.e., collecting the money from so many of his caste people as subscriptions) and returning them by monthly instalments which he will have to earn by the labour of himself and his wife; also other people of his caste and his relatives give their little share on the occasion of the marriage; he is however obliged to help others too in this fashion.

The women are often so over-worked that they sometimes leave their husband's house to their father's house; and the potter, to whom I addressed myself, said that a man was often compelled to marry two or more times. A woman, once married, could not marry again.

The condition is extremely miserable.

Chapter IV.

SUBSIDIARY INDUSTRIES.

1. Weaving.

Clothing is an indispensable article of use for the Villager, and hence spinning and weaving occupies a prominent position in the village industrial organization. But it is noteworthy that at all classes of Malayalis, males especially, require clothing to a very small value indeed. The poorest classes need clothes for a value of Rs. 1 to 1½ per year; while a female of that class may require clothing to the value of Rs. 4 to 5 per year. There is no great elasticity in this matter between class and class; the rich being sparsely dressed as well as the poor, though the former may don somewhat costly attire on festive occasions. All the clothing should be white, with the exception of that worn by the Tamil Brahmin ladies who in common with their sisters to the east of the Ghats wear the coloured dress. The cost of this coloured dress varies from Rs. 3 to Rs. 200 and even more. A middle class Tamil Brahmin lady generally uses clothes to the value of Rs. 12 and two such cloths together with the ones would be sufficient for use in a single year. These are imported

to this place chiefly from Madura, Tanjore and Kanchiveram. A middleman or merchant sets up a shop in an important town from where in former days peddlers used to take the cloths to the very doors of the buyers. But this system has almost broken down, thanks to the introduction of improved means of transport; and now it is the custom for the people to go to the markets themselves and get the thing from the shop-keepers directly. With respect to men's cloths, imported wares from Manchester and Bombay are more and more used by the middle and upper classes, while the very poor wear only cloths woven in the country pit-looms. So the country weavers now supply only a part of the cloths woven by the people and that of the poor classes; but even the rich use them as towels and as upper wear while going outside. Check coats and twill shirts, however, are becoming the 'fashion' among the professional classes. Let us now turn to note the condition of these indigenous weavers.

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The caste of weavers as that of others, is hereditary. The weavers found in the State could be divided under three heads:—Chaliyans, Kaikolans, and Chetans. These are found in all the Taluks of the State except one. "Chetans and Kaikolans are weaving castes, and are found only in the north-eastern portion of the State. The former are immigrants from Mysore and speak Canarese, while the latter hail from Coimbatore and has Tamil for their mother tongue. The Chetans wear the sacred thread, and Chetti is their signomen. Some of the Kaikolans, probably an earlier batch of immigrants, have their tuft in front and speak Malavalam. Most of the Chetans and Kaikolans are still engaged in weaving, but among the former, who are a more thriving community than the latter, there are some landholders and cultivators." (Census Reports). The Chaliyans can be considered as indigenous. The Chaliyans and Kaikolans practise only coarse weaving seldom using yarns above 20's; while "the Chetans use yarns up to 100's when there is demand for the same, and make fine cloths (generally 80 to 100 counts) with laced or coloured border. These cloths, called *pavu mundus*, are the fashionable attire of the Malayalis, and consequently there is considerable demand for them in Cochin and Malabar." About 2,400 men and 1,600 women are engaged in the weaving industry. We may note in passing that spinning as an hereditary business of the weavers has entirely been displaced by machine made yarn.

I personally inspected a colony of Chaliyans (the poorest class of weavers) and noted the following facts about their economic and moral condition. They live in a small colony consisting of 40 to 50 families.

The economic and moral condition of weavers.

Each puts up in a small hovel costing nearly Rs. 15 to 20 which they have been permitted to build on another's land. If, however, one lives in a house put up by another, that one makes a contract to bear the expenses for the annual renewal of the thatch which will nearly come to Rs. 2. The cost of his tools and implements comes to Rs. 2.

They buy the necessary yarn from a Brahmin merchant who has set up a shop in their midst. The Brahmin merchant buys Bombay yarn of 20 counts from a neighbouring town at Rs. 7-10-0 (the present market rate) and sells them at Rs. 7-12-0 to the weavers. I was told that a well-to-do person of their own caste undertook some time back to transact this business for them, but he was financially ruined because his customers did not exhibit the same alacrity to clear off their debts to him as they would to one of a higher caste.

The yarns used up are all 20's; small towels are made out of them which are in great demand among all classes of Malayalis. The weaver's wife is an adept in combing the yarn and 'sizing' it; she prepares it ready for use in the loom. The husband then weaves it up to the desired size. He works up in a single day yarn to the value of Rs. 1 and out of it he makes towels which now sell at 18 as. So he earns 2 as. per day. Even the most favoured among them can earn only 4 to 6 as. a day which is less than the wages of an average agricultural labourer. This is evidently starvation limit; and as they live from hand to mouth and from day to day their condition is miserable. Especially is this so after the present rise in the price of machine-made yarn which has nearly doubled itself since the outbreak of the War.

Most of them are therefore poor. But there are two persons in the locality who are fortunate enough to possess property worth a decent sum; one of them has property worth fifty thousand rupees and the other, five thousand. But these savings were effected by the ancestors of the present owners; and they managed to earn these not indeed out of the profits of their own hereditary business but by other methods. Even this decline in their business these poor weavers fondly cling to hereditary calling, though instances are not wanting of those who turn to agriculture, or have combined it with other occupations, including groceries, husking paddy etc.

At the end of the day the weaver carries his towels to a market near by or more often a middleman comes to his own house and takes off his wares. This primitive trade-organization also is in some measure responsible for the poverty of the weaving classes who cannot owing to their ignorance about the outside market make the best use of their opportunity for bargaining with the middlemen to whom they sell their wares; while it not unfrequently happens that the middleman who is a usurer and jack of all trades advances money or yarn to the weaver and gets his client in his grip.

Drinking toddy has become an inveterate habit among these people. I was told that they drink toddy on every extraordinary occasion, viz., while receiving a guest, during marriage or funeral ceremonies etc.; but as a rule they are thrifty, though their earnings do not require them to be acquainted with the art of thrift.

