The Madras District Co-operative Central Bank Ld., will pay to this Certificate Holder the following amounts before the due date, on its being satisfied as to the need for the withdrawal of this Thrift money.

	Rs.	A.	P.
Amount invested	75	0	0
Amount payable after 1 complete year from the date of issue	77	8	0
" 2 years "	80	10	0
" 3 " "	84	6	0
" 4 " "	90	10	0
" 5 " "	100	0	0

RECEIPT ON DISCHARGE

Received the payment of Rupees (Rs.) in full Settlement of this Certificate.

Date,

Signature or Thumb impression of Holder

THE Madras Journal of Co-operation

VOL. XXII] DECEMBER 1930 [No. 6

The Editorial Committee do not hold themselves responsible for views expressed by contributors. Contributors are requested to write legibly and on one side of the paper. Manuscripts will not be returned unless stamps are sent to cover postage. Matter intended for the issue of any particular month should reach the Committee before the 15th of the previous month.

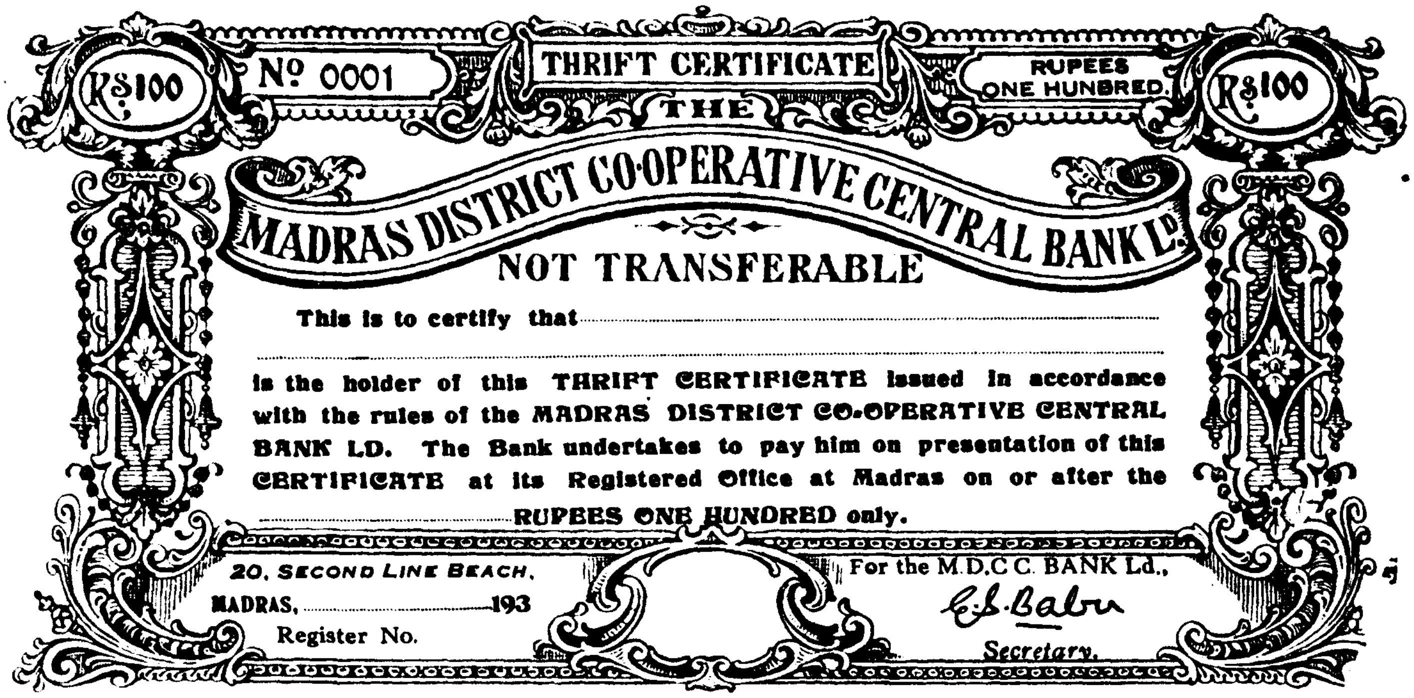
Editorial Notes.

GOD SAVE MOTHER INDIA.

We deliberately avoid politics. We pass by the mighty political incidents, however important they be, without ever discussing their merits or demerits. But there is one incident wihch we cannot let go without a reference.

The Round Table Conference which is being held now in London is so unique in its nature that we are tempted to say just a word or two about it. We are actually witnessing history being made, or as an Indian member put it " the birth of a new dominion." Though the Indian National Congress has decided to non-co-operate with the Conference, yet there are many delegates who can speak with authority on behalf of India and it is our devout prayer that throughout the sessions best of brotherly feelings will prevail among all delegates and that all parties concerned will be actuated more by the spirit of 'give and take' than by the petty spirit of insisting on each one's rights.

Dr. C. V. Raman, that worthy son of India who is the first Indian to get the Nobel Prize for Science, only voiced forth the genuine sentiments of millions of his countrymen, when he said " God Save Mother India." " Amen ", say we with all our heart.



Rs.100 | No. 0001 | THRIFT CERTIFICATE | RUPEES ONE HUNDRED | Rs.100

THE

MADRAS DISTRICT CO-OPERATIVE CENTRAL BANK Ld.

NOT TRANSFERABLE

This is to certify that ....

....

is the holder of this THRIFT CERTIFICATE issued in accordance with the rules of the MADRAS DISTRICT CO-OPERATIVE CENTRAL BANK LD. The Bank undertakes to pay him on presentation of this CERTIFICATE at its Registered Office at Madras on or after the .... RUPEES ONE HUNDRED only.

20, SECOND LINE BEACH,
MADRAS, ...193
Register No.

For the M.D.C.C. BANK Ld.,
C. S. Babu
Secretary.

This is a sample of the THRIFT CERTIFICATE issued on the occasion of the celebration of the Eighth International Co-operators' Day (Saturday the 1st November 1930.) At the Request of the Madras Provincial Co-operative Union, the Madras District Co-operative Central Bank Ltd., issued certificates of various denominations. They are the first of their kind in this Presidency and are intended to encourage THRIFT.

THRIFT C

...operation

A MASTERLY PRESIDENTIAL ADDRESS.

We offer no apology to our readers for publishing elsewhere* the full text of the presidential address of Mr. Good at the last annual session of the Co-operative Union of Canada. We are accustomed to expect in such presidential addresses observations on current problems and in India we get an over-dose of it. Very few addresses there are that rise beyond the discussion of immediately interesting topics to lay the much needed emphasis on fundamentals. Our readers who are accustomed to read a good deal about rectification and consolidation, non-credit co-operation, more expeditious process of liquidation and collection of overdues etc., would read with great relief this address of a brother co-operator from the other hemisphere.

Recently we had occasion to remark that co-operation is a *dharma* and not merely a device of the economically weak and is superior to its rival, competition. This observation of ours had the good luck to draw the attention of Mr. H.W. Wolff and it is this aspect of co-operation that is emphasised upon by Mr. Good. He says that if we co-operate with the beneficial forces of Nature, there need be no dearth of things necessary for all of us leading a happy and contented life. Humanity is at present a victim to "a narrow selfish nationalism with all its impediments to international commerce." Co-operation which asserts "the solidarity and brotherhood of man, the interdependence of nations and the beneficence of trade" is the very opposite of this narrow nationalism which is based ultimately upon a policy of rivalry and competition.

Mr. Good also fearlessly advocates the throwing open of all the resources of the world to those who can make use of them instead of their being made the monopoly of a particular nation. He also points out how there is an unholy alliance between protectionism as against free trade, militarism as against pacificism, and capitalism as against co-operation and socialism. If the whole economic system is brought under the benign influence of co-operation, there will be production for use and not for profit and this ugly feature of modern civilisation namely, "a large portion of the people who have the good things are those who do not perform useful work, and in which most of those who do the needful service live and die in wants" will vanish. He also points out how the private banks inflate and deflate currency and throw the whole economic system of the world into utter confusion. Co-operation is the only sure road to salvation out of the present chaos, because "it is steadily building a new civilisation

* See page 406 of this number.

within the frame-work of the old; not wrecking the old, but building something to take its place when it shall have fallen into decay. It is the method of nature, the almost imperceptible growth of the new Kingdom of Righteousness based on Justice and Brotherhood."

We offer our hearty felicitations to comrade Good and commend his learned address to all our readers.

THE INTERNATIONAL CO-OPERATORS' DAY CELEBRATION.

In accordance with the decision of the All-India Co-operative Institutes' Association of which our own Provincial Co-operative Union is a constituent member, the Co-operators in the presidency of Madras resolved to celebrate the International Co-operators' Day on the first Saturday in November instead of in July. The Provincial Co-operative Union issued circulars to all District Banks, Federations, and affiliated Unions requesting them to celebrate the day in a fitting manner and send reports. We have published elsewhere* the list of places which have sent us such reports.

In the city of Madras itself a meeting was arranged in the premises of the Madras Provincial Co-operative Union and the Hon'ble Diwan Bahadur S. Kumaraswamy Reddiar, B.A., B.L., the third Minister presided. The Minister in charge of Co-operation had another important engagement that day and hence the Education Minister, who has a long and splendid record of co-operative work to his credit, successfully filled the place.

One special feature of the city celebration we should like to draw the attention of the readers to, is the issuing of Thrift Certificates by the newly started Madras District Co-operative Central Bank. The certificates are of various denominations, just as the Post Office Cash Certificates, but they go down to much smaller sums than the guilt edged certificates do, so as to make this within the reach of the poorest man in the city. Let us hope that the good example set by the District Bank will be followed by others and that the future celebrations in each district of the International Co-operators' Day will be characterised not merely by speeches and tea parties but by actual encouragement of thrift by means of these Thrift Certificates.

INSPECTION OF SOCIETIES.

We hope the very suggestive and illuminating article on "Inspection of Societies" by Rao Sahib T. Srinivasa Rao published in the November issue of this journal would be read with that amount of close

* See page 417 of this number.

DOYEN OF CO-OPERATION.

Mr. H. W. Wolff is a name to conjure with and to us in India he is as venerable as Sir Frederick A. Nicholson, the father of the co-operative movement in India. We know that Mr. Wolff had a lot to do with the co-operative movement of India in its earlier days and was practically the expert adviser to the Government of India. His work on "Co-operation in India" is a classic. No wonder, therefore, that we feel very much flattered when the veteran co-operator condescends to write a lengthy note to us upon certain observations of ours. We hasten to assure Mr. Wolff that we are in agreement with him with regard to the possibilities of cottage industries in India and that our remarks were meant only to give a warning against a possible danger. We are thankful to the veteran co-operator, who, we hope, will continue to favour us with his valuable observations.

S. O. S. CALL FROM THE SOUTH.

Once more the granary of South India has been devastated by terrible floods and the smiling plains of Tanjore and Trichinopoly are desolate wastes. Six years ago the same districts were subject to a similar misfortune. But from all accounts we have, this year's calamity seems to be on a larger scale even.

We hope speedy measures will be adopted for resuscitating the helpless peasant and of all the methods of helping him to stand upon his own legs again, co-operation is the best. This is a splendid opportunity for the expansion of co-operative activity in those two districts devastated by Nature and we hope officials and non-officials will join together and give co-operation a chance. We have published elsewhere* in this number an appeal from Tanjore and we hope it will meet with encouraging response.

CO-OPERATIVE PROPAGANDA BY MEANS OF FILMS.

The International Alliance has laid co-operators all over the world under a deep debt of gratitude to them by publishing a comprehensive list of co-operative films used for propaganda by different national institutes. We see that 18 countries have adopted this modern and very effective method of propaganda and the United States of Soviet Republics known as U. S. S. R. heads the list with 23 films; Sweden has 15, Czecho-Slovakia has 13, and Great Britain excluding Scotland 11, that is, as many as Latvia.

We are glad to find that the name of India also appears in the list. The enterprising Co-operative Union of the Punjab has made

* See page 426 of this number.

3 films on Co-operative Credit, Co-operative Cattle Breeding, Cattle Improvement in India and Poultry Farming, all totalling to 12,000 feet. It would be a very good thing if every provincial institute in India were to adopt this uptodate and catching method for propaganda work. The Provincial Co-operative Union, Madras, has taken the first step forward by having a special set of magic lantern slides manufactured depicting the story of a villager being rescued by co-operation. Our progress is slow. We have to move abreast of the times and we hope we would be able to do so by means of co-operation with other provincial institutes. Meanwhile we beg to offer our hearty congratulations to the Punjab Union for its work which has saved the good name of India.

A NEW VENTURE IN CO-OPERATIVE JOURNALISM.

We have received with great pleasure the first number of the "Madras Co-operator" published by the newly started Madras District Co-operative Central Bank Ltd. The aim of our young contemporary is to focuss attention upon problems that are connected with urban co-operation which as the editorial note explains has been somewhat neglected. To arrest this lop-sided development of the movement and to restore balance between country and town, between agriculture and industries, is a very laudable aim and we wish our contemporary all success. The editorial note also sets before us the real task awaiting to be done by co-operative workers in the city of Madras, how the city in spite of its being headquarters of both official and non-official apex organisations has been one of the most neglected areas in the province and how therefore rectification of societies has to be attended to immediatety. There is a fine article on the Co-operative Societies in the City, an analysis, by Mr. K.C. Ramakrishnan of the Economics Department of the University of Madras. The learned writer draws pointed attention to the need for expansion side by side with rectification, the need for starting societies for handicraftsmen, for starting stores for working classes and the supreme need for "some form of aggressive co-operation" like the starting of co-operative pawn shops to stop the unhealthy growth of professional money lenders' shop in the city.

There is a Tamil section wherein some of these important things are translated in easy and good Tamil. The journal bids fare to succeed and we wish it a long, successful and useful career.

attention that it deserves. To an expert in co-operation, there is in that article no new or startling suggestion. It is a sad reflection on the state of affairs in the province, that at this time of day, after 25 years of practical experience, we feel the need for re-stating all the simple and fundamental rules embodied in Mr. Srinivasa Rao's article. Not that there is not much inspection going on; on the other hand, too much of it; all ill-planned, ill-directed and not at all co-ordinated. Mr. Srinivasa Rao gives a comprehensive plan, we hope, it will be adopted by all agencies that now take part in this important work of inspection. Due emphasis is laid upon the most important work connected with the inspection of primary societies, that is the examination of overdue loans, and valuation of assets and liabilities of individual members. It is the failure to attend to these fundamental aspects of inspection, that is the cause of all the troubles we are now experiencing, and if we have a lesson to learn from the crash of the movement in Burma, it is this, and the sooner we learn it the better for us. There are two aspects of the scheme which we should like to recommend to the special consideration of workers, one is the need for uniformity of forms, so that the central authority may have at its command the information it requires in the form easily accessible and understandable. The second point is the emphasis he lays upon the administrative section of district banks upon which will ultimately fall the responsibility of paying effective attention to this piece of work which is as important as the actual banking section of those banks.

Now that the M. C. U. B. has started its subvention scheme and almost all district banks have accepted it with all its implications, it is hoped that these timely suggestions made by a veteran co-operator with many years of official service, who is now the Vice-President of the M. C. U. B. will be acted up to unanimously by district banks all over the province.

One of the greatest lessons that modern science teaches us is the law of uniformity and continuity. Except rarely there are no cataclysms in nature; she runs her steady course and gives us few sensations. In the field of co-operation also we should not look for any sensational reform to be effected by the waving of any magician wand. These reforms suggested, if put into operation, would like a beneficial natural force go on working continuously so that at the end of a pretty long period, say of five years, the cumulative effect

would be appreciable, though we cannot have much spectacular things to boast of at the end of every year. We commend this scheme for the enthusiastic acceptance of co-operators.

THE NEED OF THE HOUR, A PROPER MENTALITY.

We have been publishing various communications on District Federations and the present policy of converting them into administrative sections of District Banks. We publish in this number another on the same subject* by a genuine worker in the field of co-operation. The points for and against are so well known that we do not feel called upon to traverse the beaten ground. One remark of the writer we would take strong exception to. "No borrower" says Mr. Ranganatha Iyengar,

> "possessing a sense of honour and a desire for freedom would like to submit himself to the frequent meddlesome pryings of the creditor into his domestic and personal life. This elementary truth should be borne in mind by all those that raise a hue and cry against Federations, following the agitation set up in the metropolis and elsewhere in the same strain."

In the first place we are aware of no agitation set up in the metropolis for the abolition of District Federations for the very good reason that there is no District Federation in the metropolis and workers at the headquarters are generally not interested in the local squabbles elsewhre. This is not the portion to which we take objection. It is the former portion of the extract quoted where the writer fails to realise the fundamental difference between co-operative borrowing and individual borrowing from sowcar. The whole passage breaths the spirit of aggressive individualism and is essentially lacking in the fundamental spirit of co-operation. In co-operation, as is well known, there is almost complete identity between the borrower and the lender. In a primary society while the individual member is the borrower, the same individual member as a unit of the society is the lender. So also where the primary society borrows, the society as a constituent factor of the Central Bank is the lender as well. This obvious truth, we are surprised, the learned author overlooks and introduces the untenable analogy of borrowing by individuals from sowcar.

The agitation in this matter is set up generally by those in the federation who fail to get into the bank or by those in the bank who

* See page 421 of this number.

have no interest in the Federation. The Townsend Committee has done a great service by recommending that banks should be given adequate representation on both the general body and the board of management of federation and in pursuance of it many districts have adopted the policy of having a common head for both the institutions. If the policy underlying this recommendation, that is, the identification of interest between the two institutions be recognised and workers accepted that as the fundamental principle of their work, there will be no cause at all for bickerings and quarrels.