The Chetans—the better class of weavers in the State—are in a comparatively well-to-do condition; and he earns more than double the wages of a Chaliyan or Kaikolan.

Much sentiment has been wasted in discussing the problem of improving the condition of the indigenous handloom weavers. They are represented by some as sturdy independent artisans working on their own account untrammelled by the restrictions and stinking atmosphere of a factory. But it is doubtful whether this roseate view can be seriously entertained by those who are acquainted with their actual condition and with the odds with which they have to compete in the struggles of their trade.

There is indeed an extreme class of thinkers who deprecate any attempt to improve their economic condition. They say: "Industries conducted in a small way and by hand are of little use to-day, and it is not wise to encourage their multiplication. Such industries inevitably succumb as soon as they are brought into competition with the products of factory labour, and each mile of railway extension increases the vigour of such competition." (O'Connor). Again, "A

Conflicting views. pseudo-Ruskins and many old-fashioned let in India are trying to revive our hand industry for the supply of ordinary clothing; but their attempt is to have the same success as an army equipped with bows and arrows when opposed to troops armed with magazine rifles and machine-guns. This artificial encouragement of an obsolete and doomed industry

only cause a great loss of national capital and retard our industrial growth." (Sirkar, *Economics of British India*, P. 174.) It is further pointed out that our mills have made phenomenal progress in the thirty years from 1879 to 1908, the number of mills more than 10 times, that of persons employed $4\frac{1}{2}$ times, and of spindles 4 and $3\frac{1}{2}$ times respectively, while the percentage of our home production of grey and bleached goods to our imports, doubled in the eight years, 1901—1908." (*Ibid*, p. 175).

The Mill industry in cotton.

But let us note where India stands with regard to her mill-industry in cotton. Our industrial position at the beginning of 1907 was thus summed up by Mr. Gokhale: "Taking only the production of mills, we find that last year (1906) about one-fourth of what the whole of India needed was produced in India, and three-fourths came from outside. The capital that is invested in this country in the textile industry is between 16 and 17 crores of rupees. On a rough calculation you will find that, if our present production is to be quadrupled, about forty to fifty crores of rupees of additional capital would be wanted." Looking up to the extent of the industry one notes the following:—"In 1910, out of the 226 cotton-mills of British India, as many as 84 were situated in Bombay city and 54 in Ahmadabad. The Bombay Presidency contains three-fourths of our spindles and looms. The year 1905 was one of phenomenal activity in our cotton manufacture. Since then there has been a steady decline in the production of yarn (with a slight recovery in 1911). But the production of cloth has gone on increasing; it has more than doubled in the first ten years of the 20th century. We consume at home 90 per cent. of the cloth our mills produce, only 10 per cent. being exported. We import only 8 per cent. of the total mill-made yarn used in India. In 1911 the Indian mills produced nearly 34 per cent. of the total weight of all woven cotton goods imported." (Sirkar, *Economics of British India*, p. 173).

But even after feeling a sense of satisfaction for this "phenomenal activity in our cotton manufacture," can we not see that we are still far away from the goal and that there are certain tendencies in our industrial condition which hamper an unrestricted increase in our factory-industries. Among such tendencies the following may be noted.

(1) The factory system of industries is made possible by *inventive skill* which has succeeded in making complicated automatic machinery and in utilizing steam-power or any other kind of power in driving it in the required manner. This again requires a large output of coal and iron conveniently near the centres of work.

Inventive skill of this sort has been absent from India up to now, for even in the West it is of comparatively late origin. And those Europeans who have established themselves in India have kept the secret to themselves. They import highly skilled labour from their own country and manual labour alone is recruited from this country. Moreover all the most important forms of machinery are being imported from England or elsewhere. Though there are lots of iron and coal (the latter not all of good quality) remaining in the earth, they are not found very near each other and are not worked to any great extent and that is a serious handicap for the development of machine-made industries.

(2) The factory system requires a large amount of capital waiting to be invested in industrial pursuits. This again presupposes certain qualities in the individual such as the habit of saving, of trust and confidence in leaders, of a venturesome spirit and last, but not least, the existence of convenient institutions which will facilitate saving and credit such as banks.

The accumulation and circulation of capital in India as well as its intelligent application in remunerative industries are retarded by the cumulative influence of several circumstances. Among these may be mentioned: Dependence of the majority of the people upon the produce of the soil and the consequent economic effects such as the preponderance of small holdings and poor cultivators; the traditions of insecurity (which can be now happily eliminated); the partition among the male members of a family of property, which is mostly invested in land (where such practice exists); the absence of secure institutions of credit to tap such savings as the people may be disposed to make; want of a venturesome spirit on the part of the people.

(3) Factory-production on a large scale demands different kinds of labour. Manual labourers, significantly called *mill-hands*, willing to work at stated hours under the discipline of a factory; labour of *mechanics*

trained to work and look after the machinery; and labour of managers of business ability—these are the three grades of labour required in a factory.

It will not be impossible perhaps to procure mill-hands in sufficient numbers; though even here one cannot ignore certain of their drawbacks. The standard of life of the average labourer is very low and is not very elastic and this circumstance is sure to be taken advantage of by the managers; and low wages in their turn react upon the efficiency of the labourer; and it is doubtful perhaps whether he would be able to stand on his own legs and demand what is his due as his sturdy and energetic brothers are doing in England and America. Moreover there must be mobility of labour in the shape of concentration of such workmen in towns and cities and if need arises, a certain readiness to move from city to city and town to town. Without stopping to consider whether this tendency is healthy or otherwise, one cannot overlook the fact that there will be much initial difficulties in bringing about mobility of labour in India. The other two kinds of labour—that of business men and mechanics—are specially difficult to find in India.

(4) The factory system does undoubtedly imply the concentration of population in towns and cities, for otherwise it would be impossible to get mill-hands in sufficient numbers and there would not be good facilities for getting raw materials and for marketing the produce. Out-of-the-way places cannot become centres of manufacture, especially manufacture along factory lines.