We are reminded of a well known story in the tales of Mariatharaman. When a dispute arose about the possession of a child between the real mother and the step-mother of the child and when the judge decided to divide the child into two parts and give each claimant a part, the real mother waived her right and was prepared to allow the child to be given away to the step-mother, because she was interested not so much in getting her rights established as in seeing the child alive, grow and prosper. If that mentality towards co-operation be cultivated, if we all try our best to see that real co-operation prospers and not stand up for our petty rights and privileges, there will be absolutely no room for this sort of unseemly quarrels.

Co-operative Production.*

By Mr. H. W. Wolff.

Dear Sir,

In one of your Editorial Notes in the September number of your journal, you rightly urge that "co-operation is not merely an economic device of the weak, but, compared with its rival, competition, a noble and life-giving gospel." But, speaking of co-operative production, you describe as its objects (contrasting its with the object of co-operation among consumers which is, as you say, to get the articles at the cheapest possible price) as that of "holding up their produce against a more favourable price", which is an ambiguous phrase, likely, as I fear, to give rise to a misunderstanding, which would be seriously regrettable in India of all countries, where among the countless host of small industrial workers, in what are known as cottage or home industries, co-operation of all helps is particularly wanted to plane the way of those who practice such industries for a better state of existence.

"Holding up produce to the time of a more favourable state of the market" is indeed one very valuable and often needed service which co-operation can yield to producers, very much needed more particularly among agricultural producers, whose business is subject to often very hindering seasonal fluctuations in price. Industrial producers who are more generally kept in view when "co-operative producers" are spoken of, have, in the main, other foes than such fluctuations to battle with, namely, want of proper organisation, want of funds, oppression and robbery by grasping middlemen, on whose interposition they are, without the aid of co-operation, absolutely dependent. The phrase which you employ suggests greed and graspingness, on the side of the producers. According to that view, co-operative producers are out for selfishly making produce dear beyond the necessities of the market, which would be a most unfair accusation to fix upon them. The very probability of such an object is indeed disputed by the abject weakness of such producers prevailing under present conditions. They are contending with the same enemy as the consumers, that is, the middleman coming to them, indeed with a different face, but an absolute identity in

*A letter to the Editor of the Madras Journal of Co-operation.

character. Without co-operation they are powerless to escape from his clutches. He is their sole market. By means of co-operation—and only by it—do they gather strength for escape from his shackles, substituting themselves collectively in an organised phallanx for that oppressor. Once properly organised, they obtain power to find, or it may be to create, their own market. Co-operation will enable them, out of their minute contributions or pledged liability, to gather up the small capital required for a beginning which the possibility so assured of fair prices will then enable them to increase with progressing business—just as has happened in the case of credit societies—and so secure for themselves, the blood-sucker removed, the full and fair reward for their labour. That is their true and their sole object—a fair price and independence.

The question is, as I have repeatedly ventured to suggest, of special, and quite exceptional, interest to India, in which country, as Sir Alfred Chatterton has shown, small industry, cottage industry, is still, and must for a long time continue, an absolute economic necessity, the predominating form of industry. In the same issue of your journal, you point out the difficulty of providing for the welfare of small country folk arising from the fact that their small holdings provide them with only very little employment, keeping them in enforced idleness the greater part of the year. Under such circumstances cottage industries, producing additional employment, come in as a very God-send. They are found to be such elsewhere, not merely in the "well-organised West," for—to quote one instance—the Japanese Cottier, having the fish-yielding sea at his very door, finds fishing a most useful additional employment to his husbandry. The organisation of co-operatising "small" industry among poor folk is, so I admit, a difficult job. However, let us hope that, with its necessity proclaimed, the price that it holds out as a reward, will progressively lead to its being made general in India, which has all the necessary materials ready for it—millions of idle hands, great natural gifts and capacities for its practice—and loudly and widely proclaimed want of it. In Europe, it has shown how the difficulties standing in its way may be successfully overcome and its rich reward secured.

THE REFORM CLUB,
October 10th, 1930.

Yours Sincerely,

HENRY W. WOLFF.

Co-operative Sale Societies

BY CHOWDHRY MUKHTAR SINGH.

(Member, Indian Central Banking Enquiry Committee.)

I propose to discuss briefly the economic benefit, to the Indian cultivator, of Sale Societies on co-operative lines. The idea of Co-operative Sale Societies is commended by most of the Provincial Banking Enquiry Committees and it is not a new idea altogether. In all the countries where Co-operative Societies have been set up to help agriculturists, Sale Societies have been introduced.

It may appear *prima facie* that if a Sale Society for agricultural produce is started on co-operative lines, the middleman's profit will in all cases be eliminated and thus the leakage of legitimate profits through these middlemen will be wholly stopped to the advantage of the cultivator. But some of the Provincial Committees have suggested that percentage of middleman's profit is very very small and therefore it cannot be said that the cultivator suffers a loss where the price paid for this service to the cultivator is reasonable. In the sale of certain articles, however, the cost of sale has been found to be about 20 per cent. The Middlemen's commission charges ordinarily may not be exorbitant, but still there are other potent causes of loss to the cultivator which the Co-operative Sale Societies will serve to eliminate. The point to be considered in this connection is that the middlemen more often than not are more interested in the buyer than in the seller. They have not attempted to study the ultimate consumers' mind and have never cared consequently to inform the producer as to the different requirements of the consumers. Thus, a very wide gulf between the consumer and the producer has been created. In other countries the State has taken upon itself the duty of informing the producer all about the requirements of a foreign market and they have further tried to find out ways and means by which those requirements can be satisfied by the producer. This has given a special preference to the marketing of those articles in those countries and the producers have been able to get a better price. Nothing has been done so far in this country in this direction.

From the very time when this country's potentialities as producer of raw material began to receive special attention, such attention was riveted on cotton, as it was needed for the consumers of English textile mills. Even to-day such attempt as is in evidence to apprise the Indian cultivator of the requirements of the market of foreign countries, relates to this commodity. If the State were interested in the masses, they would have studied not only all the commodities exported out of the country, but they would have made a thorough investigation as to the possibility of the improvement in all the articles that are produced in the country and thus to find out a market for those articles which have not so far been exported or failed to find a market outside India. Since the creating of the Central Cotton Committee an incentive for producing a better quality of cotton has been promoted, but still there are very few cultivators who know the importance of long staple cotton from pecuniary point of view, as no attempt has been made to disseminate adequate information amongst the cultivator nor to make arrangements for getting a better price for the better varieties of cotton. It is generally the complaint that Indian raw produce is adulterated and mixed with dirt etc., and on account of this the manufacturers have to incur unnecessary expenditure in cleaning the raw produce. On account of this difficulty also the Indian produce has a very bad name in the market, barring jute for which India has a monopoly and tea which is mostly in the hands of educated, shrewd and intelligent European planters.

This is not the place to discuss whether the cultivator is responsible or the middleman is responsible for this adulteration ; but it cannot be doubted that the loss in prices after all has to be suffered by the (cultivator) producer. There was a time when India had a sort of monopoly in the export of some agricultural produce, but now there are a number of competiting countries who have come into the field and in order to withstand the competition it is but essential that the Indian cultivator should get full information of the requirements of the consuming markets and he should further know the methods to be adopted to achieve his object. This information cannot be supplied by the middleman and this is one of the strongest reasons as to why an Agency should be created through which this information can be easily given to the cultivator; and when he takes advantage of that information he should be able to get a better price for the quality of the article that he produces. To-day there is no market in this country which gives better price for the purity and superior quality of an article produced by the cultivator and thus there is no incentive for the improvement of the quality. It is not very seldom that after the purchases have been made from the cultivator, the agricultural produce is intentionally adulterated with

chaff, dirt and the like and sent on to the exporting centres. Sometimes it is damped or exposed to weather in order to increase its weight without regard to the fact that it will spoil its quality. The result of it is that in the exporting market, every merchant is charged for driage and dirt. As it is a well-known maxim in economics that "Bad money drives out good money," so "A bad commodity is bound to drive away the good commodity" and thus a very bad market is created.

There is another reason for which an organisation is needed and it is this; that there is a wide variation in the price of even the same quality of cotton on the same day. Some sellers mostly belonging to the same community as the middlemen are better served on account of their intelligence and close connections, than the individual cultivator who perhaps once a year comes to the market and meets his broker very seldom. In some of the markets prices are settled secretly and the cultivator is left at the mercy of the broker. It may not necessarily be to the disadvantage of the cultivator, but it is sure to create a suspicion in the mind of the producer that he did not get a fair deal. Then again complaints are made that even after the price is settled, the buyer at the time of weighment refuses to purchase on the ground of bad quality and the cultivator is forced to reduce further his price below that settled before weighment. There are other complaints of a similar nature and in order to guard against all those disabilities, it is necessary that some organisation of the producer should be brought into existence, so that all his complaints may be removed. There is still a further reason for an organisation which has the interest of the cultivator at heart and it is the creation of a sort of competition in the market for the producer's benefit that he may obtain a better price. It is generally admitted that there can be no better organisation than a Co-operative Sale Society to achieve these ends and the experience of other countries corroborates this view.

A number of Sale Societies have been organised in different provinces, but many of them ended in failure. The causes of their failure are generally the want of proper management and the small turnover that these Societies make. As I have pointed out in the very beginning, it is not merely for the elimination of the middleman that the Sale Societies ought to be started, but there ought to be a far better motive behind the organisation of these Co-operative Sale Societies. The middleman has been at his job for centuries, He has specialised in that art and therefore he can give a better and a cheaper service than a new Co-operative Society can give to the cultivator. If a new man with very little knowledge of the market, with no insight into the secrets of trade, begins the same work which a specialised middleman does, he is bound to fail.

We cannot expect these middlemen to be employed with advantage in these Societies and therefore the special skill of the middlemen has to be lost to the Co-operative Societies. As a rule the Co-operative Societies have to confine their business to the members only and therefore their turnover has to be limited and with all the economies of the Co-operative Societies their overhead charges become higher in comparison to those of the middlemen in the market. Sometimes the middlemen realise the importance of this rival institution and they try to run it down by competition and that has been another source of the failure of the Sale Society. If we take away from our mind the idea of eliminating the middleman from the market, we shall be able to do better service to the producer, because in that case we shall try to find out what new sort of service can be rendered to the producer and in what way he can be helped to get a better price. In order to illustrate the point, let us take the case of cotton. We know as a matter of fact that the cultivator does not get a good price for a good quality of cotton. If a Co-operative Society is started with that idea in view, it is bound to succeed. It can take up with the help of the Agricultural Department all the work of investigation as to what sort of cotton would do well for that area. It can distribute seed of that special quality or qualities of cotton amongst the cultivators and whenever that produce comes to it for sale, it can grade cotton into different varieties and then auction or sell it in the market on the basis of that quality. In the same way other produce can be taken up and the consumers' and the producers' point of view can be scientifically investigated and thus a better service can be given by a Sale Society. As this sort of work will be done on methods altogether different from the existing bad methods, cotton factories, textile mills and exporting houses are bound to be attracted by the Co-operative Sale Societies; and in this way there would be no unhealthy or unfair competition with the ordinary salesman of the market. The middleman where eliminated may cheerfully accept his lot and make a common cause with these Co-operative Societies for the sale of these better qualities of produce under improved conditions, for in that case we shall be creating a new sort

of market in the country wherein quality will reign supreme. As to the turnover, there seems to be only one method for avoiding the loss; the work of the Co-operative Society should not be restricted to the members alone. The non-members' produce, if it is of the same standard and quality, may be purchased and sold by the Sale Societies, care however being taken to rule out elements of speculation. The amount of profit made by the Sale Societies should be distributed only amongst the members of the Society. This will give an incentive to the non-members to join the Sale Society without detriment to the co-operative character of the society.

Another way of avoiding this loss may be that a Sale Society should not be restricted to one branch of business alone. If a Sale Society works up a store for the requirements of the producer, it can give a better service to its members and can bring down overhead charges considerably. In Japan, for instance, the business of a Society is never restricted to one branch alone, but there are Societies which do the work of purchase, sale and credit together. The causes of failure of Jute Societies in Bengal is said to be that the members are indebted to the money-lenders and no sale organisations is likely to succeed unless it advances money to the cultivator and replaces the marwari. It will always depend upon the circumstances of each individual case as to what branch or branches of business will be profitable at a certain centre; but there is not the least doubt that such an admixture of business will go a great deal in making up the loss in the small turnover of sale. I am aware of the fact that the Madras Co-operative Manual points out the risks and difficulties in Sale Societies handling credit but some method should be found out by co-operators to overcome them. It cannot be expected in the very beginning that a Sale Society will always succeed but a persistent and continuous effort has to be made. The Management has to purchase its experience and therefore, in order to pay the price of experience somebody has to pay for it. If the State gives a sort of subsidy, say for five years on a sliding scale to these societies it will be very a good incentive for the successful working of these societies. From the experience of other countries there seems no doubt that a great deal of improvement in agriculture and the prosperity of the producer is bound up with the success of such an organisation and the State will be using the tax payers' money for a very laudable purpose.

The third thing which has been complained of, and rightly too, is the want of loyalty of the members of the Co-operative Societies.

It is not a complaint specially found in this country, and is true more or less all the world over in varying degress. In the beginning, it has been everywhere the experience of these societies that the number of disloyal members was large, but bye and bye when the members realised the benefits of these societies, they found it to be to their advantage to remain loyal to the Society and thus the number of disloyal members was gradually eliminated by constant education, pursuasion, and propaganda. A number of methods of penalising these members have been tried in other countries, but they have not been found to be very successful. So, in order to overcome initial difficulties, we shall have to rest satisfied with the natural development of these Societies. Better education is the only means of overcoming the difficulties and we should not get disheartened in the process of our evolution.

Agricultural Marketing

(BY C. GOPAL MENON)

One of the problems that await solution and deserves the serious attention of the Central Banking Committee sitting in Poona to-day is the revival of agriculture by enabling producers to obtain power of collective bargaining of agricultural produce by bringing into existence a system of Marketing. At present our marketing conditions are absolutely unfavourable to the ryot. The producer is absolutely ignorant of the avenues of sale, ignorant as to who are his ultimate buyers or consumers. Instead of the middlemen who are now financing the ryot long before the crop is actually harvested, it is necessary to set up Central Selling Organisations. What now happens is that the ryot sells his produce to the marchant or his agent either in repayment of the debt already taken or money taken to tide over temporary financial difficulty caused by land assessment payment, payment of rent to the landlord and his own domestic expenses. The ryot, owing to these financial difficulties, doesn't care to prepare his produce for the market by grading or sorting and therefore a good portion of the produce is thus lost to him. It is possible for him to secure a better value for his produce, which now goes to the middleman, if a suitable organisation is set up for preparing the produce for the market. It is well known that marketing efficiency is as important as productive efficiency, but it must be borne in mind that to find out better market for the produce is in many cases more difficult than that of achieving productive efficiency. It is not enough if a bumper crop of paddy, cotton and oil seeds is produced, but it is equally important to attend, besides paying attention to the process of production, to marketing, transport, distribution and retail selling.

Producers of agricultural products should be relieved of the difficulties of finding an outlet for their produce. Agriculturists have enough work to attend to the improvement of their farm and the work of finding a market for their produce. Marketing must be entirely left to the charge of an organisation which must take the load from the farms when ready for sale. It is only then that economic progress can be achieved both in production and distribution of the various farm products. The present system of marketing in our country is antiquated and no improvement has been brought about either by the farmers themselves or co-operative selling organisations or by Government. It is time enough that we copy the system prevalent in other countries with regard to marketing conditions.

PRESENT DAY MARKETING.

The system of our present marketing took root in days when conditions were different from those now obtaining. There was a period when the village crop of grain was brought and stored in a common granary and sold there, but with the introduction of railroads and steamer communication—great aids no doubt to commercial progress and cheapening of transport—the producer did not get that benefit which should have gone to him. The introduction of railways and steam-boats evoked branches of traffic which no one dreamt of until they made their appearance, and began to draw on localities beyond their reach by cost of transport, but this new development has not benefitted the producer. On the other hand, a class of specialised merchants grew up who acted as middlemen between the producers in this country and the markets for which the raw agricultural products were ultimately destined. It is doubtful whether this merchanting system is best adapted to the altered conditions of international competition in the present day.

I shall take one example only, that of cotton. India produced cotton of the finest quality from time immemorial, and manufactured cotton goods from the cotton grown in the country of an excellence unequalled anywhere in the world. This manufactured material was handspun and hand-woven. In the early eighties. the production and export of cotton in India was greater than that produced from the whole of the American cotton fields. But what is the position to-day? Partly through improper seed selection and partly through bad cultivation and marketting, the cotton from which that beautiful material was made was allowed to deteriorate, and then, with the introduction of power-loom, Lancashire came along with a good and much cheaper class of goods to meet the requirements of the poor and rich alike. Although India began to manufacture cotton goods by power some 90 years ago, the progress achieved in the process of manufacture was unsatisfactory, nor did marketing conditions develop to such an extent as to meet foreign competition.

IN AMERICA.

It is necessary in this connection to understand the process by which this one article—cotton—is treated in America, which system

may be applied to other commodities between the stages of getting finished loose bales of cotton and the time of warehousing. It is necessary to know the events that take place between the time of planting the cotton seed in America to the arrival of cotton in Liverpool. April in America is the accepted month for sowing the cotton seed It germinates by May and by the end of June or the middle of July, the farmer has completed the cultivation of his crop. The harvest or picking, as it is called, commences towards the end of August and continues till December. At the end of this month practically the whole of the crop has been gathered. Then the process of "ginning" by machinery is taken up. At least the farmer gets his finished loose bales of cotton. Now the process of marketing begins. If the farm is many hundreds of miles away from the shipping port, he sells his produce to a local storekeeper, who in turn sells to the cotton exporting firms or to one of the representatives of a Liverpool cotton merchant. Prior to the sale, the farmer obtains two official certificates, one for weight and the other from the Inspector as to the outlook for defects, if any, such as false packing, wet bales, excessive weight of the bands and bagging and if any defects are found the farmer is penalised by a deduction from the actual weight. Very orderly is the process and when all this is done, the exporter fixes a tag to each bale classified as:—

(1) Fair, (2) Middling Fair, (3) Good Middling, (4) Middling, (5) Low Middling, (6) Good Ordinary, (7) Ordinary, and these, later on, subdivided into half grades and quarter grades. Then a second process is gone through known as compressing to reduce the bales to the smallest size. The bales finally bear a series of mark,—those of the farmer, the ginner or warehousekeepers and the shippers, by means of which the source of supply of the cotton bale can be traced. Having got the bales ready for shipping, it is interesting to notice how the Liverpool merchant gets hold of the American cotton. The Liverpool merchant sends one of his representatives as early as in the month of July to one of the principal seaports in America to thoroughly familiarise himself with the extent, prospects and conditions of the forthcoming new crop, keeping his principal promptly and fully advised by cable and weekly report of all the developments taking place in the areas where cotton is grown.

IN LANCASHIRE.

The merchant in Lancashire at the same time communicates with his spinner or their agents the information received from his representative in America.

The Lancashire merchant with the information collected both from his representative and considering the prospects of trade, takes a view of the future market and imports certain quantity say a thousand bales of the new season's crop known as, say, Middling Fair or Good Middling. It is necessary to know how the importing merchant gets his financial help. He arranges in two ways, either through bankers or through a selling broker, that is, a broker who sells cotton for and on behalf of a merchant. He will probably arrange to finance in two ways, 500 bales with the banker and the other 500 with a selling broker. After all this process is arranged and completed, the Lancashire merchant begins selling his "Spot" cotton. The merchant also adopts "Future" Sales. It is interesting for a cotton merchant in India to know what are "futures."

"Futures" is the term used to denote the operation of dealing either by purchases or sales of goods for delivery at a future date. The future contracts are carried out in the Clearing House of the Liverpool Cotton Association.

I shall not go into the academical discussion as to the transactions with regard to "future" Sales, which sometimes partakes of the nature of gambling as distinguished from honest dealing, but directly go into the details of the Liverpool merchants' process of selling the cotton.

After the cotton is received in Liverpool and prior to warehousing, the merchant draws samples and it is on these samples the cotton is offered for sale, directly to the spinners or through the spinners buying brokers. As all this cotton is deposited in a public warehouse and as on the warehouse receipt the banker has advanced money, the banker is now asked to release the cotton sold, and thus the merchant fulfils his part of the contract to his buyer. It is unnecessary for our present purpose to go further into the details of marketing and financing of this commodity. I have explained the many and diverse interests which go to make up what is known as "the Market" and the operations connected with the Cotton Exchange in the Liverpool Cotton Market. Why I have taken the trouble of describing some of the features of the cotton market from the time it is planted in America until it is imported and sold through the Cotton Exchange in Liverpool, is to show that in India agricultural marketing has to follow the methods of foreign countries. We are trying to improve productive efficiency, but our marketing efficiency is highly defective.

The Royal Commission on agriculture in India has dealt at length on this aspect of the question and their findings deserve the greatest attention not only by economic students of the present day but also by our public men and the Government. Further aspects of a system of marketing both raw materials and finished products therefrom, shall be dealt with in another article.

Principles of Land-Credit Systems.

(BY E. V. GANAPATI IYER, MYSORE CIVIL SERVICE).

Introductory :– The creation of facilities for the provision of cheap and readily available finance to the agriculturists as an essential condition for their economic improvement, and the agricultural development of the country, is a subject which has lately engaged considerable public attention in India. In Mysore and Madras the interest roused in the subject has already led to practical action in the recent establishment of land mortgage banks. These institutions for furnishing land credit have been started for the first time in our State on an experimental basis. Many may not be familiar with their features; I shall explain briefly in the course of this article the principles of organisation and working of land credit institutions.

Objects of land-credit institutions :—The necessity for land-credit institutions in our country may be briefly stated. In a country, like ours, in which the vast majority of the population live by agriculture, land is much in demand, and is therefore a material of value. In fact it forms the true capital of the country. But while the existence of joint-stock commercial banks readily enables finance to be obtained on the security of Government paper, personal notes, raw produce, no facilities exist to mobilize even a portion of the capital in land to meet the requirements of the agriculturists. The village money-lender has been for long the only source of credit to the ryot. But the capital and the number of his clients are limited. Banking work and all that it involves has to be personally attended to by him. The failure of even a few of his clients will involve a great loss to him. He accordingly tries to safeguard his interests by levying comparatively high rates of interest on one and all of his debtors. Partly by virtue of these circumstances and partly of a monopoly enjoyed in his business, the money-lender successively raises the interest to exorbitant rates until money-lending becomes usury. Indebtedness under such conditions is so onerous that it becomes a blight upon the economic prosperity of the ryot and "the mortgage" in the words of a French proverb "supports the ryot as the rope supports a hanged person". The replacement of the burden of such indebtedness by one more easily borne and discharged will be a most potent factor in the improvement of the economic condition of the ryot. The fulfilment of this object is a chief aim of the land-credit institutions. The provision of credit for the execution of permanent improvement to land so as to increase its productivity, the purchase of holdings by small farmers with a view to settle down on land, *i.e.*, the promotion of the movement of the people back to the land, the purchase of necessary live-stock and other requirements for raising marketable produce from land—these are other purposes served by the land credit institutions.

The kinds of land-credit.—The credit which agriculture requires is of two kinds. The first is the fixed capital to be sunk permanently or for a long period in the acquisition and improvement of the land and in the purchase of equipment; the second is the circulating capital to be used for short periods in growing, harvesting and marketing the crops. Following correct principles, the *borrowed* fixed capital would *always be represented by land mortgages* and the *repayment gradually made out of the annual returns from the soil.* This arrangement though slow, would be exceedingly safe, and it would also leave all the other means of credit for the circulating capital. But no mortgage is strictly land-credit unless it is intended to be redeemed out of the land, since otherwise its ultimate recovery depends upon a personal or other kind of guarantee. Even as regards short-term loans for circulating capital, a commercial bank can help only in the exchange of the raw produce after it has been created. It cannot grant credit on the potentiality of next season's crop, and further, the shortest period needed for agriculture is often two long for the commercial banks. Land Credit therefore forms the basis for short-term loans of this kind as well.

The organisation of land credit means the substitution of specifically designed institutions in place of individuals as money-lenders. Such institutions came into exisience first in Germany in the 18th Century, and have been established in practically all the European countries since the 19th century. Various other countries like Japan, Egypt, Mexico, have founded special institutions on European models. The existence of land-credit institutions in so many countries, and from so long a time, amply proves their need and utility to the people. Their establishment in our State has been taken up none too soon.

Features of a land-credit institution.—We have seen the objects to be served by a land-credit institution, and the kinds of credit to be furnished by it. We may now ask, what are the essential features

of a land-credit institution, more especially that concerned with rural properties? The distinguishing feature of a land-credit institution is the power to issue interest-bearing mortgage bonds or debentures. Correlated to this, is the granting of long-term loans, which is so generally the practice of land-credit institutions that it may be said that this is the chief, if not the only, reason for bringing them into existence. The necessity for long term loans is inherent in the conditions that govern their repayment. A ryot, who makes his living solely by agriculture can repay a loan only from the net gains of his industry, *i.e.*, out of the surplus receipts from the land after he has paid his taxes, interest and cost of upkeep and repair of his property and the support of himself and his family. The productivity and increase of the ryot's capital depend eonstantly upon his own personal labour and supervision, and involve considerable lapse of time for the accumulation of an adequate amount. The ryot can repay only by driblets spread over a long period of years. The period of a long-term loan may be from 10 to 75 years. Such long term reducible mortgage loans can, however, be granted only by land credit institutions from funds obtained through the issue of debentures or mortgage bonds. The ordinary commercial banks depend for their profits upon a quick turnover of their funds, which are mainly obtained as short term deposits and therefore liable to early recall, and cannot afford to lock up their funds for long periods.

Provided that the borrower fulfils certain and agreed upon conditions, such as regular payment of the annuities and proper maintenance of the properties mortgaged, the loans granted by the land-credit institutions cannot be recalled, and the interest rates cannot also be changed. At the same time, all the land-credit institutions provide for the amortisation of loans during their currency. These two features may be said to have been responsible for the wonderful results achieved by the land credit institutions in Europe in improving the conditions of the borrowers. For a borrower knows that so long as he pays his annuities faithfully, the moneys will be invested for him safely until the debt is automatically extinguished. The individual money-lender cannot afford to tie up his capital with the borrowers for so long, nor take it back in driblets as it is refunded bit by bit out of the earnings or savings from the soil during a series of years. The interest charged by the money-lender is also not constant. When it suits him, he goes to the borrower and demands repayment of the loan. On the inevitable failure to comply with this demand, the loan is renewed on fresh and more onerous terms.

With the land credit institutions, a ryot can adjust the length and amount of his annuity to the capacity of the land and his small savings, and by the regular payment of the annuities, he will be certain that he will be clearing his debt also.

Necessity for absolute safety and stability in the transactions of land-credit institutions:—These features impose certain essential conditions on the working of the land credit institutions. Long term operations may endure beyond the lives of the contracting parties, and consequently investors in the debentures on the one hand, and the land owners entering into mortgage contracts on the other, must be assured of the absolute safety of the transactions. There must be complete confidence, strength and stability approaching permanance for a land credit institution to function successfully. For this reason, all land credit institutions, besides possessing special privileges, are subject to very rigorous regulations and restrictions.

Some restrictions and regulations:—Thus, the rules insist upon a very careful and conservative valuation of the properties mortgaged, only those yielding or capable of yielding a steady and permanent revenue being accepted as security. The loan granted is usually one half of the value of the property, and very rarely over 2/3 of the value. The loans must be secured by first mortgages, and repaid by annuities, comprising the interest charged and the contribution towards the sinking fund and the working expenses of the institution.

Debentures:—As regards debentures, these must be issued only when mortgages have been obtained and the *face value* of debentures in circulation must never exceed the amount of the outstanding loans. With joint-stock concerns a further restriction is laid down limiting the total debenture issue to a certain number of times the capital stock and reserve. As the outstanding loan amount is reduced through the recovery of the annuities, a corresponding amount of debentures must be retired or purchased by the institution, so that the equillibrium mentioned above is always preserved. In Italy, and Japan, there is a wholesome provision that debentures must be withdrawn not only up to the amount of money on hand in the sinking fund, but also for an additional amount equal to that in default by the borrowers during the preceding six months; this provision prevents bad loans from long being used as security for debentures. These debentures are thus secured by mortgages of properties of twice their face value, and in addition, the assets of the institution and the liability of its members from a guarantee.

The land credit institutions are also prohibited from engaging in speculative transactions. They are allowed special facilities for the collection of defaulted dues from borrowers. Upon default, after legal demand, they may take possession of the mortgaged property without delay, and hold it until the defaulted annuities have been entirely recovered. If the sequestration is not effectual in realising the claim, an order of sale may be obtained. These processes may be resorted to not only for defaults but also when the property is allowed to depreciate, or the borrower's contract is violated in any way.

Two classes of land-credit institutions—The features mentioned above have been so much responsible for the successful working of the land credit institutions in Europe for nearly a century, that they may now be regarded as the fundamental principles of a land credit institution. But while adhering to these principles, the institutions themselves may be organised on different lines and thus we may have, as in fact there are in Europe, several kinds of structure for the land-credit organisation. All these come under one of two classes, according as the prime object is the benefit of the borrowers, or the profit of shareholders and investors. Under the former class are included the famous German landschafts, public land banks, and governmental institutions handling funds for some specific purpose relating to lands, while the latter class comprises joint-stock mortgage companies, like the famous Credit Foncier of France and concerns which take mortgages simply for their own investment. The first class has been the more favoured by State aid and special privilege, though some institutions of the second class also have been specially privileged and aided by the State. It will doubtless be observed that in Mysore, the Government have preferred an institution of the former class.

I shall now describe briefly the actual organisation of one institution of each class, and conclude finally with a short description of the organisation in Mysore. I .take the German landschaft of the modern type as representative of the first class, and the Credit Foncier, of the second class.

The German landschaft,—The landschaft is an association of landowners for the purpose of getting mortgage credit only. Any land-owner possessing lands of the designated value within the landschaft's jurisdiction is entitled to become a member of the landschaft and to obtain the credit which his property entitles him to get.

When once a member, he cannot be expelled, nor will his loan be recalled so long as he obeys the rules and regulations. The landschaft makes its loans by issuing its debentures, and not in cash. On account of this procedure, the landschaft does not need to have a capital stock or to keep large funds on hand. The member receiving debentures would obtain cash by either discounting them at a Bank or transferring them finally to an investor. In return for the loan, the borrower undertakes to pay the interest, a small percentage usually ½% of the principal, for its amortization, and an additional fraction of one per cent to cover the cost of the business. These amounts which together are made up to a fixed annuity, are payable by the member until his loan is finally extinguished. When an annuity is paid, it is split up into its respective components, and invested separately. The interest is deposited *at interest* in the landschaft bank as received, and turned over to the debenture holders, when payment on the debentures falls due. For this purpose, the date of payment of the annuities are so fixed that mortgagors pay interest on their loans six months before the interest on the debentures falls due, so that there is ample time to enforce collection in the event of default. This arrangement, it will be seen, is quite essential for any land-credit institution and has to be adopted by our institution also. The portion of the annuties paid for the reduction of principal is placed to the credit of a separate account for each borrower in the amortization fund and to this account are credited all payments a borrower makes and his share of the profits. It is debited with withdrawals, defaults and expenses which he has caused the landschaft, and the account is balanced half-yearly. The cancellation of the borrower's mortgage is made as a matter of course when his credit account in the amortization fund equals his debt. The landschaft's sinking of amortization fund is not left to accumulate until it equals the aggregate amount of debentures, but every six months, a drawing is made and debentures are selected by lot for retirement up to the amount of money on hand in the sinking fund. The portion of the annuities which is assessed for the cost of business is placed in the general funds of the landschafts.

The landschaft is not a profit-making institution. Every profit or saving inuers to the members to pay off the princial or reduce the interest of the loans. Its debentures are secured first by the mass of mortgages taken for the loans, next by the reserve funds, and in some instances the guaranty fund, and lastly by the collective liability of the members. The landschaft's officers render mostly

gratuitous service. The landschaft may also compulsorily require its members to act as appraisers or caretakers of any properties falling into its possession, under pain of having their loans recalled in case of refusal so to act. It is subject to close Government snpervision exercised through a special commissioner. There is no limit to the amount of debentures that may be issued by a landschaft. The only condition fixed is the preservation of an equllibrium between the face-value of the debentures in circulation and the amount of the outstanding loans. Within this limit, it may continue its operations until all the demands in its territory have been supplied. It may be stated here that, according to an American Writer, Prussian landschafts are generally recognized to be nearly perfect in respect to organization and administration while it is also believed that if their business methods are modernized and made less cumbersome, they would be the best institutions in Europe for according long-term credit on large or small farm. Nor is it difficult to understand the reasons for this. The landschaft, as we have seen, secures mortgages of land with unassailable titles, ordinarily, worth twice the face value of the mortgages. Close Governmental supervision prevents overissue of the debentures, and assures payment of interest and principal, reserving the annuities of borrowers for the ultimate redemption of the debentures. These factors have combined to make the landschaft's debentures the safest kind of securities available in Europe for large or small investors, and it is stated that there is not a single landschaft in Europe which does not find all the funds it requires at the lowest interest rates for its long term loan.

The Credit Foncier.—The Credit Foncier is a Joint-Stook Company established under a special law. Its share capital is now about ten million pounds. The Capital is intended to serve mainly as a guarantee for the debentures, which it is empowered to issue, and is kept largely in quick assets such as Government bonds. Only one half of the Capital stock can be legally employed in loan operations.

The Company's primary purpose is to lend sums on mortgage to land-owners, repayable either at long term by annuities or at short term with or without amortization, and to create and issue debentures up to the amount of the loans granted. With the consent of the Government, it can undertake certain other loan transactions also, especially with respect to hospitals, drainage projects, etc. The funds of the Credit Foncier comprise first of its capital stock, reserves and deposits; most of these funds are employed in carrying on a pure banking business, or placed in short term loans or investments specified by law; secondly, the money raised by debentures; practically all of this is used for long term loans.

The Credit Foncier has been given the privilege of a special procedure for satisfying itself of the title of the lands offered as security. As in the case of the landschaft, the Company may never recall a loan so long as the borrower keeps his engagements. If a borrower defaults his interest or annuity, the Company may obtain possession of the mortgaged property on a summary procedure, and apply the receipts during sequestration to the payment of the debt and expenses. If this course does not prove effective, the Credit Foncier may apply for sale, which is also effected very expeditiously. The Company issues debentures in large blocks or series. But the face value of the debentures in circulation must never exceed the amount of the outstanding loans. The total debenture amount should not also exceed 20 times the capital stock and reserve. The debentures have no fixed date for maturity, but are retired by drawing lots every six months. The ultimate security of the debentures is the capital stock. The Credit Foncier also is subject to close State supervision exercised through its executives and the directors appointed by the State to the Board of Directors. The Credit Foncier, it may be stated here, has, on account of its highly centralised organisation, failed to render any appreciable service to the small landowners, though it has in the highest degree helped to mobilize land credit in France.

The Mysore Land Mortgage Bank—Turning now to our own institution, its salient features may be briefly mentioned. The Mysore Land Mortgage Bank is a co-operative association of landowners. Though non-landowners may be admitted as members as the Bank, they are not entitled to loans. The Bank is threfore essentially an association of borrowers, while the presence of the non-landowning members partly helps to obtain disinterested and efficient management. The registration of the Bank as a co-operative society emphasises its mutual help and non-profit-seeking character.