It is not easy to say how long it will take for India to cease to be a land of villages and become spotted with cities and towns everywhere.

(5) Closely connected with this is the existence of facilities of communication, rapid and cheap, not only with foreign countries, but also between the different parts of the country itself. The importance of this cannot be overrated for the successful working of the factory system in production.

Even with the great and rapid increase of railways, and the introduction of the penny post and the telegraph which characterise the modern era in India, one cannot say that the means of communication between the different parts of the country is as satisfactory as one could wish.

(6) The successful working of the cotton industry along factory

Inferiority of Indian cotton.

lines requires a large supply of raw cotton conveniently within reach. Now India is certainly a great cotton growing country, but the cotton grown is of an inferior quality. This is a very great disadvantage for India in her competition with the outside world.

These impediments must be taken account of in any scheme for the

Social and economic evils of capitalism.

reconstruction of India's industrial future. More over the drawbacks of the western industrial system which arise chiefly from the evils of unrestricted capitalism must be borne in mind, if only to profit by the experience of other nations. The spectacle of overworked men, women and children, ill-clad and underfed, huddled together in the filthiest quarters of a city or town like 'dumb-driven cattle', ready to march to the side of the untiring machinery at the punctual call of the whistle—this spectacle calls for a halt and makes one consider whether this is after all the acme of national welfare and whether a better system cannot be discovered for the increase of national wealth and for bringing about a better reservation of national economy. It is true that the advanced nations of the West have got over some of the difficulties, and Labour is now in a better condition than before. Moreover, though Western Capitalism has succeeded in solving the problem of Production to an eminently satisfactory degree, it has failed in solving the other problem of Distribution which is equally important from the point of view of national welfare. It is but too true that in such countries the rich are becoming richer and the poor, poorer. Impatient economists are apt to be satisfied with the return of statistics of Production as, for example, to see how far 'national' production keeps pace with 'national' consumption and so forth; and Indian industrialists, I fear, are erring in this direction.

In this connection the question of improving the economic condition

The Problem of the indigenous weavers.

of indigenous weavers is of great importance. For better or for worse there are a great many of them in India who ply their hereditary industry in spite of the keen competition let loose by the stupendous world-forces of modern times; there are in the Madras Presidency alone about 4,00,000 weavers. Their low material and moral condition has already been indicated. Now the problem resolves itself into this: Whether they should be allowed to sink lower and lower until the whole race comes to be exterminated; or whether there is yet

any hope of raising their economic status in the future. What are the disadvantages under which they labour? Are there any means by which those disadvantages could be got over?

The disadvantages under which the indigenous weavers labour arise

out of two circumstances—first, from want of organization among themselves which precludes any economy in production and in disposing of the goods and secondly, from the meagreness of their output which results from the use of primitive implements. There are certain fields in which powerlooms cannot hope to compete with the handloom. In the manufacture of the coarsest as well as the finest kinds of cloth and in certain ways of bordering, the handloom is still supreme. But weaving is only one of the many processes through which cotton is made to pass in its conversion from yarn to cloth, and an inefficient production in any one stage tells adversely on the weaver. Hand-spinning, for example, has long ceased to be of any commercial importance and it is hopeless to revert to it in the presence of the powerloom; the powerloom has so securely established itself in this process that it is impossible to oust it from its place. The indigenous weaver must be content to take the chances of the yarn-market. He is further handicapped by the primitive method of warping and sizing. While 6 to 8 persons can size only about 60 yards of yarn in a day, the powerloom with two persons to look after it can size about 60,000 yards in the same period.

Various suggestions have been made for effecting a better reservation of their energy and a greater output of

Suggestions for improvement.

their wares, such as the adoption of the flyshuttle looms in place of the primitive country pit-looms, the plan of drawing them to central factories equipped with most improved kinds of handloom, the diffusion of primary education and technical instruction among them, and the spreading of the gospel of co-operation among them. A few persons in the Madras Presidency have taken up the task in what may be called a "missionary" spirit, and that is as it should be. There are various difficulties in the way, but those experts who are competent to speak on the subject say that they are not insuperable.

Mr. Chatterton, sometime Director of Industries in Madras, who

Flyshuttle looms and handloom factories.

may be regarded as a pioneer in this respect says: "The difficulties which have to be faced lie mainly with the weavers themselves. There is

not the least doubt that the flyshuttle loom is from 50 to 100 per cent. more effective than the handloom, but the weavers object to turning out in a day more cloth than they have been accustomed to, and it is difficult to get them to make use of the improved way of working....He is a fairly hard working individual, as if it were not so he would be starving, but he is accustomed to work at his own time and in his own home, and the regular hours obtaining in a factory are extremely distasteful to him. In the factory the work is undoubtedly more monotonous than in the domestic circle, and the main compensation which the weaver can look forward to is that he will have to work shorter hours and be able to earn sufficient wages to keep his family respectably, and allow them to enjoy freedom from sordid cares and anxieties which at present is very much their lot." (Chatterton, *Industrial Evolution in India* p. 217-18).

However much one may regret the necessity for drawing the weavers into a central factory, that is possibly the only of development in the future. The day for unrestricted individual production is gone for ever as it cannot command the economies of organization and division of labour which a factory alone can secure. "The establishment of handloom factories will afford excellent opportunities for educated young men to acquire a knowledge and insight into the principles and methods which must be pursued to enable manufacturing operations to be carried on profitably....I am not without hope that we may see hundreds of weaving factories gradually coming into existence, and it will be difficult then to estimate the effect of the improvements which will be brought about by associating the work of the weaver with men whose intellects have been trained and who have a full knowledge of the conditions under which the weaving industry must be carried on." (*Ibid.*, p. 218). The Madras Administration Report for 1914-15 says: "In recent years the more general adoption of the flyshuttle loom has considerably increased the outturn from handlooms. It is estimated that up to the end of 1913-14 at least 30,000 of these flyshuttle looms had been introduced and this number was largely increased during 1914-15."