The Mysore Land Mortgage Bank provides for a capital stock, as every member must hold at least one share of Rs. 50 in it. A member is entitled, at the discretion of the Bank, to get a loan proportionate to his share amount, and is liable only to the extent of his share holding. A non-borrowing member of the Bank is therefore

liable only to the extent of his interest in it, while the liability upon the properties of a borrowing member other than the property mortgaged will also be limited to the extent of the share amount.

The Land Mortgage Bank may issue debentures for raising funds only for the grant of long term loans, as is done both by the landschaft and the Credit Foncier. *It can* also give short-term loans from its share capital, and deposits *which it may receive*. The period of a long-term loan is usually 25 years but may not exceed 30 years. The amount of a loan may not exceed half the value of the property mortgaged. The loans are recoverable by annuities, on the system of equated payments of the Credit Foncier, *i.e.*, comprising of the interest and an amount towards the principal sufficient to amortize the debt in the period allowed.

Although no special procedure has been authorised, as in the case of the Credit Foncier, to satisfy itself of the claims on the property mortgaged, and secure its own title, the Land Mortgage Bank is required to inquire into the title to the lands carefully, and every loan must be secured only by means of a first mortgage on the properties. In this respect, the Bank is greatly helped by the registry of rights and liabilities in land under the Record of Rights Regulation which has been introduced in the Mysore State.

As is done both for the landschaft and the Credit Foncier, a summary procedure has been prescribed by-law to enable the Bank to recover its dues promptly in case of default or breach of contract by the borrower. It is entitled to obtain possession of the properties mortgaged though summary proceedings before the Registrar of Co-operative Societies, and recover its dues through sequestration, or finally to have the properties sold. Like the landschaft, the Land Mortgage Bank functions through decentralized bodies, and carries on its work mostly through the honorary services of members.

I shall now refer to a few points of difference in the working of our institution, and make some observations regarding them. These observations are, however, only my personal opinion, and the sole object in making them is that they may arouse discussion at the hands of our co-operators and lead to the adoption of such rules as will conduce to augment confidence in and safety of the institution.

Some suggestions.—The guaranty for the debentures may first be considered. The landschaft which our Bank may be said to resemble, has no liabilities other than its debenture issue. The debentures are secured by the mortgages obtained and the reserve funds of the landschaft, but finally by the collective liability of the members. This liability is unlimited in most cases and in some cases is limited in various ways, but usually the liability imposed is adequate guaranty for the Bank's liabilities. In the case of the Land Mortgage Bank, the ultimate security for the debentures is only the liability of each member to the extent of his share amount, but we have seen that even the share capital may be utilised for short-term loans. Such utilisation will detract the value of the ultimate security; Even with the Credit Foncier, a joint-stock company, only half the capital stock can be utilised as loans. The guarantee for the debenture in the case of the Land Mortgage Bank must therefore be said to be less adequate than with a landschaft or the Credit Foncier. If the limited liability principle is to be kept, the share capital may be maintained mainly as an additional guaranty fund, and invested only in recognised Government securities, a small portion being allowed, if necessary, to be utilised as loans. Such restriction, it is needless to add, will enhance the value of the debentures.

The Land Mortgage Bank is also authorised to raise deposits. Unlike a landschaft, the Land Mortgage Bank will therefore be a more complicated institution possessing large funds, and dealing in ordinary banking as well as long term loan work. Whether such mixture of work will not detract from the absolute safety and stability which are a prerequisite of such institutions is a matter for consideration. In any case, as the raising of deposits involves additional liability of the Bank, very strict regulations regarding the utilisation of the deposits will be necessary to ensure safety and soundness in the transactions of the Bank, for if the latter are not complete, the confidence of the investors on the one hand, and of the landowners on the other, will be affected.

In several directions such as the relation of debentures to the loans issued, the investment of annuities and other funds of the Bank, short-term transactions, no specific provisions have been laid down for our institution. The authorities of the Bank will doubtless adopt in these respects the safe and tried rules of the European land-credit institutions.

Conclusion.—It remains for me to add that, having all the essential features of the best land-credit institutions of Europe, and a competent and earnest management, and the generous support of the State, there is every hope that our institution will achieve, in the years to come, the phenomenal success which has attended the institutions elsewhere.

Urban Co-operators and Rural Uplift.

BY MR. T. SRINIVASA MUDALIAR.
(President, Erode Co-operative Union).

Agriculture is the mainstay of our motherland. The humble agriculturist is really the back-bone of our country for weal or woe, and the nation must stand or fall with him. It, therefore, behoves the Co-operators in urban areas to bestir themselves and make every effort to elevate their brethren in rural parts. The Co-operative Act itself was conceived mainly with the idea of improving the condition of helpless agriculturists and artisans.

Co-operation is not mere material stuff, not a mere credit machinery, cold and calculating as to Rupess, annas and pies, and profit making in the bargain. Without the human element, without the spirit to help and elevate one's fellow citizens, the Co-operator is a mere automaton, a material mechanism—spiritless, soulless. The urban co-operator has a special and sacred duty towards his rural brother. Towns are but the offsprings of villages, almost every townsman has to trace his descent from a village ancestor. The village develops into a town as intellect, trade and industry are concentrated in a particular area for some reason or other. The town co-operator acquires aptitudes, is equipped with knowledge and is skilled in organisation on account of special environments and facilities which prevail in urban areas but are denied to country parts. A true co-operator is a genuine patriot. To him co-operation is a real religion. To preach the gospel of co-operation, and, by precept and example, to try to elevate his countrymen, is the end and aim of his life. Where else can we get workers of this type if not in towns? They alone can realize that co-operation is not only a democratic but a divine movement intended for the economic uplift of our country. Realising thus as they do, the importance of this movement as a great nation-building factor, the educated co-operators of towns have a sacred duty to discharge, and that is to take the torch of co-operation to the door of every villager, and shed light into his darkened home.

Illiteracy is the greatest obstacle to the spread of co-operation and the removal of poverty and the thousand and one ills the flesh is heir to in the rural area; organisation is an unknown quantity; and it is notoriously lacking in leaders. Illiteracy leads to inertia, the idle brain becomes the devil's worship, faction springs up, muscular activities assert themselves resulting in ruinous litigation and crimes of various degrees, from mere assault to more serious murder. What has the enlightened townsman done to improve the lot of the illiterate villager? In all great movements the ignorant masses have to be guided by the enlightened few. The driving force and discipline, the moral example as well the material supply must come from enlightened areas. The disappearance of old village communities sounded the death-knell of a great ancient system that was really a co-operative organization, based on division of labour and mutual help—a system that was self contained and self reliant, so that every village was a democracy, a centre of self government. The idea of co-operation is thus a factor in the mind of every Indian. The task of the town co-operator, the real reformer, is not thus "Herculean". The system of "Moi" that is observed in marriage and such other occasions in every Indian home is practical co-operation pure and simple.

We know that the greatest progress in Western countries was made after the spread of the co-operative movement. Ireland and Denmark, England and Germany have made wonderful advance through this system. Co-operation creates a cohesion among the scattered individuals of a country while improving their material and moral welfare.

It is thus the sacred duty of every enlightened co-operator, who has in him a genuine love for the elevation of his country and the uplift of his fellow citizens, to go out and preach to the villager the gospel of co-operation.

Some of the problems that have to be tackled by such preacher and propagandist I venture to point out hereunder :—

1. The removal of illiteracy by the establishment of schools and village libraries, and audlt education.

2. Co-operative education. It ought to form part of the school curriculum.

3. The starting of village panchayats to settle disputes and to look after village sanction etc.

4. The spread of knowledge as to improved methods of agriculture and intense cultivation with proper manuring.

5. The encouragement of some cottage industry or other as a secondary occupation during the off season.

6. The importance of self-help and self-reliance in the every day life of the village

7. The encouragement of Khaddar and Swadesi as an economic factor.

8. Organization of Co-operative Credit Societies as well as Joint Purchase and Sales Societies separately for the benefit of weavers and agriculturists.

9. Educating the villager to be thrifty and not to waste money on mere ceremonial functions.

10. Spread of temperance.

11. The starting of 'Stores' Societies in suitable areas with the special precaution that human rates are kept out of the concern.

12. Co-operative Land Mortgage Banks are the only concerns that are likely to redeem the ryot permanently from his indebtedness.

The Co-operator will find his field large, but the labourers few. But with the true spirit of an Evangilist, with the sole object of helping his less fortunate brother, and with energy and enthusiam, he will be in a position to convert the ignorant villager into an ardent co-operator.

Of late, a great cloud has been hanging over our country. Serious problems have been thrown into the melting pot. But we see already a great and glorious vision. The Spirit of Co-operation is welding the classes and the masses into a homogeneous whole and is forging its Idol. And out of the melting pot will emerge Mother India radiant with light and love, possessed of power and plenty and with her inspiring message :—"Co-operators! carry your torch to every part of the Country".

Recent Utterances.

I. PRESIDENTIAL ADDRESS*

OF

MR. W. C. GOOD,

(President of the Co-operative Union of Canada, at the Opening Session of the Annual Congress held at Toronto.)

The economic depression which, during the recent past, has affected such a large part of the civilised world constitutes a challenge to co-operators and, indeed, to all thinking men ; and it seems to me that I hould not let the present occasion pass without attempting some ana-ysis of this deplorable condition. It will be fitting also to offer whatever solution of this knotty problem the Co-operative Movement can furnish.

The causes of economic distress in general terms may be divided into two classes ; first the failures of Nature, and second the failures of man.

In the distant past and under a more primitive industrial organisation than that now generally prevalent men frequently starved to death owing to crop failures due to inadequate rainfall or other natural causes. It was in many cases a veritable struggle for existence ; and one has only to turn to the history of the North American Indian, so admirably portrayed by the late James Oliver Curwood, to find many striking examples. In fact, even in quite recent times, as, for example, in China and Russia, and India, starvation is more or less common, and always a grim possibility. Even in our own complicated civilisation, and in this granary of the Empire, distress follows a short crop and lower prices in the Canadian West, which lessens the purchasing power of the western farmer and so curtails his demand for manufactured goods. Hence unemployment in our eastern cities and a smaller demand for all that the artisan would buy. Hence. for example, less demand for dairy products; and so, like a creeping paralysis, the baneful effects spread from one industrial class to another and from one place to another.

DISTRESS NOT DUE TO OVER-POPULATION

All of which, of course, may prove many things according to the point of view. Some think there are too many people in the world and that distress is due to over-population. But where, two centuries ago, probably less than one million people struggled for a mere existence on this North American continent, now over one hundred millions live in comfort compared with the Indian's standard of life. Nor can even the

*Reproduced from the "Canadian Co-operator" Vol. 21, No. 8, August 1930.

economic distress of China and India be justly attributed to over-population when so many other obvious causes for poverty exist and when, in other parts of the world, as dense a population makes a reasonably good and assured living. Inviting as is this subject, I must not now discuss further the question of population. Suffice it to say that after a somewhat careful examination of it from many angles, I am unable to see that over-population ever has been a sufficient cause of economic distress. What may happen in the future I do not know.

Many other things, too, are proven. For one thing our dependence upon Mother Nature, a fact so obvious and so basic that one need scarcely mention it. And yet dependent as we are I make bold to say that one can never justly attribute economic distress to any so-called failures of Nature. We take the world as we find it. We cannot do otherwise. Rainfall always has been variable and uncertain : it probably always will be. Storm and flood and earthquake and sickness upset our plans. The conditions under which humanity lives and over which it has no control cannot properly be held accountable. Futile it is for man to quarrel with Omnipotence.

BECOME CO-WORKERS WITH OMNIPOTENCE

But where we cannot change, we can study Nature. We can find out her ways. So shall we become co-workers with Omnipotence. Thus has man harnessed the wind and the lightning. Thus has he triumphed over distance. Thus has he made it possible for one hundred millions to live in comfort where formerly one million eked out a meagre existence. All progress in the Arts and Sciences depends on this attitude of mind. So disposed, like Joseph of old, we store up corn against the lean years, or transport it from where it is plentiful to where it is scarce. Thus both in time and in space we strive to distribute and equalise the bounties of Nature ; and only lack of discernment suggests that man must inevitably suffer from the unequal distribution of Nature's gifts, or attributes economic distress to any so-called failures of Nature. That with all our wonderful modern facilities for increasing production, and for carrying commodities where they are needed, mankind has but fitfully and partially solved this immemorial problem is surely due to his stupidity or greed and is incompatible with a rational and Christian organisation of Society. Such is my belief which I shall now briefly amplify.

A NARROW AND SELFISH NATIONALISM

It is a tragic anomaly that, following in the wake of the world war, and in spite of all the League of Nations stands for, one finds a narrow and selfish nationalism, with all its impediments to international commerce, thus aggravating and prepetuating the commercial dislocation due to the war itself. Indeed it seems as though in the world of industry and commerce the nations have not learned the lesson of the great war. Having eyes they see not ; having ears they hear not ; but are headed for destruction, headed straight for another war, the natural and inevitable culmination of industrial and commercial rivalry.

It is, too, an economic tragedy of the first magnitude when, to meet the exigencies of a state of unemployment, the nations "make work" for their citizens by putting obstacles in the way of international commerce. As well "make work" for the residents of a town by cutting off communication between it and the surrounding territory! Yes that sort of things "makes work," makes work like a fire or an earthquake which destroys a city, like a snowfall that blocks traffic, like the spilling of a pot of soup on the kitchen floor. The logical conclusion of such a policy is the destruction of civilisation, and the reduction of everyone to the methods and standards of life of the primitive savage. Plenty of work to be sure, with but meagre results !

CO-OPERATION TAKES UNEQUIVOCAL STAND

Against all such desperate folly the Co-operative Movement takes a definite and unequivocal stand. It asserts the solidarity and brotherhood of man, the interdependence of nations, the beneficence of trade. Its motto of "Each for all and all for each" is not limited in its application by race, language or political boundaries. Its league of the people of forty nations with a membership (including members' families) of two hundred and twenty millions through the International Co-operative Alliance is the practical realisation of its ideals.

No : unemployment and economic distress cannot be remedied by impediments to exchange. Temporary alleviation of distress there may be, as when a sudden fall of snow in a city enables certain out of works to get a job and a meal ; but only ultimate loss results from the steady pursuit of such a policy, and it is significant that co-operators generally have taken emphatic stand against it. Indeed, no other position is compatible with such an organisation as the International Co-operative Alliance.

General prosperity is, therefore, dependent on freedom to exchange wealth. It is also dependent on freedom to produce wealth. And there is more implied in the latter phrase than most people imagine. What does it mean ?

WORLD'S RESOURCES MUST BE ACCESSIBLE TO ALL

It means in the first place that the world's resources, which constitute the invitation and the opportunity for useful labor, should be accessible to all on equal terms. "Equal opportunities for all, special privileges for none." No natural resources must be "cornered"; and, while peaceable possession must be guaranteed to the worker so that he

may reap the fruits of his toil it must be on terms which are just to all and which will enable no one to lay his fellow men under tribute.

Freedom to produce, therefore, means equal opportunities for all. It means also in the second place that everyone should be guaranteed a just return for his labour. No one will sow where he cannot reap ; and, to the extent that insecurity prevails, industry and enterprise are discouraged. That is the reason why political disturbances are so disastrous to industry ; no one knows whether, if he plants a crop, he will reap the harvest, or if he builds a house he will be able to live in it. It is our privilege, of course, to distribute any wealth which has been produced as we may choose, inequitably if we like. But to the degree that injustice prevails in the distribution of wealth, to that degree wealth production will inevitably *fail*. This is a natural law, and no legislative enactment, involving even general slavery, can nullify it.

CO-OPERATION STANDS FOR FREEDOM OF EXCHANGE

The Co-operative Movement stands, therefore, not only for freedom of exchange, between as well as within nations, but also stands for freedom of production, in its two-fold and mutually harmonising aspects of equality of opportunity and equity of remuneration. In fact, it goes on record quite definitely that Industry shall be for *social service* and not for private profit, and is steadily working out the application of this idea in our economic life. The opposing idea embodied in the motto of "everyone for himself" and, as Carlyle added, "the Devil take the hindmost," has been conspicuous, and no doubt useful, in the lower organic world. Among men it is, however, now out of date ; and the system of capitalism, which is its recent concrete expression in the field of human industry, is breaking down by reason of its own inherent weakness, of which one could speak in detail if time permitted.

DISTRESS DUE TO UNHOLY ALLIANCE

Economic distress, with its unemployment, involving much unnecessary misery, demoralisation and death, is due, in my opinion, to the outworking of those plausible but fallacious ideas represented in that unholy alliance of protectionism, militarism and capitalism. All of these deny the fundamental basis of civilisation itself, viz., the interdependence of men and of nations; and against them the Co-operative Movement sets itself is adamant. Reason as well as Religion supports the co-operative motto, upon whose application civilisation depends. Dr. Warbasse says in his "Co-operative Democracy":—

"No civilisation can be regarded as permanent until the recognised means of securing access to the good things of life is by unexploited labour in the performance of useful service with hand or brain. A civilisation in which a large proportion of the people who have the good things are those who do not perform useful work, and in which most of those who do the needful service live and die in want, is a tottering shell."

The fundamental and well nigh world-wide issue is, therefore, between the ideals and methods of competitive rivalry and exploitation on the one hand, and those of the Co-operative Movement on the other.

CREEPING INDUSTRIAL PARALYSIS

Time will not permit much by way of amplification of these general principles : but a few specific cases may be noted.

Take first that creeping industrial paralysis already mentioned, which follows such a partial crop failure and low prices as our own West experienced last year. It is bad enough for the western farmer's income to be reduced, through no fault of his own; but he should not therefore be compelled to sit in idleness. Either through individual savings or by the extension of social credit he should be enabled to carry on and turn his labour to advantage in other directions when the crop is light. Such a policy, no doubt partly realised, would neutralise to some extent the ill effects of the crop failure, both in the West and also here in the East. But here one sees the tragedy and the real absurdity of the situation : enforced idleness and stagnation because last year the rainfall was deficient two thousand miles away ! Surely a condemnation of a rigid and dislocated industrial system when to the decreased production of wealth due to inadequate rainfall we add further decreased production due to enforced idleness. An intelligent and flexible system would direct available labour into other channels of useful activity when the accustomed demand failed, just as the individual farmer does some needed fencing or repairing when harvest needs do not take all his time.

Again production for profit rather than for service is too often guided by a speculative and uncertain demand ; and periods of feverish activity are usually followed by collapse and unemployment. In the Co-operative Movement, on the other hand, production is guided more generally by an organised and ascertained demand, and employment is thus steadied.

SOCIAL CONTROL OF CREDIT

I refer next to another matter where the application of Co-operation would be of conspicuous advantage :—that, viz., of the social control of credit.

In our present industrial order where the value of commodities and personal services is measured in money it is of primary importance that the purchasing power of the monetary unit be kept approximately constant. If I have $ 2,000 representing the product of my toil, it is just as bad to have one half of it taken by monetary inflation as to be robbed of it by a burglar. In either case one half my savings are filched from me. So, too, if a manufacturer buys a stock of raw material and finds a sudden and notable drop in prices before he has time to market the finished product he will probably be ruined. Or if a farmer buys a farm or a herd of cattle at one level of prices and then finds the value change through either monetary inflation or deflation he reaps an unearned fortune in one case or faces financial ruin in the other. The law is supposed to protect a person in the enjoyment of his own property ; but it has yet to take cognisance of that wholesale thievery which results from changes in the purchasing power of the dollar. Of all this we have had startling exemplification in the inflation which took place during the years 1916-1920. and the deflation which occurred in 1920-21. There can be no industrial stability where such fundamental dishonesty prevails.

PRIVATE BANKERS CONTROL THE PEOPLE'S MONEY

Now at the present time the control of the people's money and of all those credit instruments which increasingly perform the functions of money is largely in the hands of private bankers or banking corporations who make a profit out of the business. Unfortunately many of these bankers do not know the difference between the general price level and the prices for individual commodities, do not know what causes instability in the purchasing power of the dollar, and have no idea how stability may be secured. Some do know ; but even if they all knew, they would be under the temptation of unduly and unwisely extending credit in a period of rising prices, when as the saying goes, "business is good," because of the profit obtainable thereby, and of unduly and unwisely restricting credit during a period of falling prices for essentially the same reason. Of all this the monetary history of the years 1916-1922 affords abundant proof. It is surely just as important to preserve constancy in our standards of value as in those of length or weight. It is a common-place that the members of a co-operative society do note heat themselves with short weights or adulterated goods, and we shall have the same assurance of monetary stability when Co-operative Democracy takes over the control of credit, particularly in view of its declared internationalism where international action is so necessary.

CO-OPERATIVE "PROFIT" DISTRIBUTED AMONG THE PEOPLE

I note, too, that under capitalism a fund called "profit" goes to the capitalist and is often spent by him in socially foolish or mischievous ways. Under the co-operative system this fund is distributed among the people, goes into the ordinary avenues of trade and thus stimulates the production of the necessaries of life. Concretely the constrast is between the one capitalist living in a palace while his one hundred workmen live in hovels and all the one hundred and one people living in comfortable and decent houses.

Finally let me add just a word as to the method of Co-operation. It is steadily building a new civilisation within the frame-work of the old; not wrecking the old but building something to take its place when it shall have fallen into decay. It is the method of nature, the almost imperceptible growth of the new Kingdom of Righteousness based on Justice and Brotherhood in the seeking of which lies economic salvation.

II. CO-OPERATION IN TRAVANCORE.*

From the report of the working of the Department in 1104, a copy of which, was kindly placed in my hands by Mr. Vythilingam Pillay, the present Registrar, I find that there were at the close of 1104, 1738 societies on the rolls of the Department of which as many as 1717 were actually at work. It is however, noticed that out of these, 1378 societies were purely of the credit type. The number of members in all the societies together was given as a lakh and 97 thousand and 78 (1,97,078). Considering the age of the movement in this State, the progress made cannot be said to be unsatisfactory, but at the same time it has to be observed that there is much work to be done yet. Co-operation is a term used particularly both for a theory of life, and for a system of business, with the general sense of "working together." In its widest sense, it means the creed that life may best be ordered not by the competition of individuals where each seeks the interest of himself and his family, but by mutual help; by each individual striving for the good of the socials body of which he is a member and the social body in return caring for his welfare. '*Each for all and all for each*' is its accepted motto. The idea of co-operation cannot be considered to be purely western. The old village system, remnants whereof are found in outlying villages of this State, did recognize the principle underlying such work and arrangements for the existence of a body politic and for the harmonious working of the individual members, irrespective of caste, community or creed, for its welfare. It has, of course, to be admitted that it did not exist in its present form. The primary object of co-operation in this State is, to borrow the language of a veteran co-operator in British India, "to examine the whole economic structure of the State, to study the defects which retard economic progress, and to discover the factors which contribute to the comparatively low standard of prosperity; and then to devise schemes whereby the people can remedy these deficiencies and remove these factors by organizing for self-help and mutual help." It should try to free the cultivator, the artisan and the workman from the vicious system of credit in its

*Extracts from the Presidental Address of M. R. Ry. A. Venkatarama Iyer Avl., the Ag. Dewan of Travancore, at the International Co-operators' Day Celebration, Trivandrum.

crudest sense of the word, within their reach. The basic assumption of the work should be, as pointed out by him, that the rural masses can be lifted on to a higher plane of wealth and culture and that the poor illiterate peasant, artisan or workman need not continue to be poor or illiterate. One of the surest methods whereby the ultimate success of the movement could be reached is, that its members should arrive at a clear understanding of the principles upon which co-operation is based and knowledge of its business methods. An attempt should be made by the co-operator not only to inform himself of its principles and their devolution to its cause, but also to enlighten the public concerning the co-operative faith. The Royal Commission on Agriculture in India, recently appointed, has in its report, observed that the only remedy for the unsatisfactory conditions which appear to offer any sure prospect of success is the patient and persistent education of the members in the principles and meaning of Co-operation. It is with this object in view that the Institution of an International Co-operator's Day has been started, *viz.*, so as to enable the Co-operators all over the world to assemble at different centres almost synchronously under the banner of Co-operation, to do honour to its high ideals and to infuse co-operative faith into the masses as much as possible. Such an occasion is intended to be utilised for taking stock of the situation by comparing notes regarding the work in the different centres and for resolving upon such improvements as may be needed to suit local conditions for ensuring the attainment of the goal. As pointed out by our Dewan, at the last session held here, a gathering of this kind is really a 'symbol'—an indication of the solidarity of the co-operators of this State forming a unit by themselves, and working for their welfare, such unit being but a part of the whole body of the co-operators in the world, who are labouring for the economic welfare of the whole world. This is a platform where, irrespective of caste, creed, community, colour or sex' the co-operators work strenously for a common object *viz.*, the economic progress of the whole World.

I would take this opportunity for giving expression to some stray thoughts of mine, regarding certain matters to which the co operators of this State may, with profit, devote their attention. As observed by me in my opening speech, every form of work which has for its goal the welfare of the public, each individual working for the betterment of the whole, his interests being taken care of by such larger body, has to be treated as co-operative work in its real sense. A consideration of the state of some of the industries in Travancore would convince one that some of them are fast dying out, while others do not get that amount of attention that its progress requires. The bell-metal mirror industry of Aranmula which was once the pride of Travancore seems to have virtually disappeared. The artisans now engaged in this work whose number has become so small, conduct this work more or less on an identured labour basis. The co-operators could with advantage devote their attention to the resuscitation of this industry and try to place it on a commercially profitable basis so far as the artisans engaged in it are concerned. The cutlery industry at Attingal and Kattuvally near Mavelikkara are worthy of mention in this connection. It may be news to some here to know that surgical instruments which in point of temper and quality would compare favourably with those obtained elsewhere, are manufactured on a small scale at Attingal. One of the former Durbar Physicians of this State complained to me of his inability to encourage this industry by reason of the lack of promptness in the execution of the work by the workmen. I uuderstand that some of our workmen have been taken over to Bombay and engaged by a Firm there, which supplies surgical instruments all over India. Some of the razors manufactured by the workmen here are pronounced to be as good as others available in the market. The condition of cutlery industry at Mavelikkara cannot be said to be as promising as it was a quarter of a century ago. The manufacture of machinery at Kumarakam may be attempted to be expanded. Attention may be directed towards placing these industries on a sounder basis. Improvements may similarly be tried to be effected and commercial stability secured in respect of the making of walking-sticks out of Palmyrah at Thuckalay or out of jungle wood at Kottayam and of the making of vegetable varnish now tried at Kottayam. Some arrangements for studying the markets elsewhere with reference to the nature and quality of the finished products that would find an easy sale, should be attempted, with a view to the improvement of the condition of the ratten industry at Varkalay, the coir industry at Alleppey and other places, the palmyra and aloe fibres in South Travancore, the mat industry at Karunagapalli and Kayankulam, the basket-marking industry at Alwaye and the weaving industry all over the state, especially at Nagercoil, Erniel, Balaramapuram and at Attingal and its suburbs. In olden days, yarn of finer counts (like 100 & 120) necessary for the fine Neriyathus and Mundoos for which Eraniel is famous used to be spun by the womenfolk of the place. Why this should not be revived as a cottage industry is a matter for serious consideration of the co-operators. The popularisation of weaving and other industries for the amelioration of needy families who, through sentiment or otherwise, feel themselves unable to go out for work to find the wheretithal for their sustenance, may also be taken up by the co-operator. The ball-metal industry at Nagercoil, Vazhapalli and Krishnapuram may also be improved and the condition of the artisans engaged in it made better. A similar improvement can also be attempted in the ivory industry and the manufacture of silver-ware of which this town is famous. The cocoanut-shell industry has virtually disappeared. Its resuscitation can with profit be worked for. The improvement of the salt industry in South Travancore by organising a union of the licensees to ensure the manufacture of salt on modern scientific lines is also a matter worthy of consideration by the co-operators of this State.

Another matter that may with advantage be taken up is the improvement of Banking in Travancore. Apart from the Central Co-operative Bank, it behoves the co-operators to devise some means whereby the working of the Banks could be improved without prejudice to the Banks, share-holders and the constituents. There seems to be a rush in this line, for it is seen that there are as many as 200 incorporated Banks in this State. Without meaning any disparagement to any of them, instances there are where the incredulity of the poor illiterate villager is worked upon and he is induced to become a share-holder by utilising the price amount obtained or bidden at a heavy discount in the *chitty* conducted by the Bank towards some of the calls, on offering all his property as security, realising later his inability to pay the subsequent calls, his hopes to become rich being virtually shattered when the demand for the next call comes in. The forfeiture entailed by such default in several cases brings about the ruin of the family. The high interest at which loans are advanced, the large dividends declared, considered side by side with the reserves being themselves lent out at high rates of interest by some of the Banks are matters which may sometimes affect the stability of the institutions in times of economic strain like the present. A committee has already been appointed by Government to enquire into the nature of the working of the banks and to suggest measures for improving their condition without detriment to the Banker and the borrower. The necessity of opening large land mortgage Banks providing for credits for long terms by which alone the condition of the cultivator in these days of stress could be ensured is also a matter for consideration of the co-operator. This question has also been referred to the above mentioned committee for consideration. We are anxiously looking forward to their recommendations and I trust, something tangible would result from their work. Another matter that could profitably be taken up for consideration by co-operators, is the devising of some means whereby the condition of rubber-grower could be improved. Though the slump in the Rubber Market has not affected Travancore, alone, the discovery and planning of methods for avoiding or at any rate minimising the evil effects of 'slump' is a question which might engage the attention of the co-operator in view of the large investments made by our countrymen. I commend these suggestions to you in the hope that these lines of work, if properly pursued, would enable the co-operators to confer real and lasting economic benefits upon the State and its people. In resuming my seat, I sincerely pray "Long live Co-operation."

District News.

THE INTERNATIONAL CO-OPERATORS' DAY CELEBRATIONS.

CELEBRATION IN THE CITY BY THE MADRAS PROVINCIAL CO-OPERATIVE UNION.

The Madras Provincial Co-operative Union celebrated the eighth International Co-operators' Day last evening at the premises of the Servants of the India Society, Royapettah, with the Hon. Dewan Bahadur S. Kumaraswami Reddiar, Minister for Education, in the chair.

After a short programme of music by Mr. K. Kalidas, light refreshments were provided to the assembled co-operators. Speeches were then made in English, Telugu and Tamil about the co-operative movement.

Miss. Robertson of New Zealand, said that her country's trade chiefly consisted of pastoral products, butter, wool, meat, etc. They sold them to England but they were faced with the problem of big combines of buyers. On the termination of the great war they were faced with a serious situation; but a federation was formed which enabled to keep prices steady. Though New Zealand had a good market in America, she could not trade with that country on account of tariff problems. To overcome the fall in prices due to the operation of rings in England, New Zealand wanted a friendly nation who would co-operate with her. India had a good future in her cottage industries. She could produce so many artistic articles and could find a market for them in New Zealand. New Zealand could supply her with dairy products and other articles. She hoped that it would be possible to find such a basis for mutual co operation.

Dr. P. J. Thomas who followed said that they were now faced with the situation arising out of industrial combines and rationalisation of industries. The powers of such combines were great and they affected various spheres of life. Co-operation was based upon the principles of rationalisation and it was time to recognise co-operation in such a manner as to check the mischievous influences of such combines. They could make co-operation an agency for a more equitble distribution of production and consumption of wealth in this world. Co-operative Credit and trading should be organised on an all-India basis.

Mr. Satyanarayana speaking in Telugu said men and money formed the basis of all activities and co-operation was intended to co-ordinate these two forces in a democratic spirit for the welfare of humanity.

Mr. Gulam Mahomed speaking in Tamil spoke about the unifying force of co-operation and appealed for the organisation of the movement on an all-India basis with a view to safe-guard India's interests.

CHAIRMAN'S REMARKS.

The Chairman said that it would take some more years for international co-operation to come within the range of practical politics. In the meantime they had to do a good deal to put their own house in order. A good deal of propaganda had yet to be done before the people imbibed the proper ideas about co-operation. They should organise spectacular demonstrations for that purpose. He had faith in the movement. But the progress so far made by co-operation in rural areas was not encouraging. The indebtedness of villagers had not decreased appreciably. Villagers had erroneous ideas about co-operation. The sooner they corrected these wrong ideas through propaganda the better would be the success of the movement.

VOTE OF THANKS.

Mr. V. Ramadas Pantulu in proposing a vote of thanks said that the movement would succeed with the growth of literacy. The previous Minister in charge of education had prohibited village teachers from taking part in the movement. In all countries the movement was run by teachers. No civilised Government would place a ban on the educated men in participating in the movement. In their country it happened sometimes that the village school master was the only literate man of the place. Therefore he found no reason for that prohibitory order. If that Minister thought that by taking part in the movement a teacher would become less efficient, the speaker would say that the Education Minister knew nothing of education. Therefore, the Chairman would render a very great and practical help to the movement if he could find his way to withdraw the order under reference. In conclusion the speaker referred to the arrangements made for promoting thrift among poor people and hoped that all the co-operators would popularise the scheme.

The meeting then terminated.

CELEBRATIONS IN THE MOFUSSIL.

We are also glad to inform our readers that, in response to the circular issued by our Union we have received reports from the following institutions also (as per list appended) in the mofussil places which celebrated the day in a fitting manner. In general, the programme of the celebrations in almost all the places consisted of Bhajanas, processions, tea parties and lectures on the various aspects of the co-operative movement by well known co-operators.

UNIONS.

1. Tadipatri Local Co-operative Union.
2. Melur do. do.
3. Sulur do. do.
4. Dharmapuri do. do.
5. Nallampatti do. do.
6. Melatur do. do.
7. Nannilam do. do.
8. Vaniyambadi do. do.
9. Hemingway do. do.
10. Arkonam do. do.
11. Tholasampatti do. do.
12. Punganur do. do.
13. Chintamani do. do.
14. Papanasam do. do.
15. Kotipalli Local Co-operative Union.

DISTRICT BANKS.

1. Ganjam District Banking Union.
2. Madura Ramnad District Bank.

DISTRICT FEDERATIONS.

1. Tanjore District Federation.
2. West Godaveri District Federation.

URBAN BANKS.

1. Nunguneri Peace Memorial Co-operative Society.
2. Little Conjeevaram Co-operative Urban Bank.
3. Periyakulam Urban Bank.
4. Nilgiris Public Servants Co-operative Society.
5. Uttamapalayam Urban Bank.

OTHERS.

1. The Madura City Co-operator's Association.
2. Mangalam Co-operative Credit Society.

Correspondence

I. INSPECTION OF SOCIETIES.

BY

RAO BAHADUR A. VEDACHALA IYER.

The memorandum by Rao Saheb T. Srinivasa Rao, on the subject of Inspection, published in the Madras Journal of Co-operation for November is a valuable one as it gives a resume of the opinions held by various authorities on the subject, for example, the all India Maclagan Committee and the Madras Committee on Co-operation: The co-operators must feel highly indebted to Mr. Srinivasa Rao for his anticipating some objections to his proposal and for his attempt to explain such objections.

As a theoretical treatise on inspection by non-official agency, the memorandum cannot be assailed. But I am not sure if Mr. Srinivasa Rao, whose prolific brain power to invent statistical statements to meet the demands of all banking operations and of administration reports still continues in its usual strength, remembers the attempt made by the Department when he was Assistant Registrar to regularise the inspection reports in the form of a stereotype printed form. At a Conference of Assistant Registrars presided over by the late Mr. Hemingway, the then Registrar, it was decided as follows :—

(1) Inspection reports, if compelled to be sent in a prescribed form, would be replete with statistics and would deal only with such matters. If all the important matter is to be brought into such forms, the inspection would not get finished in a reasonable time so as to be useful for prompt action.