"But do not let it be supposed that the mechanical improvements necessary for the continued existence of India's

Other methods. greatest industry are mainly a matter for expert knowledge. There are a few simple things, which any intelligent school boy or girl could learn to manipulate in a week, though they are so important for the village weaver that, were the Education Department

ment as efficient as it should be, every village schoolmaster would teach them and every Inspector of schools would be able to demonstrate them....

"These suggestions apply to the village weaver who is too poor, helpless and ignorant to make any attempt to adopt even the simplest improvements to his apparatus. The educational measures hitherto employed, officially and unofficially, hardly touch his case at all. It is useless to provide schools, exhibitions and demonstrations of improved appliances for his edification. He cannot afford to leave his loom to attend them and has not the means, even if he had the energy, to obtain the required improvements which might help him out of his difficulties; though the cost of them would seem to be a small matter, for a total expenditure of ten or twelve rupees would provide him with apparatus which would certainly double, and, in some cases, treble his output."

"I have several times called public attention to the success which Mr. A. F. Macdonochie, I.C.S., had, while he was Collector of Sholapur in the Bombay Presidency, in reviving the local weaving industry by the simple expedient of making arrangements to provide the weavers with raw materials on reasonable terms, advancing them cash at reasonable rates in the slack season, and enabling them to obtain the best market rates for their labour—all of which advantages are denied them by the rapacious village money-lender. In three years the condition of three hundred weavers had greatly improved, 25 of them had paid off all their old debts, and recovered their mortgaged property from the sowcars; and at the same time the scheme itself had given a fair dividend on the capital used."

"If this can be done without any attempt to improve the methods and appliances of the weavers, it stands to reason that an efficient organization which gives both financial and practical educational assistance would be certain of success. The example of ten thousand weavers in the Serampore District of Bengal is a proof that simple improved appliances can enable village weavers to double their earnings even without any outside assistance." (*Artistic and Industrial Revival in India*, by E. B. Havell, pp. 177-80).

Mr. P. Ramachandra Sastry, Secretary of the Conjeevaram weavers' union, says: "The trade can be carried on with very little capital; ten rupees are ample for the stock-in-trade of a weaver....If a weaver should only be able to secure all his earnings for his own use he would certainly be prosperous; but the majority of weaver families continue

in a state of indebtedness from generation to generation. After giving him a grounding in character, efforts should be made to secure to him the benefits of his labour. The greater portion of the weavers' profits now goes to the seller of cloths and not to the maker of them The great point in the task of relieving weavers is to secure to them the profit which now goes to enrich the middleman. This can only be done by applying to weaving the principles of productive and distributive co-operation." (*Bulletin*, June, 1912, pp. 303, 304.)

This digression has been thought necessary because there is a misconception among a certain section of Indian industrialists that the handloom weaving must sooner or later vanish from this country. They say that it is not only impossible to prop it up, but is positively injurious for national economy and the industrial future of India to do so. This conclusion is not warranted by the circumstances of the case. If steps are taken along the lines indicated above, that industry can hope to hold its own.

An effort has been made in the direction of progress in the weaving industry in Cochin. A few weavers use fly shuttle looms and have adopted improved methods of warping and sizing. One or two small factories have been set up; and a large factory using power-looms has been set up in Trichur, an important town in Cochin State. Its method of working in the environment in which it is placed must be so interesting that a short description of it must be attempted here.

It is a weaving factory managed by a Limited Liability Company of the joint-stock type. It was started with a nominal capital of 3 lacs of rupees, but its paid-up capital up to date amounts only to Rs. 1,07,120; the State has granted to this Company a loan of Rs. 24,000. Though the factory was started over five years ago, and was declaring decent dividends, the fact that the nominal capital has not been reached is a sufficient indication that there is some difficulty in attracting capital to joint-stock ventures which are entirely new to the people of Cochin. Building and plant and machinery each costs Rs. 34,747-12-7 and Rs. 62,577-8-5 respectively.

With respect to Labour, the Mill now employs 120 men, 80 women and 20 children; men are exclusively employed in the weaving department and women in the winding department. All this labour is recruited

from the city itself; the labourers live in their own houses which lie scattered in different parts of the city. They are very neat and tidy; they, men and women, are high class Nairs and Syrian Christians. They are somewhat lazy, so I was told by the manager, but the quality of their work is satisfactory. Men turn out 10 to 12 lbs. of cloth per day on an average and earn about Rs. 10 per mensem; while the women wind about 8 lbs. of yarn a day and earn from Rs. 6 to Rs. 8 per month. They are paid by piece-work.

The yarns used up in the mill are those between 20^s and 30^s and chiefly got down from Bombay, Madras and Broach. Finer yarns imported from Manchester were used to be woven before the outbreak of the Great European War, but now they are no more used.

The Mill-manager who is also a shareholder is paid at a commission-rate of 1 pie for every yard of cloth manufactured and sold. His commission-amount came to Rs. 4,770 during the last year.

No difficulties are experienced in marketing the produce. But owing to the war-conditions and the great increase in the price of yarn, the Directors now find it increasingly difficult to declare good dividends. Such undertakings have a great future before them not only in the textile industry, but in other matters as well and the State Government is trying its best to popularise such movements by means of granting liberal loans and in other practical ways.

2.—Subsidiary Industries:—Cocoanut products.

The products of the cocoanut—its oil and oil-cake, coir etc.—are used for a variety of purposes. Though there are altogether 9 mills in the State using machinery and power for the extraction of cocoanut oil, a great part of the oil used for home consumption in villages is still produced at the rotary mill of the domestic artisan.

The rotary mill of the domestic artisan. The Syrian Christians are the principal workers in this industry. This is carried on chiefly in places where there is easy access to cocoanuts and hence the coastal regions are specially suited for it. The artisan in this case is not generally a whole time worker, but merely pursues it as a subsidiary industry just to give work to the pair of bullocks which he has in any case to keep for the use in his paddy-fields. And in summer when he has no more use for his bullocks and when the heat of the sun could dry the copra in no time, he sets to work in his rotary mill. The cost

of such a mill is nearly Rs.50. He often buys cocoanuts on his own account, but sometimes another provides them for him. In the latter case, the millman is allowed to retain the oil-cake, while the oil is returned to the owner. It generally takes a week to finish off the process. The kernel of the cocoanut has to be dried in the sun for a week and the copra of 100 cocoanuts can be crushed in a single day. It gives work that day to a pair of bullocks and two persons, one as the driver and the other conducting the operations in the centre. The following list of prices of the various products out of 1,00 cocoanuts will give a rough idea of the earnings of the oil-man.