(2) Inspection report form prescribed was asked to be used as giving the various items to be noted by the inspecting agency—leaving them to deal at each inspection those points which are important for each society.

(3) Dull, lifeless statistics can be used only by competent people in interpreting the figures to find out the business aspect of the society. The inspecting agency can interpret them better than any expert staff employed by the bank or by the federation.

(4) The volume of such reports, the absence of knowledge of local circumstances, and the inferior fund of knowledge in drawing inferences would only operate in the direction of shelving such reports or in the issue of stereotyped reviews also full of statistics with incorrect or unwarranted inferences leading to endless correspondence between the primary and the bank. Such a difficulty is being experienced in the issue of reviews by the department as audit orders, or audit notes.

(5) There will always be a tendency for the inspecting staff to compel the primary sccieties office bearers to work at such statistics to facilitate their work or they will plead excuses for delay in sending such reports.

Hence the compilation of statistics was discouraged and the Government Inspectors were asked to send narrative reports showing the financial position of the society and its defects with suggestions for remedial measures to be taken.

Non-official agencies may as well take note of the above fact when Government Inspectors undertook the inspection.

I may be excused for noting this fact—that the memorandum aims more as a wasteful system of control of the work of Inspectors than for the determination of the efficient working of Primary Organisations.

II. DISTRICT CO-OPERATIVE FEDERATIONS.

A MOVE FOR THEIR ABOLITION.

Recent tendencies in regard to proposals for the supervision and control of primary societies indicate a close-designed move from the higher regions for doing away with District Federations—a type of co-operation that was ushered into existence by the very same powers, only a few years ago, as a result of deliberations of experienced co-operators that have been in search of an organization to co-ordinate and serve as an exponent of non-official co-operative opinion in the district.

It is no exaggeration to say that in the time of the late Registrar, Mr. H. M. Hood, a number of District Federations were registered within one or two years and brought into working order. The prevailing non-official opinion at the seat of the Capital was apparently in favour of his scheme. Here and there faint cries were heard, but they seemed to be from those of a very weak and minority party. Much support was given to these institutions both by Government and Financing Banks in the shape of men and money.

But the financier was all along grumbling and bursting out now and then that his inherent rights of inspection of his customers' position and solvency were being questioned, and by making a big cry before the Townsend Committee partially succeeded in establishing his case. The recommendations of the Townsend Committee in this regard have therefore given the financier a status—till then questioned—which is now being sought to be further expanded and strengthened.

Certain defects and weaknesses in the management of societies and unions are exploited to this purpose, as if the very same irregularities would not be present even otherwise. Overdues and slackness of supervision are pleaded as charges against Societies, Unions and Federations. I wonder if these are going to be wiped off at a stroke by the new agencies to be set up by Central Banks in the name of Consolidation and Rectification. Is there going to be any drastic change in the composition of the human material of the Central Bank different from that of Federation and the Union ? Are representatives of Unions going to be excluded from the management of the Central Bank ? Is their voice not going to be felt in the financing institution?

Even the Townsend Committee recommended a preponderating representation to the Unions as against individual interests. If this recommendation is accepted and if the present state of the composition of a Central Bank continues, then what does it matter to the Bank if the supervision is done by another body, almost of the same nature, which may be said to be as unsparing in supervision as the Bank would be, and no more prepossessed with its own interests than the Bank is with its own gains.

Given proper facilities and assistance, the Federation is certainly a better institution for supervision than the Bank. No borrower, possessing a sense of honour and a desire for freedom, would like to submit himself to the frequent meddlesome pryings of the creditor into his domestic and personal life. This elementary truth should be borne in mind by all those that raise a hue and cry against Federations, following the agitation set up in the metropolis and elsewhere in the same-strain.

It is worth examining what the objects and functions of a Federation are. They are very clearly set out in its model bye-laws. Chiefly they are (1) Co-ordination of the work of the various supervising unions in the district (2) propaganda and education in regard to co-operation in the district and (3) focussing of co-operative opinion in the district.

The methods employed should be for carrying out these principal aims. It is therefore necessary in the interests of both the parties, that

(*a*) there should be a common service on district basis for all paid staff employed in unions with a uniform graded scale of salaries and with provision as to leave etc.,

(*b*) there should be a principal officer to control and regulate the movement and work of the staffs.

(*c*) powers should be vested in the Committee of the Federation to check the abuses in the management of Unions and societies.

(*d*) the resources of the Unions should be pooled and distributed evenly or fairly with due regard to the size and requirements of a Union.

(*e*) frequently panchayats of societies and Unions and even members shoud be educated in the fundamentals of their work and in the elementary principles of co-operation, by the Federation conducting classes at different Centres in the District.

If a District Federation is expected to carry out its objects by the above methods, why should there be any objection? In fact after the coming in of the Federation, the abuses on many Unions are being brought to light and close monopolies are being demolished to give way to a better state of affairs. This is perhaps resented by some Unions as too much interference with their autonomy, and these want to kill the Federation with a big stick and at one stroke. They forget at the same time whether they are going to escape from Supervision at all and whether some arrangement will not be required by which the objects of the Federation should be carried out and a suitable machinery required for the same.

And if all these are going to be done under the agency of the Central Bank, will not the position be from the frying pan to the fire? I hope co-operators will ponder deeply before taking the hasty move of asking for the abolition of established institutions, because there have been a few cases of well intentioned trespasses on their rights.

Note :—Since writing this article, I had the pleasure of going through the Editorial Notes of the October issue of the journal particularly under 'The Problem of the day.'

It is suggested that Auditing might be taken up by the Federation, as if to compensate for loss of Supervision. This is again making a distinction without a difference. Supervision, if it is to be effective should be based on Audit immediately preceding it.

Audit by one person and Supervision by another is only duplication of work which can very efficiently be discharged by a single agency.

Taking away of Supervision from Fedration is taking away of the Supervision Fund and depriving it of the control of the money resources. The Federation would then be made to live a starved existence, become ematiated and die finally. Deprived of this main function, it is no more a Federation of Unions.

The conflict between Banks and Federations is a conflict of principles that concern the honour and prestige of the two institutions.

LOCAL CO-OPERATIVE UNION LTD., GOOTY.
18th October, 1930.

C. RANGANATHA AIYENGAR, M.A.L.T.
Secretary.

III. THE SRIVILLIPUTTUR CO-OPERATIVE BANKING UNION LTD., No. 5134.

SRIVILLIPUTTUR,
26—10—'30.

No. A 247/30-31.

Deputy Registrar's visit—22nd, and 23rd October,—Informal conference of Bank Inspectors and Union Supervisors.

M. R. Ry. R. Desikachariar Avl. B. A. Duputy Registrar of Co-operative societies, Ramnad was camping here from 21st. to 23rd. October, for checking collatteral securities and submitting the same to the Imperial Bank and the Madras Central Urban Bank, with his certificate. As he previously intimated his programme to the Bank, I gave notice of his visit to the Unions and requested them to send their Supervisors to our Bank on 23-10-30, to attend the informal conference of Supervisors and Bank Inspectors, in the Bank premises at about 2 p.m. on 22-10-'30.

Rajapalayam and Sattur Union Supervisors were present, as also two Bank Inspectors. The Deputy Registrar very succintly pointed out the duties of the Supervisiors and Inspectors, and exhorted them to work harmoniously and uplift the societies in this critical juncture.

3. He brought out the necessity of maintaining Liability registers in each society and impressed upon the Supervisors and Inspectors to open such a register in societies where there are none and bring them up-to-date where they are not properly posted.

4. The Deputy Registrar touched upon (i) individual loans, (ii) admission of members, (iii) Property statement, (iv) Election of Panchayat members, (v) Delegates to Unions and Bank, (vi) collection of share capital from members, (vii) Demand, Collection and Balance statements to be issued from the Bank. He elaborately explained the details of work to be done under each of the above headings, and brought home to them their responsibilities to the societics and to the Bank in the matter of discharging their duties, in relation to the above items. The Deputy Registrar opened that the scriptory work in societies and account-keeping were ill-cared for by the Secretaries, even though some of them were capable and efficient, and explained to the Inspectors and Supervisors that the Department have no objection to sanction remuneration to the Secretaries, in cases where they work with zeal and enthusiasm and profitably work their societies. He even traced out the previous history of the Departmental view in this matter, and therefore expected them to propagate this view to the societies, so that it may act as incentive for them to work. He assured them he would consider very sympathetically cases for remuneration.

5. The President of the Bank and one of the Executive Committee members were also present throughout the Conference. Doubts were raised in the course of the Conference on some points and the Deputy Registrar explained them very clearly.

6. The Deputy Registrar in winding up the proceedings pointed out that the Bank has taken up the the onerous duties in the administrative Section and unless the Executive has the grit and discipline and unless all work harmoniously, the objects, may not be gained successfully and he therefore exhorted them all to work up to the ideal; when the Secretary of the Bank requested him to camp from next month in particular Union Centres and practically show to the Supervisors and Inspectors, the method and manner of work also, and also assist the Bank in Rectification, he said he would gladly do so and try his level best to rectify the defects and improve the societies.

The Unions may, therefore, take note of the above points and work in harmony for achieving the desired object of improving the societies and the Bank.

A. SRINIVASACHARI,
Secretary.

---

4. TANJORE CO-OPERATORS' FLOOD RELIEF COMMITTEE.

AN APPEAL.

BROTHER CO-OPERATORS,

You may probably be aware that the recent floods and heavy rains have caused considereble havoc and damage to property in various parts of our district. The full magnitude of the losses caused has not yet been ascertained owing to the communications having been cut off in various places. But the news received from several quarters in the district make it clear that the houses in the Adi Dravida quarters have been washed away in a large number of places. Almost all over the district the first crop has also been destroyed. As the floods have not yet subsided, it is too soon to judge whether there has been any silting up of lands.

As a consequence, a large number of labourers have been rendered homeless and destitute and the agriculturists are likely to experience a scarcity of fodder and seed-grains.

Relief measures to be organised would have to provide facilities for housing people that have been rendered homeless and for stocking and distributing necessary fodder and seed-grains. A public committee has been formed and is organising measures for relief. Gathering for the All-India Co-operators' Day, the Co-operators of Tanjore have formed the above committee to collect funds and, working in concert with other organisations, provide adequate measures for relief.

It is the aim of our Committee to collect funds in order to arrange for construction of houses and for stocking and distributing fodder and seed-grains to those affected by the floods through the existing Co-operative Organisations wherever possible, or by organising fresh societies wherever necessary. A large amount of money will be necessary to achieve the object we have in view and we appeal to you, as brother Co-operators, to come to our help in our hour of distress with generous donations out of your Common Good Fund and by raising subscriptions. Contributions for the above may be remitted to the Tanjore Co-operative Central Bank Limited, to be credited to the Co-operators' Flood Relief Fund.

"CO-OPERATIVE BUILDINGS,"
Tanjore.
13—11—1930.

O. A. NARAYANASWAMI AIYAR,
Convener,
Tanjore Co-operators' Flood Relief Committee.

5. THE MADRAS CENTRAL URBAN BANK, LTD.

THIRD MEMORANDUM ON THE GRANT OF SUBVENTION TO CENTRAL BANKS FOR RECTIFICATION AND CONSOLIDATION.

Eighteen Banks have already been sanctioned subvention as shown in the first and second memoranda bearing on the subject. Six more banks have been granted subvention since the said memoranda were issued. One other bank is sanctioned the same now. Particulars concerning these seven banks are furnished in the sub-joined statement.

Serial No.	Name of Bank.	Amount of estimated expenditure for 1330-31.	Subsidy applied for.	Subsidy recommended.	Subsidy sanctioned.
19	Madura-Ramnad ...	7,920	4,000	2,500	2,500
20	Amalapuram ...	2,620	1,310	1,310	1,310
21	Kumbakonam ...	4,500	2,250	2,250	2,250
22	Coimbatore ...	Not less than 12,000	2,500	2,500	2,500
23	Madras ...	5,040	2,500	1,500	1,500
24	Ramachandrapuram ...	914	450	450	450
25	Rajahmundry ...	900	600	450	450

2. There remain six more banks namely, (1) Berhampore, (2) Vizianagaram, (3) Cuddalore, (4) Tanjore, (5) Chingleput and (6) Guntur.

Berhampore.—"Is not prepared to spend Rs. 1,250 in rectification and consolidation work, as they cannot spare any funds; but the unions have undertaken to do the same in the course of three years." This is the resolution of the board of management of the Bank. The resolution further says, "The Unions have promised to send quarterly returns regarding the work." Accordingly the bank is ineligible for any subventions—*vide* No. 8 of the conditions regulating the grant of subvention. It is to be regretted that the work is left solely to unions and that the help offered by the M. C. U. B. is not availed of. The Board will be well advised to reconsider its decision.

Vizianagaram.—Has sent a scheme of rectification but has not applied for grant of subsidy.

Cuddalore.—Has resolved (at a meeting of the board of management) "not to open an administrative section at present." The resolution adds that the question of applying for subvention might be considered later on. The bank has been requested (if it should see no objection to do so) to acquaint the M. C. U. B. with the grounds on which it has resolved not to open an administrative section, since the resolution runs counter to resolutions passed in that behalf by the Central Banks' Conference and Board of Management of the M. C. U. B. on several occasions in the past. It has also been requested, in view of the observations in para 16 of the first memorandum on subvention, to forward for the information of the M. C. U. B. a copy of the scheme of rectification which may already be in force in the district or which may be introduced in the near future.

Tanjore, Chingleput and Guntur :—The applications from these banks are under further correspondence.

3. The subvention sanctioned to 25 banks amounts to Rs. 48,370 ; and that applied for by the three banks whose applications are under correspondence amounts to Rs. 7,500.

4. In paragraph 15 of the first memorandum it was observed that though, with rare exceptions, the schemes received were lacking in information in varying degrees, the subsidies applied for would be sanctioned, the banks being asked at the same time to improve their schemes with reference to the observations made therein. Reports have since been received from seven banks, namely, Srivilliputhur, Trichinopoly, Nellore, Kurnool, Kumbakonam, Chittoor and Amalapuram. Neither these reports nor the schemes received from the seven banks mentioned in paragraph 1 have been dealt with in detail. Their scrutiny will be deferred till after the first quarterly progress report in the form recently prescribed by the Executive Committee and the information desired in the "Standing Information" form, also recently prescribed, are received. Both these forms have been printed and are under despatch.

5. All banks which have been granted subvention are requested to be so good as to forward reports in the two forms mentioned above as early as possible. The six banks mentioned in para 2 will also be requested to see their way to forward reports in these forms.

(Sd.) T. SRINIVASA RAO,
31-10-'30.
Vice-President.

Special Type of Societies.

1. THE COIMBATORE CO-OPERATIVE INSTITUTE LTD*

Members and Delegates :—Six members, three Federations and three central Banks were affiliated during the period, having in all 6 members at the end of the year. The total number of delegates representing member institutions including ex-officio delegates is sixteen.

INCOME AND EXPENDITURE.

Income :—The total demand of contributions due from three central banks and three Federations for the year was Rs.1,200 and they were all collected.

An amount of Rs. 848-6-0 was transferred from the Coimbatore Nilgiris District Federation as initial funds for the working of the Institute on the date of starting. Government grant of Rs. 3,700 was received during the period of working of the Institute and maintenance of library. The total amount of School fees received during the period amounts to Rs. 2,402-8-0.

Expenditure :—The total amount spent on account of establishment consisting of two lecturers on Rs. 100 and Rs. 90 each, and a peon on Rs.13, amounts to Rs. 2,608-2-0 excluding the cost of the superintendent's salary and his establishment which is borne by Government. Other main items of heavy expenditures are—

(1) Travelling allowance to Directors	...	Rs.	144	9	0
(2) House Rent ...	...	„	350	0	0

During the year ending 30-6-30, the Institute conducted two training classes for Supervisors, Inspectors and public workers and one Book-keeping special course for Departmental Inspectors.

The first training class was conducted from July to November 1929. 52 students sat for the Registrar's examination, the result being 21 I classes, 26 II Classes and 5 failures. The second training class ran from December 1929 to April 1930. It presented 60 students for the examinations conducted by the Registrar. The result was 14 first classes, 35 second classes and 11 failures. The percentages of passes and first classes was largest in the Institute than others in the presidency. 16 Inspectors attended the Book-keeping special class which was conducted from 20-3-30 to 20-4-30.

*Extracts from Audit Certificate for the year ending 30th June 1930 issued by the Dy. Registrar of C. S., Coimbatore.

Besides imparting theoretical education in Co-operation and allied subjects, the practical side of co-operation is also shown to the students by taking them out to various types of co-operative societies available in the neighbourhood. An attempt has also been made to carry the torch of co-operation further afield by organising Extension lectures for the gentlemen of the town. 8 lectures on co-operation have been delivered in this way.

Library:—The Institute maintains a good library of 210 volumes mostly of co-operative literature. The total value of the books as on this date comes to Rs. 593-3-0.

Accounts:—The accounts have been maintained satisfactorily.

Meetings:—During the year one general body meeting, three meetings of the Board of Management, and 2 meetings of the working committee were held. No meeting was adjourned for want of quorum and no meeting was held outside the head-quarters.

(Sd.) V. SWAMINATHAN,
Deputy Registrar Coimbatore.

2. THE GRAY CO-OPERATIVE INSTITUTE LTD., VELLORE.*

2. The Institute was registered on 5-9-29 and started on work on 12-2-30 although it had had its inception so early as August 1928 and had been run by the North Arcot District Council of Supervision Ltd., Vellore, till it was formally started. It completed 3 sessions before its formal starting began the 4th on 2-12-29 and completed it during the year under report. The 5th session opened on 21-6-30 and is running now with 38 students on the rolls.

Of the 232 students who received instructions during the last 4 sessions, 182 appeared for the Examination, and 132 came out successful, 35 of them having been placed in 1st Class.