The cost of 100 cocoanuts	...	...	...	=	Rs. 3½ to 4
"	"	oil extracted	...	=	" 4 0 0
"	"	oil-cake	...	=	" 1 8 0
"	"	coir-yielding cover	...	=	" 0 4 0
"	"	cocoanut shells	...	=	" 0 2 0
∴ Total					= Rs. 5 14 0

Subtracting the cost of cocoanuts, i.e., Rs. 4,

the remuneration of the worker. ... = " 1 14 0

This involves 8 days' waiting + labour of two persons one day + the expenses for the bullock.

The chief difficulty of these workmen is want of capital to ply their craft throughout the week. Many of them being poor live from hand to mouth. But a still greater hindrance is their inability to command a wide market which in its turn is due chiefly to the lack of any trade-organization worth the name. Hence as has been pointed out, his work is intermittent, and often he works for another keeping the oil-cake for himself as his remuneration.

Cocoanut fibre industry is an important branch of subsidiary industry in that part of Cochin which adjoins the

Manufacture of cocoanut fibre. sea and backwater. It is calculated that nearly 74 lacs of rupees worth of coir in various forms have been exported from the port of Cochin in 1908-9 against 36 lacs worth in 1896-7. The Census Report returns 8,000 men and 20,000 women as engaged in this occupation. The majority of these are Ishuvans corresponding to the Tiyyas of north Malabar, while a few Native Christians are also engaged in it. The extraction of the fibre and preparation of the yarn are very tedious operations. Women of the Ishuva caste are specially skilled in the craft. An average woman of that class earns about 2 as. per day by this cottage-industry.

Similar to the cocoanut oil, gingelly oil is indispensable for domestic use in a Malayali household. The extraction of this oil however is not undertaken to the

Gingelly. extent of any commercial importance. It is imported from the eastern parts, but its quality has deteriorated in recent times being adulterated with ground-nut oil. Sesame is here being raised to a little extent as a subsidiary crop when the cultivator is enterprising enough to utilize his time after the gathering-in of the harvest. Owing to the distinct badness of the imported oil, those who can afford to do so resort now a days to the method of taking the seed to a rotary mill near by and get them crushed stipulating to give the oil cake as his remuneration.

Chapter V.

TRADE AND ITS ORGANIZATION.

The principal points which are to be considered in this connection are (1) the nature of the means of communication,

Chief means of communication. including water-ways and canals, roads and railways; (2) method of conveyance of goods to the market; (3) the nature of the distributing agencies such as markets, fairs, shops, etc.

The backwaters and rivers of Cochin which together measure over

Backwaters and rivers. 200 miles of communication provided the chief routes for transport of goods till very recent times; and even now after the introduction of the metalled road system and the railway, their importance has not diminished. The existence of such cheap and convenient means of internal traffic is responsible for the early development of a brisk external trade through the port of Cochin with foreign merchants from Europe and elsewhere. Ferries and boats propelled by oars and sails, and steam-boats introduced recently, are the chief carriers in the water-ways.

Till the middle of the 19th century there were no metalled roads in the State in a condition fit for wheeled traffic.

Roads.

The following description given by Ibn Batuta, the famous traveller in these parts in the 14th century, gives a good idea of the pre-road days:—"No one travels in these parts upon beasts of burden, nor is there any horse found except with the king, who is therefore the only person who rides. When, however, any merchant

has to sell or buy goods, they are carried upon the backs of men, who are always ready to do so for hire. Every one of these men has a long staff, which is shod with iron at its extremity and at the top has a hook. When, therefore, he is tired with his burden, he sets up his staff in the earth like a pillar and places the burden upon it; and when he has rested, he again takes up his burden without the assistance of another. With one merchant you will see one or two hundred of these carriers, the merchant himself walking. But when the nobles pass from place to place they ride in a dula (palanquin) made of wood, something like a box and which is carried upon the shoulders of slaves and hirelings. The whole of the way by land lies under the shade of trees, and at the distance of every half-mile there is a house made of wood, in which there are chambers fitted up for the reception of comers and goers, whether they be Moslems or infidels. To each of these there is a well, out of which they drink. To the infidels, he supplies this in vessels; to the Moslems he pours it in their hands." This description is to a great extent applicable to the condition of this day.

Pack-bullocks which once used to be very common are now falling into disuse except in some rural parts.

There are now 435 miles of road in the State of which 435 are metalled and the rest unmetalled. Bullock carts which used to be very common for passenger and goods traffic are now seldom resorted to in the lines traversed by the Shoranore-Cochin Railway. Long stretches of avenues planted at very short intervals on both sides of the road is a special feature of these roads; this had once been maintained as an act of charity by the people, but now it is under the government charge.

The State Railway which was introduced in 1902 runs from Shoranore to Ernakulam, a distance of 65 miles. It was constructed at a cost of 70 lacs of rupees. It has now become a very important means of transport both for passenger and goods traffic.

The chief articles of agricultural produce are rice, arecanut and pepper; of forest produce are timber and bamboo. The organization of trade is comparatively simple. Each man disposes of his surplus goods on his own account to a middle-man who comes to his house or to whom they are carried on the backs of men or in a bullock-cart. Middle-manism appears to be indispensable in all items

of village trade, for he it is that focusses the surplus produce and sells it to others who need not necessarily be the persons who consume, but middlemen themselves trading in another part of the country. The Village fair which meets once a week or oftener becomes the

meeting place for these middlemen; articles for immediate consumption such as vegetables fish or mutton are also exposed for sale in such markets and fairs. Often the fair takes place under the patronage of an individual who is also a commission agent. Thus in the village of Watakanchery, a rich and influential Muhammedan holds a weekly fair for the exposition and sale of arecanuts. He receives from the sellers a certain rate of commission for the quantity sold in the fair. Many merchants from the outlying parts resort to this fair. There are similar fairs for exposing cattle for sale and other articles for common consumption and agricultural use.