3. The staff of the Institute consist of a Superintendent who is a Sub-Deputy Registrar of Co-operative Societies on special duty, a Commercial Instructor, an Audit Instructor a departmental Senior Inspector on deputation a clerk and 2 peons. Of these the Commercial and Audit Instructors alone are paid by the Institute, the cost of the rest being borne by Government.

4. The Institute arranged for a course of special lectures by eminent co-operators on subjects co-operative in principle and law. Besides these

*Extracts from the Audit Certificate for the year ending 30th June, 1930 issued by the Dy. Registrar of C. S. Vellore.

special lectures, the debating society of the Institute conducted many debates and also a drama written by Mr. O. A. Narayanasami Aiyar of Tanjore.

5 The Institute convened one general body and 4 Board of Management meetings during the year.

(Sd.) M. R. BHUPATHI,
Deputy Registrar, Vellore.
30—9—30.

3. THE CUDDAPAH CO-OPERATIVE STORES LTD.

Annual Report for the year 1929-30.

The Directors have great pleasure in placing before the General Body the following report on the working of the Cuddapah Co-operative Stores Ltd. for the year 1929-30.

This Stores as you all know, was started in the year 1919 and worked very satisfactorily for two years, but had to be closed down unfortunately in its third year of existence owing to a variety of causes which is not our purpose to detail here. The then General Body resolved to wind it up voluntarily and as a result, the Share Capital at 13 annas in the rupee was also returned to the Share-holders. From 1922 to 1929 the Stores was non-existant, though its registration was not cancelled. Before the department began liquidation proceedings against it, it was found possible owing to the co-operation and kind help of some of the members here to revive the Stores and bring it into proper working order on 4-8-1929. The present Management undertook to repay to the old members the balance of 3 annas in the rupee due to them.

Membership.—There were 17 old members and 46 new members have joined this year. The total membership now stands at 63. The paid up share capital is Rs. 278-1-0.

Meetings.—There were 8 Board of Directors' meetings and 2 General Body meetings in the year under review.

Sales.—The Stores actually began business on 7-9-29 and during the nine months up to the co-operative year, sold to the members goods worth Rs. 7,480, goods worth Rs. 7,620 were purchased from the Local market and some were got direct from their sources of production. It is generally felt that goods stocked in the society are far superior in quality than the same in the bazaar. for example, ghee and rice and we are glad to say, we have begun to attract the attention of the Triplicane Urban Co-operative Society, who are placing their orders with us.

Borrowings from the Central Bank.—Our borrowings from the Central Bank have been very little, Rs. 6-12-0 standing to our account on 30-6-30. The Central Bank allows us a cash credit of Rs. 250 and it has been found possible to limit our borrowings to the amount of cash credit only. We have a reserve fund of Rs. 257-3-0 in the District Central Bank.

Profits. We are very glad to say that in its first year of working after its revival, we have been able to run the Stores in profit. The estimated total profit for the year is Rs. 195-13-0. The profits would have been far greater but for the heavy initial charges we had to incur. As it is, we hope to be able to pay the maximum dividend *i. e.*, 9 per cent on the Share Capital to our share-holders and a fair bonus on the purchases made.

Difficulties of working.—In this conection, it will not be out of place to mention a few difficulties in the matter of working a consumer's Co-operative Society such as this. We have not employed any paid staff in charge of this Stores. Our establishment charges come to about Rs. 69-4-2 for the whole year. Only one peon on Rs. 5 per mensem is employed. The men responsible for day to day business are all purely honorary workers. It is, therefore, found necessary to limit the working hours from 7 to 10 a. m. and 5 to 7-30 p. m. How long these honorary workers will be able to devote their attention to the management of the stores is a question. Moreover the Stores should not be made dependant for its working on the energy and enthusiasm of only a few of its members. It is hoped that increased attention will be paid by the members to its management and as time goes on, more members will come forward to help the society in all its aspects of working.

Appeal.—One of the causes for the failure of a consumers' Co-operative Society is lack of loyalty of its members to the Stores. It is observed in many cases that members resort to purchases in the bazaar readily without ascertaining completely whether a certain purchase is profitable ultimately or not. We would request our members to be thoroughly loyal to the stores. We assure our members that prices always reduce themselves to the market level. It is to our interest to see that the middlemen is left out and if that principle is recognised by all our members, we have a bright future for this Store.

Thanks. We thank the several workers who out of sympathy for the co-operative principle, have joined and helped us actively. We also thank the several members who actively participated in the Stores and made this business a success. We thank the General Body for their support and sympathy.

V. SREENIVASA RAO,
President.

Foreign News.

1. PROGRESS OF CO-OPERATION IN ENGLAND IN 1929.

The following facts and figures taken from the statistics for the year 1929 published by the Statistical Department of the English Co-operative Union about the progress of Consumers's Co-operation in Great Britain speak for themselves.

1.	***Membership.***—	
	(*a*) No. of members in 1929	6,168,994
	(*b*) Do. 1928	5,885,135
	(*c*) Increase	283,859
2.	***Turn-over for the whole movement.***—	
		£
	(*a*) For 1929	346,320,683
	(*b*) „ 1928	333,613,088
	(*c*) Increase	12,707,595
3.	***Turn-over of Retail Distributive Societies alone.***—	
		£
	(*a*) For 1929	216,967,099
	(*b*) „ 1928	209,389,555
	(*c*) Increase	7,577,544
4.	***Share Capital of Retail Societies.***—	
		£
	(*a*) For 1929	106,564,889
	(*b*) „ 1928	99 327,922
	(*c*) Increase	7 236,967

It is indeed highly creditable to those in charge of the movement as a whole that, in spite of the crisis in the world of labour when the number of unemployed is on the increase, the movement should have attracted nearly 300,000 new members and that it should have won their confidence so as to induce them to part with nearly 9 millions of pounds by way of increased share capital and small deposits. Our contemporary, the Co-operative News, is perfectly right in saying "that the best means of improving the economic condition of the people is to improve their purchasing power, and that the co-operative movement does more in that direction than any other economic factor operating to-day."

We wish our brother co-operators of England more and more splendid success both in quantity and in quality.

2. THE WORLD'S POULTRY CONGRESS, 1930.

For about eight days from the 22nd to the 30th of July 1930 the famous Crystal Palace in London was the scene of international activity of a very beneficial nature to the agriculturists. The Fourth World Poultry Congress was opened by His Royal Highness the Duke of York and 61 countries of the world were represented at the Congress, the total membership approximating 2300. 156 papers prepared by specialists from all parts of the world were presented to the Congress and discussed. Visitors were looked upon as Nation's guests and a comprehensive programme of entertainments was arranged for the members of the Congress concluding with a garden party given by his Majesty's Government. The lady members especially were taken special care of.

The Congress Exhibition was a most interesting feature and both the aspects of the exhibition, the educational and the commercial, were successfully managed. "The exhibits presented in a pictorial form something akin to a bird's eye view of the poultry industry in the leading countries of the world." One example will suffice to indicate to our readers the attractive manner in which the exhibits were presented. In the exhibition stand put up by the U. S. A. there was a "large mechanical hen, in which moving parts showed the digestive processes and the role played by various nutrients in the formation of eggs. At intervals, by means of a gramaphone record, was given a descriptive explanation—purporting to emanate from the hen—of those processes in her internal economy." In the commercial side of the exhibition "the latest developments in battery brooders, also electrically operated, were put on the show, where day-old chicks from incubators start life on the ground floor, proceeding upstairs as their size and weight increases, and only vacating the battery when ready for the table."

If the co-operators in India think seriously of this cottage industry, they would be doing a real good turn to the over indebted peasent.

3. NEGLECTED TRIFLES.

In the recent number of the journal published by the Ministry of Agriculture in England we understand that the week commencing on Monday the 3rd of November has been fixed to be celebrated as the "National Rat Week," during which the whole Nation is expected to bestir itself in the destruction of the rodent who is supposed to cause immense loss "both directly in the destruction and contamination of foodstuffs and material and indirectly as agents and carriers of disease". The Ministry has prepared a cinema film called "The Rat Menace" and lantern slides and lectures which it lends to organisers of this enterprise. Pamphlets also have been prepared giving the names of firms that supply Rat Destruction preparations and materials. There are other pamphlets giving advice and suggestions regarding the destruction of rats.

In this country, mainly agricultural this aspect of the question has never been seriously considered, and in most of the villages, the agriculturist leads a sort of joint family life with the rat and the mosquito that ultimately ruin him, and the pig, the hen and cattle which serve him and feed him. The demarcation into two specific categories of wealth producing and wealth destroying animals has not yet been definitely made. But it is interesting to note what the other ahead countries are doing in this direction.

Government Orders' & Circulars.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES, MADRAS,
Dated, 10th November 1930.

D. N. STRATHIE ESQ., I. C. S.,
Registrar.

MEMORANDUM.

Training Institutes:—Next Session and Date of examination.

Ref:—Resolution No. 2 of the Central Committee of the Institutes passed at a meeting held on 11th October 1930.

The next session of the Institutes will commence on 1st December and will last for 4½ months. The examinations will be held on the 16th, 17th and 18th April 1931.

(By Order)
K. SUBRAMANIAM,
Manager.

To
The training Institutes to Tanjore, Coimbatore, Rajahmundry, and Anantapur.
Copy to the Deputy Registrar's concerned.
Copy to the Provincial Co-operative Union.

No. B. 3023/30.

OFFICE OF THE REGISTRAR OF
CO-OPERATITE SOCIETIES, MADRAS,
Dated, 24th November 1930.

D. N. STRATHIE ESQ., I. C. S.,
Registrar.

MEMORANDUM.

Subject:—Training institutes—Course of Training instruction.

There has been a general feeling among co-operators that the 4½ months course of training conducted by the Co-operative Institutes is too short to give adequate training to the students. The question was considered at the meeting of the Central Committee of the Institutes held on 11th October 1930 and it was resolved that a fuller course be started from July 1931. The Registrar accepts the resolution of the Institutes' Committee; fuller course will commence in July 1931 and continue till April 1932. The syllabus on co-operation has been suitably revised to meet the requirements of the fuller course. It will be communicated to the institutes in due course after approval by Government. The existing syllabus will be followed for the short course to commence from 1st December 1930.

(By Order.)
K. SUBRAMANIAM,
Manager.

To
All the Institutes (except Bezwada and Vellore)
Copy to the Deputy Registrars.
Copy to the Provincial Co-operative Union.
Copy to Journal of Co-operation.

No. C. 6624/30

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES,
Madras, 6th November 1930.

M. R. Ry. RAO BAHADUR K. DEVASIKHAMANI MUDALIAR AVL.,
Joint Registrar.

CIRCULAR.

Subject :—Agriculture—Ploughs—popularisation.

Ref :—Registrar's circular No. 5824/29 dated 26-10-1929 and 21-11-1929.

The Director of Agriculture has written to say that he has selected a suitable type of medium weight plough—copper plough No. 26 which can be used in place of Monsoon, Jat and Chattanooga and other medium weight ploughs that are now sold in the market at prices varying from Rs. 20 and upwards.

The iron parts of this copper plough will be on sale at all the Agricultural Depots at Rs. 12 each, if bought in retail. If however, co-operative societies are willing to buy them wholesale by the case containing 8 ploughs each, the cost per plough will be reduced to Rs. 11-8-0. The Director of Agriculture can arrange for demonstration of the plough wherever necessary. This may be brought to the notice of the societies and the offer given wide publicity. The names of societies willing to buy the implement may be communicated to the Director of Agriculture.

The Director is taking steps to make similar arrangements in regard to the Meston type plough.

(By Order)
T. R. RANGANATHAN,
Manager.

To

All Deputy Registrars and Sub Deputy Registrars in independent charge.
The Editor, Madras Journal of Co-operation.
" Kannada Sahakari Mangalore.
The Federations.
The Tamil Nadu Federation.

List of Books and Pamphlets Received by the P. C. U.

I. Books.—

1. Introduction to Banking and Currency by Mr. Doraiswamy Iyer.
2. The Madras Co-operative Manual by F. R. Hemingway revised by Mr. H. M. Hood (Vol. I.)

II. Pamphlets.—(from the University of Missouri).

1. Retarded Growth and Mature Size of Beef Steers.
2. The Effect of Inadequate Rations on the Composition of the Blood and of the Bone of Chicks.
3. The Effect of Different Pasteurization Temparatures on Several of the Physical Properties of Milk.
4. The Effect of Homogenization at Different Pressures on the Physical Properties of an Ice Cream Mixture and the Resulting Ice Cream.
5. The Effect of Processing Ice Cream Mixtures at Different Pressures when the Milk Solids not Fat Content is Varied.
6. The Effect of the Amount and Nature of Exchangeable Cations on the Structure of a Colloidal Clay.
7. A Statistical Study of the Size of Fat Globules in Cows' Milk.
8. A Classification of Soybeans.
9. Legume Bacteria with Reference to Light and Longevity.
10. Blackhead in Turkeys—Surgical Control by Cecal Abligation.
11. The Effect of Different Homogenization Processes on the Physical Properties of an Ice Cream Mixture and the Resulting Ice Cream when the Percentage of Fat is Varied and the Solids not Fat Remain Constant.
12. Factors Influencing Properties of Fermented Reconstructed Milk.
13. Studies on the Pathology and Physiology of Cecal Pouches of Turkeys. II. The Utilization of food by Turkeys with Abligated Ceca.
14. Certified Milk and Butter-fat Records (Dairy Circular No. 18, Province of British Columbia).
15. Construction and Making of an egg cast (Leaflet No. 64 of the W. S. Department of Agriculture).
16. Strength tests of creosoted Douglas Fir Beams. Forest Service Circular No. 28, Dept. of the Interior, Canada).
17. Climate of British Columbia—Report for 1929.
18. Agricultural Statistics Report for 1929. Province of British Columbia.
19. Twentyfourth Annual Report of the Department of Agriculture (1929) Province of British Columbia).

REPORTS

ON THE

Working of the Rural Reconstruction Centres

(for the Quarter ending 30—9—1930.)

I. INDUKURPET RURAL RECONSTRUCTION CENTRE

NELLORE DISTRICT.

Management and staff :—During the quarter under report there was a change in the personnel of the Convener. Mr. M. Venkatarangaiah Garu tendered his resignation as convener to the Committee on 12-8-1930 for some private reasons. Mr. K. V. Raghavachariar became the convener in his place. There was a change in the personnel of the peon whose business is to carry books of the circulating library to various villages and distribute new books and take a return of the books already lent. He also attends to the distribution of cotton and collection of yarn.

Meetings:—There was only one meeting of the Committee and two more meetings which were called, could not be held for want of quorum.

Supervisor :—Mr. G. Venkata Subbaiah the Supervisor underwent Scout Masters' Training during this period. The Madras Provincial Organiser Mr. G. T. Thaddaeus B.A., Deputy Camp Chief, held his training class at Indukurpeta between 25th July and 4th August and the Supervisor attended all the classes. It was of special advantage to him in as much as it gives him a good training in Scout work.

Village Panchayats :—Up to the beginning of June there were 5 village panchayats formed under the Madras Panchayat Act. During the quarter one other panchayat was started at Gangapatnam. Owing to various causes principally the disturbed political conditions not much of useful work was undertaken by the villagers. Every effort is being made to make the existing panchayats function usefully. It is hoped that with the co-operation of officials and non-officials useful work will be undertaken.

Temperance.—The Supervisor interested himself principally with temperance among the fishermen classes and Malas and Madigas of Mypadu. The people have through his persuasion almost given up drinking habit, and it is hoped that very soon drink will be detested by all classes of people.

Thrift Organisation.—Side by side with the drink problem among fishermen class, the Supervisor has been persuading them to have a thrift organisation. He has induced 15 people of the class to save compulsorily at least 4 annas a week. The savings are collected every week either by the supervisior or the school master who teaches the boys of the fishermen-

Each member is given a note book in which the amount contributed by him is entered. The total collection is deposited by the Supervisior in the postal Savings Bank at Mypadu. The Supervisor keeps an account of the savings of each member. Up to the end of September the total amount thus collected is Rs. 18 which is the savings of *Six Weeks.* This organisation is expected to create a spirit of thrift among the fishermen. It is hoped that a large number of men will join this organisation. Thereafter the question of organisation of a co-operative society mainly a thrift-society will be considered.

Cottage industries.--The main item under the head as has been mentioned in the previous reports is the spinning and weaving industry. There are now 145 spinning wheels as against 108 by the end of June. These are spread over Komerica (5) Mypadu (22) Venkanapalem (36) Korutur (13) Lebur (17) Gangapatnam (48) Kudithipalem (4). The workers at these spinning wheels are mostly women with the exception of 4 men. There is a lady aged 95 at Venkanapalam by name Thotapalli Seethamma who spins the largest quantity of yarn among the spinners in the area. She spins $2\frac{1}{2}$ padugus in a month worth Rs 6-4-0 with cotton weighing $1\frac{1}{2}$ viss worth 2-12-0. The work at the spinning wheels gives a very useful occupation to women who otherwise remain idle. The average income of a spinner works out to 2-3-0- per month—an income which can by no means said to be insignificant. The wages earned by the spinners during the quarter amounted to Rs. 318.

The spinners were supplied cotton at almost cost price and the yarn is collected from them at rates prevailing in the market. The yarn so collected is given to weavers who are working under this centre.

The quantity of cotton distributed during the quarter was 165 viss as against 120 during the last quarter. 181 padugus of yarn were collected and given to weavers. The spinners themselves used a portion of the yarn spun by them for their own purposes. The total length of cloth woven during the period is 880 yards of which about 280 yards were used by the spinners themselves and 600 yards were given to the centre. Of those 6 weavers live at Mypadu and 3 at Gangapatnam. The weavers are paid Rs. 4 per piece of 17 yards, 54 inches width, of dhoties of mull and Rs. 3 per piece of 17 yards of 45 inches width of shirting or upper cloth. Each weaver on an average is able to weave 4 pieces of cloth per month for which he gets 15 rupees per month. This is considered good wages for a weaver.