Every important village has in addition a retail shop in which are stored by middlemen articles of common consumption. They get their stores from a neighbouring town. In the interior of a village where means of communication are poor and where currency has not penetrated to the labourers it is not unusual for the shopkeepers to dispose of the goods in return for paddy.

Co-operation in trade has not made much headway in Cochin; the retail-dealer and middlemen are still supreme.

Chapter VI

SAVING, BANKING, CREDIT.

"There are" writes Professor Marshall in his Principles of Economics, "some who find an intense pleasure in seeing their hoards of wealth grow up under their hands, with scarcely any thought for the happiness that may be got from its use by themselves or by others. They are prompted partly by the instincts of the chase, by the desire to outstrip their rivals; by the ambition to have shown ability in getting the wealth, and to acquire power and social position by its possession. And sometimes the force of habit, started when they were really in need of money, has given them, by a sort of reflex action, an artificial and unreasoning pleasure in amassing wealth for its own sake. But were it not for the

family affections, many who now work hard and save carefully would not exert themselves to do more than secure a comfortable annuity for their own lives."

This analysis of the psychology of those individuals who honestly endeavour to make a saving is substantially true of India as of Europe. There are however certain other considerations which, arising as they do out of the peculiar social and economic outlook of the Indian peoples, intimately relate to the problem of saving.

An individual's conception of the 'necessaries of life' does undoubtedly affect the amount of saving he is willing to make in a given time. Now the phrase 'necessaries of life' is extremely vague and gives rise to a series of other questions which have to be answered first before it can be clearly understood. Food and clothing are certainly the prime necessities of life; but there are other necessities which people rightly or wrongly cling to even to the point of stinting a portion of their food and clothing rather than go without them. These latter are known as 'conventional' necessities; different varieties of ornaments made of gold, silver etc., could be counted as conventional necessities. Then there are certain other necessities which some persons or class of persons have come to regard as such through sheer force of habit, but which for all practical purposes could be regarded, so far as those persons or bodies of persons are concerned, as their necessities of life. All this is true of Indian society as of any other. But one of the most prominent fact which strikes an economic enquirer is that the standard of life in India is very low when compared with that in the West. This standard of life is certainly different in the case of the different castes of the social hierarchy. The higher castes as a rule spend more on education, while the poorer classes including the artisans spend little or nothing on education but all or almost all on food and clothing. As the division according to castes is not strictly an exact indication of division of labour, it is perhaps not possible to take the different castes one by one and institute a comparison amongst them with respect to the necessities of life which each person hopes to maintain for himself. But it may be asserted confidently that all classes of people live, each according to his station and income, on cheap and simple food. Paddy is the staple food of the Malayalis while the richest subsist on rice, the poor perhaps is satisfied with *Kanji* (i.e., rice boiled in water). Reference has already been made to the low value of cloth worn by all classes of Malayalis. In days gone by when such education as existed in this country could be got for nothing,

nothing had evidently to be spent on that score. Those members of the higher castes who had inherited the tradition and had the necessary leisure for spending a few years away from home, in a central religious institution or *math* perhaps, studied under a Guru who would instruct them in Metaphysics or Philosophy, Vyakarana (Grammar), Poetry (Kavya), Tarka (logic) etc; Sanskrit was the medium for this higher study. Every village moreover had its own *ekzuthachan* (a sub-caste who taught the village boys and girls how to read and write Malayalam); these boys and girls generally assembled in his house. Thus was solved the problem of primary education. Education was not then looked upon as an avenue for a profession. With the introduction of English education however which holds out prospects of earning money in some literate walks of life, the same higher castes make great sacrifices to lay out of their meagre income to invest their money upon the education of their children as imparted in English schools and colleges. This drain on the income of a family is particularly noticeable in two of the higher castes in Cochin—the Tamil Brahmins and Nayars. One class of Brahmins—the Nambudiris of Malabar—though they are by far the most respected and richest among Malayalis most of them being big zamindars and landowners, spend little or nothing on the item of education as they have strictly held aloof from English schools and even from a study of English which they regard as a 'mlecha' or unclean language.

Saving depends also on the strength of the habit of realizing the future and the present evaluation of that future. Saving depends on the habit of realizing the future. This is determined in a great measure by the prevailing sense of security and peace; by the extent to which money-economy has penetrated into transactions; and by the influence of caste which ensures a certain income for certain classes of labourers and hired workers. Peace and security has been established and to that extent the saver in India is free from the necessity for discounting the probability of his hard-earned money being utilized by the stronger in arms or authority. But the prevailing forms of land-tenure which leave in the hands of the janmi or landlord extreme elasticity to rack-rent his tenants are a source of insecurity to the agricultural classes.

Though the use of money in the shape of coins is becoming more and more important, it cannot be said that the people have got accustomed to use them to the fullest capacity. The proverb that land is better than

by money
economy.

money is still current among the people. Big industries involving much capital and waiting are rarely financed by the people; while the idea of joint-stock undertakings which alone can hold out opportunities to an average earner for investing his money in profitable business concerns is still in its infancy, not only in Cochin, but throughout India. The habit of trust and confidence in a leader, the spirit of obedience to rule and the principle of give and take which alone can maintain an association are still wanting in the majority of Indian capitalists; they would far rather keep their money with themselves or undertake business on their own account than start or finance a joint stock concern. But in justice to such capitalists it must be said that they cannot be expected to throw away their money unless such concerns can be demonstrated to be financially successful; and this 'vicious circle' is to a great extent responsible for the slow progress of joint-stock concerns in India. But the new awakening has made itself felt in Cochin too. The weaving factory at Trichur and a Vernacular Printing Press in the same place are joint-stock undertakings whose success is keenly watched after both by the Government and the enlightened public of Cochin.

One of the chief effects of the caste-system, at least in those cases where the distribution of labour according to caste coincides with the actual division of labour at the present day as among the artisan classes generally, is that there is no inducement for these people to effect great savings and thus to better their social position. They are more or less assured of a certain income, and as from father to son they must engage themselves in the same work they are willing to live from day to day trusting on their children to take care of them in their old age. It is significant that a high caste Hindu drawing Rs. 20 to 25 as a clerk in a Government Office makes a greater amount of saving than the village blacksmith who many perhaps earn Rs. 30 per mensem.

The necessity for capital to replenish the old stock as well as to make such improvements as the cultivator and those others engaged in the several industries are disposed to make is another factor which induces them to make a saving out of their income. The nature of the capital required for agriculture has already been described; one is struck at the low cost of the implements which are ordinarily used by the cultivators. The landlord moreover is not as a rule disposed to make improvements in his land; the tendency is to acquire more lands if he has sufficient money at his disposal. The implements used in other industries are also of comparatively low cost. The capital employed in

commercial undertakings such as trade in timber, agricultural produce etc., could, unlike that sunk for example as fixed plant in a factory, be turned over again and again in a comparatively short period.

The chief sources of accumulation are agricultural (chiefly) and other industries, and commerce in its various branches. Some indeed derive their income from the learned and other professions, as Government servants etc. And there are also the class of hired workers the majority of whom as a rule live from hand to mouth.

Let us now turn to the means by which savings are accumulated. The principal methods of accumulating the savings are as loans to neighbours or to a money-lender and by subscribing to a *kuri* whose working is described below.

Loans to neighbours. People are willing to lend money to neighbours at 12 per cent. per annum (which is considered to be the ordinary rate of interest); but when they desire to invest their money with big landlords or very rich people they are generally satisfied with 6 per cent to 8 per cent. and sometimes even less.

The *kuri* which serves the purpose of a savings-bank is a peculiar institution of Malabar and is so common everywhere that a detailed description of it must be attempted here. There are three chief kinds of *kuri*; we shall take them one by one.

(1) *Changati Kuri*. Mr. Lewis Moore quotes in his "Malabar Law and Custom" the following description in the words of one Mr. Graeme who wrote about 1822.

"*Changati-kuri*.—A lodge or meeting of friends. It was formerly very common in Malabar and is still partially kept up for the purpose of discussing any particular subject or enquiring into the conduct of any individual. It is not confined to people of the same caste, but may be composed of Nāyars, Tiyyans, and Mappillas (Muhammedans). Besides promoting social intercourse, it has a tendency to prudential consequences. It induces economy.

"It is supported by the subscription of the members in the following manner. Suppose there are twenty-five members, that the society is limited to twenty-five month's duration, and every member is obliged to give an entertainment to the party once in the course of this period

at his own house. It does not come to the members in regular turn, but is decided by lot, that is every member places with his subscription a ticket with his name in deposit and a ticket is drawn every month by some indifferent persons, and the person whose name appears in the ticket drawn gives the entertainment and is entitled to the amount in deposit in the month. The entertainment is calculated to cost at most not more than ten per cent. of one month's subscription of all the members, and the great advantage is derived from drawing a ticket at an early stage on account of the interest upon the sum for the remaining period. There is no other prize. Every member's subscription amounts in the end to the whole principal gain which he can ever make. The greatest disadvantage to any member is the drawing of his ticket towards the close of the duration of the society, the consequent loss of interest on his monthly subscription and the loss of principal expended in the entertainment, to the extent of two and half month's subscription.

"But these are counterbalanced by the facility of procuring easy loans of money upon the security which the ultimate certainty of attaining a prize affords. The monthly subscriptions in the meantime are small and are not felt and induce a habit of saving which would not otherwise be practised.

"Kuri-muppan is the president of the society termed Changati-kuri whose duty it is to see the money collected or, on failure, to forfeit to the prize-drawer double the deficient subscription. He is entitled to the privilege of giving the first month's entertainment. The society has of late years fallen into disuse, partly because it does not enjoy the necessary power to enforce its rules by degradation or other punishment, and members are not to be found who will support it from their own respectability. The contempt of its regulations can only be attempted to be remedied by a tedious, vexatious and expensive appeal to a judicial tribunal, an appeal more likely to be more particularly ineffectual from the compact of the parties being rather understood than expressed, and founded more upon a sense of honour than upon law or written agreement."

In a *changati kuri* now a days the Kuri-Muppan (stakeholder) is entrusted with the task of giving an entertainment which generally takes the form of a feast to all the members, each of whom contributing two or four annas for the purpose on the Kuri-day. On that day the members assembled are allowed to bid down the amount and the bidden amount is collected from each of the several members. This is however resorted to only by the poor classes of the people.

(2) "The custom of the prize-holder giving social entertainment," writes Mr. Moore in the book quoted above, "has

(2) Lottery. fallen into disuse and the society is now a provident club conducted on business principles. It is usual for the prizeholder to execute an instalment bond for the amount of his future subscriptions in favour of the Kuri-Muppan which contains the usual clause for enforcing the whole sum if one instalment is not paid." "A number of persons agree that each should subscribe a certain sum of money by periodical instalments and that each in his turn, as determined by lot, should take the whole of the subscription for each instalment, all being returned the amount of their subscriptions and the common fund being lent to each subscriber in turn." (Moore).

(3) A more common form is what is called '*Lela-kuri*' (*Lalam* = auction, in Malayalam). A stakeholder collects,

(3) Auction-kuri. let us suppose, Rs. 50 each from 20 members including himself thus making the total *kuri*-amount to Rs. 1,000 and let us also suppose that that society is to last for 20 months. This amount of Rs. 1,000 is appropriated by the *Kuttikaran* (stakeholder) for his own use, and thereafter he continues to pay his monthly subscription of Rs. 50 till the end of the term. When the day fixed for auction comes round next month, the assembled subscribers, let us suppose, bid the amount down to Rs. 640. The stakeholder and the subscriber who bid the amount have each to pay Rs. 50 ever after while the remaining 18 members distribute among themselves the amount due to the auctioneer minus Rs. 100 (i. e. the instalment shares of the stakeholder and the auctioneer) which is in this case Rs. 540; and each of the remaining subscribers has to pay Rs. 30 only. The same process is continued till the end of the term.

Closely akin to the *kuri* is the *Kuri Kalyanam* which is thus described by Mr. Graeme:—"It is an entertain-

Kuri Kalyanam. ment given by a respectable person at which all his friends who are invited present a certain sum of money and a certain number of coconuts, plantains, betel-leaves and arecanuts, every man according to his fancy, to the entertainer. The host feeds all those who come and has diversions for the company. An account is kept of what each guest offers, and when these guests in their turn announce that an entertainment is to be given by them, the person who has formerly had the benefit of an entertainment is expected to be present and to make a return at least equal to, but in general

half as much again and sometimes double, what he has received." (quoted by Mr. Moore). This is prevalent mainly among the lower classes.

Let us now briefly pass in review the chief institutions of credit which are characteristic of the rural economy. **Institutions of credit:—** The village-usurer is a ubiquitous being; he is a money-lender, a corn-dealer and much else besides. He performs a really useful function when he finances the cultivator; but he is censured when he extorts exorbitant rates of interest. His high rate of interest is to a great extent due to the bad security of his debtors.

In some of the towns in the State the bankers are mostly **Hundis.** Tinnevely Brahmins who have proved particularly shrewd in the business. They sometimes undertake the transmission of money by means of *hundis* or notes of credit, but their main work is borrowing and lending money. They borrow money usually at $7\frac{1}{2}$ per cent. to $10\frac{1}{2}$ per cent.; but lend at various rates ranging from 15 per cent. to 18 per cent. Their loans are all made to substantial people on good security such as landed estates and ornaments. They very rarely finance industries. It is carried on as a family concern by them; they are generally honest, but have gained a notoriety for a grasping policy.

The new joint-stock banks on European lines are of comparatively recent origin, and hence its possibility of success **Joint-stock banks.** has yet to be made home to the people.

The spread of the co-operative principle has made itself felt in Pochin too, thanks mainly to the energetic action **Co-operation.** of the State-Government in that direction. There is an Urban Co-operative Bank in Ernakulam, the capital town of the State. Its working can be gathered from the audit review given in the Appendix.

APPENDIX (A).

The Ernakulam Town Co-operative Bank (Ltd.).

[Registered; March, 1914—five months after starting, a report was made by the Registrar of Co-operative Societies, from which the following is extracted].

1. **Members.**—The bank was started on its work with 41 members; 37 were admitted. At the end of the period there were 78 members of whom 7 were agriculturists.

2. **Share Capital.**—The authorised capital of the Bank is at present fixed at Rs. 35,000 made up of 250 shares of Rs. 100 each and 1,000 shares of Rs. 10 each, the share subscription in either class being payable in ten monthly instalments of one-tenth of the value of each share. Provision has thus been made for the well-to-do as also the poorest man. Of these, 112 shares of the former and 72 of the latter were taken up and the share capital actually paid up within the five months under review amounted to Rupees 6,265.

3. **Deposits and other Borrowings:**—There were no transactions under these heads.

4. **Loans.**—Loans amounting to Rs. 5,065 were disbursed to the members and Rs. 500 to a village Credit Society. The amounts of loans varied from Rs. 15 to Rs. 2,000. The total number of loans issued was 11. Of these, 2 loans were granted on the mortgage of immovable property and 9 loans on the joint and several responsibilities of the borrowers and two or more sureties. None of the loans were granted for a period exceeding one year. The purpose for which the loans were issued was not specifically mentioned in everyone of the loans. But it is gratifying to note that the instructions given in this respect were strictly carried out in the case of every loan granted subsequently. A sum of Rs. 150 was repaid in the course of the year and the balance outstanding at the end of the period was Rs. 5,565.

The rate of interest charged by the Bank on loans is $9\frac{1}{2}$ per cent. per annum on amounts up to Rs. 500 and 8 per cent per annum on sums above Rs. 500. There were no overdue loans.

5. The Bank worked at a net profit of Rs. 219-3-9; this amount under the bye-law of the Bank be divided as follows:—

	Rs.	A.	P.
(a) To the Reserve Fund $\frac{1}{4}$	=	54	12 11
(b) To the Directors as honoraria $\frac{1}{4}$	=	27	6 0
(c) To the common good fund $\frac{1}{4}$	=	27	6 6
(d) To the members as dividend, the remainder=		109	9 10

But according to a bye-law no amount exceeding 10 per cent of the net profit after setting apart a fourth to the Reserve shall be set apart for the common good fund. The Bank therefore carries only Rs. 16-7-1 to the common good fund. The balance of Rs. 10-15-5 may be added to the Reserve Fund.

6. The Registrar suggests that small suretyship loans may probably be found better in the long run than large loans on the security of immoveable properties or on the deposit of valuables; that repayments towards principal in small amounts and at regular intervals according to the convenience of the borrower should be encouraged.

The Registrar of Co-operative Societies.

(Signed)

APPENDIX (B).

It is difficult to obtain a fixed standard of expenditure as it considerably varies in different families according to the standard of living adopted. Herein is appended the expenses of an average Brahmin family, keeping up an average standard of living.

The family consists of a husband and wife with five children, 4 males and 1 female. They keep no servant except a Nair sweepress.

1. *House*.—They live in their own house worth about Rs. 500. If let out, the house may fetch a rent of Rs. 3 per month considering the state of the market at present

2. *Food, etc.*—They buy provisions in a lot for annual consumption. The accounts are as follows:—

			RS.	A.	P.
Rice	...	...	100	0	0
Vegetables	...	...	24	0	0
Cocunut oil	...	...	15	0	0
Gingelly	...	...	15	0	0
Dholl	...	...	6	0	0
Black gram	...	...	6	0	0
Chilies, other miscellaneous grains	...	...	6	0	0
Milk, butter, ghee, etc	...	...	96	0	0
Miscellaneous items	...	...	5	0	0
	Total	...	273	0	0
Wages for sweeper	...	...	6	0	0
Light	...	...	5	0	0
Fuel	...	...	18	0	0
Repairs to house	...	...	6	0	0
	Total for a year	...	308	0	0