Funds: The Rural Reconstruction Committee got a sum of Rs. 200 from Pallipadu Ashraman, 100 from M.R.Ry Bezawada Venkata Krishna Reddi Garu (Buchireddipalem). These amounts are lent to the Committee without interest, earmarked for hand-spinning and hand weaving. This Committee itself has advanced a sum of Rs. 250. Thus the total amount nvested in this business is Rs. 550 at present. The funds are now administered

by a Sub-Committee of the Rural Reconstruction centre consisting of (1) The Supervisor (2) Mr. Duvvooru Balarami Reddi. (3) Mr. Kakutur Sundararai Reddi. Cotton, yarn and cloth are stocked at Mypadu and sold to the spinners, weavers and purchasers of cloth. Separate accounts are maintained by this sub-committee in this behalf

Co-operative work:—The Supervisor has been attending to rectification and consolidation work among the co-operative societies in the area. He has been examining the list of overdues by members and taking steps to realise them. A decent amount of overdues was collected. It is hoped that the societies will be thoroughly overhauled and consolidated by the efforts of the Rural Reconstruction Supervisor.

Education:—The Supervisor has prepared a list of boys and girls of school-going age in 6 villages and he has been persuading the parents and guardians to send them to school. There is a school at Mypadu specially for fishermen and the teacher is paid by the Rural Reconstruction committee. The Teacher is taking keen interest and there are 50 boys and girls of fishermen in the school.

Accounts:—A detailed account of the income and expeniture for the quarter is appended hereto. Except an item of Rs. 15 spent for the Supervisor's undergoing Scout Training the other items were the usual items.

Miscellaneous.—The Committee feels glad that the inauguaration of Puranams at Indukurupeta by the Rural Reconstruction last year has resulted in the people of the village themselves undertaking the reading of the Ramayana during the quarter, large funds were collected by the villagers and the Pattabhishekam ceremony was done with much eclat. The Sub-Assistant Surgeon of the place was the chief organiser of the function.

During the quarter Mr. V. Venkatasubbaiah the Provincial Secretary of the Rural Reconstruction Committee, Madras was good enough to attend a meeting of this committee and the Committee feels thankful for his practical suggestions and help.

(Sd.) K. V. RAGHAVACHARIAR,
Convener.
7—10—30.

2. TIRUPACHANUR RURAL RECONSTRUCTION CENTRE, SOUTH ARCOT DISTRICT.

1. *Meetings.*—Two meetings were held during this period.

2. *Constitution.*—Rao Bahadur K. Sitarama Reddair Avergal, resigned his membership of the Committee. Recommendation of a substitute has been made to the Central Committee which has not yet filled up the vacancy.

3. *Programme of work.*—A programme of work has been sketched and given to the Supervisor for adoption. It includes within its scope all items that contribute to the general welfare of the rural population.

4. *The Villupuram C. S. U.*—Promised to defray the expenses of *maintaining a Supervisor*. This Committee was agreeable to that proposal and was prepared to relieve the Supervisor Mr. R. Lakshmana Rao and to requisition the services of one of the Supervisors of the Villupuram C.S.U. The Union however has not made any arrangement so far, which in view of the financial position of the Committee necessitated the reversion of the Supervisor to the Federation on 30—9—'30. The idea of making a suitable arrangement in that connection is engaging the attention of the Committe in the event of the Union not coming to the relief of this committee as originally contemplated. It is hoped that the Union will fulfill the promise held out.

5. *Tour programme and Diary of the work of the Supervisor.*—These were regularly submitted as usual. They show systematic work all round. The Village Panchayats have received great attention at the hands of the Supervisor. The demonstration plot was continued this year also with slight modifications which were agreed to by the ryots.

The Supervisor attended substantially to the collection work of societies. Kandamanadi Co-operative Societies made substantial collection with the result that the Central Bank has been requested to withdraw the arbitration proceedings started against that society. The Panchayatdars in general and the office-bearers in particular were given specific instructions as to how to run societies efficiently. This propaganda appears to have salutary effect in increasing the co-operative consciousness and a real sense of responsibility.

6. *Spinning.*—Cotton was distributed to the Delavanur School master and yarn was collected from him. In Pidagam and other places spinning was taught by the Supervisor.

7. *Inspection.*—Mr. V. Venkatasubbiah of the P. C. U. visited the villages within the area of this Committee and was well impressed with the progress made so far. The Supervisor and the members of the Committee accompanied the visitor to a few of the villages. A lecture on Rural Reconstruction work was delivered at Villupuram. The Deputy Inspector of Schools also visited the villages and the night school staff.

8. *Schools.*—Application for recognition and aid on behalf of the Delavanur, Pillur and Tirupachanur night Schools has been made to the Deputy Inspector of Schools. The establishment of a Panchayat Day school for Pillur is under contemplation of the Committee.

9. *Medicine chest* was replenished in some respects and much use was made of it.

10. *Magic lantern* exhibitions have been made very frequently in the villages. The ryots appeared to appreciate the same. The slides were supplied by the P.C.U. and are of great educative value.

11. *Gramaphone.* The P.C.U. supplied us with a gramaphone with a few records. The music is enjoyed by the villagers.

12. *The Baby Petromax light* supplied by the Central Committee is very useful indeed while touring in the villages.

13. *A Drama* was enacted by the students of the Delavanur Night school. The audience appreciate them well.

14. *Road formation* to Tirupachanur. Statements have been taken from the concerned ryots and Audi-Dravidas to relinquish their lands to enable this road making. The local authorities have been addressed. It is hoped that it will be opened ere long.

15. *The circulating library* is very much availed of by the people. The books are sent from village to village in 6 boxes by rotation.

16. *Economic Statistics* for the Tirupachanur village have been commenced to be taken. The general data for its preparation with the help of the residents has been fixed up.

17. Agricultural Association for the Rural Reconstruction was sought to be organised. Mr. Jayarama Aiyar of Villupuram and the Agricultural demonstrator helped the ryots in that connection. Two members of each village would represent it in the Board of Management.

18. *Journals and periodicals.* During this period also the "Swadesamitran" has been sent for. The '*Gramani*', 'The Village Panchayat' and 'Co-operator' a drama has been resolved to be sent for.

19. *Rectification and consolidation* of Co-operative Societies. This Committee note with satisfaction that all the societies in the area has been rectified. With a view to keep that work up a scheme of rectification and consolidation has been sketched out for the information of the rest of the societies also. It is hoped that good results will be achieved thereby. The Villupuram Union has been furnished with a copy. This committee approved of the suggestion of one of its members that clerks may be appointed in the societies or for groups of societies and that Unions might run schools where villagers might be trained in Co-operation.

Their pay might be as under:—

Societies having transaction under	Rs. 1,000	Rs. 15	Per Annum.
,,	,,	,, 5,000	,, 30	,,
,,	,,	,, 7,500	,, 40	,,
,,	,,	,, 12,000	,, 60	,,
,,	,,	,, 20,000	,, 75	,,
,,	,,	,, 50,000	,, 100	,,

The Villupuram C.S.U. has been addressed.

20. *Finance.*—The opening balance was Rs. 139-7-7 and the closing balance was Rs. 106-0-4. The Central Committee paid its first instalment of Rs. 250.

Cuddalore,
20—10—'30

(Sd.) R. KRISHNASWAMI AIYANGAR,
Correspondent.

3. THE MAHARAJAPURAM RURAL RECONSTRUCTION CENTRE, RAMNAD DISTRICT.

In pursuance of the resolution of the Provincial Conference held at Madras on 20-7- 29, our Banking Union (Srivilliputtur Co-operative Banking Union Limited) passed a resolution on 31-12-29 that a Rural Reconstruction Centre may be opened in our area, that a committee of the following members of the Board of Management be formed to be in charge of the scheme and also sanctioned Rs. 1000 from its Common Good fund and that the Provincial Co-operative Union be requested to open Rural Reconstruction Centre in our area.

Members elected to be in charge of Rural Reconstruction work.

1. M.R.Ry. P. S.Kumarasamy Raja Avl. Rajapalayam.
2. „ A. Srinivasachariar Avl. Srivilliputtur.
3. „ S. Ramasamy Naidu Avl. Sengamalanachiarpuram.
4. „ R. Venkatarama Naidu Avl. Alamarathupatty.
5. „ R. G. Nallakuthalam Pillai Avl. Srivilliputtur.
6. „ R. Krishnasamy Naidu Avl. Ramachandrapuram.
7. „ G. Alagirisamy Naidu Avl. Maharajapuram.

The Executive Committee of the Provincial Co-operative Union met on 30-1-30 and decided that Ramnad District also be included in the scheme.

2. The Rural Reconstruction Committee met on 10-2-30 and decided that the Centre be opened in Sundarapandiam Union area and the villages of Sundarapandiam, Pudupatty and Maharajapuram be the area of operations. The headquarters of the Centre was fixed at Maharajapuram, being the residence of M.R.Ry. G. Alagirisamy Naidu Avl. who was appointed as Honorary Worker to be in direct charge of the work. As Taluk Board member and Honorary Organiser of Panchayats Mr. Alagirisamy Naidu has worked much for the uplift of the villagers in Maharajapuram i.e., for the improvement of sanitation, communication, education etc., aud he also willingly offered to work the scheme intensively in his village and also generally in other villages. The Committee, therefore, had great pleasure in appointing him.

3. The Secretary of the Bank was appointed as the Convener and Correspondent and in charge of scriptory work in collaboration with the Banking Union Office work.

4. The following items of work were chalked out to be attended to by the Committee and the Convener and the Correspondent opened correspondence with the respective Government Departments and also the concerned local bodies. They have all been pleased to co operate with our Committee and some have given effect to our recommendations and others are taking steps as detailed below.

5. *Opening of the Centre.*—M.R.Ry., V. Venkatasubbaiah Avl. Servants of India society and also Joint Secretary of the Madras Provincial

Co-operative Union who is in charge of the Rural Reconstruction work Southern Division under the Madras Provincial Co-operative Union, was pleased to visit our area from 4-8-30 up to 9-8-30. He opened the Centre at Sundarapandiam village at 9 a.m. on 6-8-30. The President of the Bank, M.R.Ry., P. S. Kumarasamy Raja Avl. and the Secretary of the Bank M.R.Ry., A. Srinivasachariar Avl. were also present then. There was a large audience of surrounding villagers, when he (Mr. V. Venkatasubbaiah) pointed out the objects and the results of the scheme, as he was witnessing the other Centres in the Presidency and exhorted the villagers to co-operate with them and bring it to success, by following the advice and counsel given by the Honorary Worker and adopting the courses suggested for their uplift. He toured in all the villages of the area and gave magic-lantern lectures and presented the Gramaphone machine given by the Madras Provincial Co-operative Union for the new Centre, and returned having given directions to the Honorary Worker and the Supervisor in charge as to how best to conduct the Centre.

6. *Supervisory Staff.*—One of the Supervisors of the Union affiliated to the Bank Mr. M. C. Gurusamy Pillai was appointed as the Supervisor for the Centre and he was sent to Ramanathapuram Y.M.C.A. Rural Reconstruction Centre for Training from 1st May 1930 and also Salem District Bank area (Ellur Rural Reconstruction Centre) for a period of 15 days and he joined active duty from 21-6-30. The intensive work was therefore taken up from 1—7—30. His headquarters is also at Maharajapuram where Honorary Worker resides. Under his immediate control and supervision he is working.

7. *Object and mode of work.*—The main aim of Rural Reconstruction Scheme is to bring about co-ordination of the work of the Co-operative, Agricultural, Veterinary, Educational, and Hygenic agencies for a collective programme of regional development in the area.

With this object in view at first the Registrar of Co-operative societies was addrsssed to start a Primary Land Mortgage Bank at Watrap for the benefits of the residents of the three villages mentioned above and some others also. It has been registered and started by the Deputy Registrar of Land Mortgage Banks, Southern Division, M.R.Ry. O. N. Ramasamy Ayyar Avl. and the loan applications have been sent up to Rs. 15,000. Since the Bank has been started recently and as the idea of the schemes connected with the Land Mortgage Bank is quite new and foreign to the people, many who are really in need of loans still hesitate to approach it. It is hoped many more would enlist themselves as members in the Bank after the first series of loans are disbursed from the Madras Central Land Mortgage Bank.

I. Co-operation. There are co-operative societies already in existence in the above three villages. The Pudupatty Co-operative society was dormant and there was a heavy overdue, due to the past neglect, lack of supervision and mismangement of the ex-president. Our honorary Worker with the Inspector went to Pudupatty and elected a new set of Panchayatdars. The new President takes keen interest in the affairs of the society and the overdues are being gradually diminished, by sending some cases to Arbitration and executing some of the decrees already obtained. Maharajapuram Co-operative Society also is not free from overdues. Efforts are being taken to collect them. It was resolved to hold General Body Meeting on every Full-moon day as was not the case before. The members are either told about the principles of Co-operation or some portion from the Co-operative monthly magazines read by our Inspector, before commencing the proceedings of the meeting. It was a great difficulty to convene a general body meeting in the beginning. Now that the Rural Reconstruction Central Committee of Madras has kindly granted a Gramaphone machine with a dozen plates, the members and the non-members attended the meeting regularly, attracted as they are, by the Gramaphone machine. I extend my hearty thanks to the Central Committee on behalf of the Rural Reconstruction Centre for having granted the same to our Centre. Our Inspector with the help of the magic lantern, thanks to the Secretary, Ramnad District Federation, who has kindly lent it to our Centre for the present, delivers lectures on Co-operation, and the Evils of Drink, the slides having been newly prepared and given to this Centre by the Rural Reconstruction Central Committee, Madras. Hitherto no short term loan was disbursed in the Maharajapuram Co-operative society. This year a short term loan of Rs. 2,000 was disbursed during this quarter and deposits (Fixed) have been received up to Rs. 650 from the members.

II. *Education.*—To change the mentality of the people and to make them adaptable to "Better living, Better farming, and Better Business", Education every one knows, is an indispensable factor. To gain this object in view the Village Panchayat sent a proposal to introduce Compulsory Education in the Maharajapuram Village Panchayat area. The Taluk Board and the Registrar General of Panchayats have recommended the proposals. The paper is pending with the Director of Public Instruction. The Deputy Director of Public Instruction is to visit Maharajapuram very soon. The Honorary Worker is in correspondence with him on the matter.

This Centre requested the District Educational Officer to approve the Adult education scheme of which a proposal had already been sent. We have not received any reply from him. But, however, it is proposed to start Adult Education with the help of the Rural Reconstruction Inspector, in the next quarter in anticipation of the approval of the Government. There are already a management school for boys, (2) a Taluk Board Elementary school for girls and (3) a Panchayat school for Adi-Dravida boys. In Sundarapandiam there are three Taluk Board Elementary Schools, one for the high caste people, one for Adi-Dravidas, and the third for Girls. In Pudupatty there are five schools. Night schools are being conducted both in Maharajapuram and Pudupatty. There are Panchayat Libraries in the three villages and in the library at Maharajapuram there are both English and Tamil books.

III. Sanitation.—We addressed the District Board to grant us funds to maintain 2 Thotties to attend to conservancy work, to construct two separate latrines for the women and to supply a stud-bull to the Centre. The last two items are pending sanction; and with regard to the first item it was a happy coincidence that the Ramnad District Board undertook Rural Reconstruction work by the time when this Centre was opened and under the auspices of the District Board Rural Reconstruction Work, two thotties were first granted to Sundarapandiam and Pudupatty villages. Two more thotties have been granted since to this Centre by the District Board quite recently. With regard to the stud-bull, Rs. 200- has been allotted for purchase of the same from the Rural Reconstruction Fund. The Village Panchayat has requested the District Board to supply it with a stud-bull even undertaking to contribute half the cost of the bull if necessary. The Board has consented to supply it to the Panchayat. The Centre requested the Sivakasi Taluk Board to grant funds for street lamps in the three villages taken up for Rural Reconstruction work. The Taluk Board has kindly sanctioned Rs. 1,170 being the cost of lamps required for the three villages. The Village Panchayat has undertaken to bear the lighting charges. It is hoped that the lighting will be continued by the Panchayat, as under the new Local Boards' Act their finance is strengthened. On our request, the Sivakasi Taluk Board sanctioned funds to repair a well and to construct drains in one of the streets of Maharajapuram. Estimates have also been prepared to improve some more streets of the village from Panchayat funds and to construct two latrines for the women anywhere in the Rural Reconstruction area. The Panchayat has requested the Registrar-General of Panchayats to grant half the amount. Sanitation in Sundarapandiam is being improved by Mr. S. Ganapathy Iyer, the President of the Village Panchayat, who is also the Secretary of the Sundarapandiam Co-operative Supervising Union Ltd., Mr. S. Ganapathy Iyer takes much interest in the village affairs and three village streets were improved through his efforts; also estimates have been sanctioned for the improvement of two more streets this year and for the construction of a drain from a well.

PROHIBITION.

Our Honorary worker was also the Honorary Propagandist of the Ramnad District Temperance Committee. Through his efforts a mahazar petition was sent to the government for the abolition of toddy shops at Rengapalaiyam, a hamlet of Maharajapuram. Since this village is just situated on the pathway to many other villages, the toddy shop was greatly frequented by labourers and travellers. The petition was given effect to and the toddy shop was abolished. Now the nearest toddy shop is at a distance of three miles and consequently the number of drunkards have been considerably reduced.

IV. Communication.—The village Panchayat has undertaken to lay Watrap—Maharajapuram road. The Government has contributed half the amount of the total estimated cost and a fourth the cost is to be met from the village (Maharajapuram). The very existence of the Village Panchayat at Pudupatty was unknown. Our Honorary worker in the capacity of the Honorary Organiser of Panchayats, conducted fresh elections a month before. The Panchayat intends taking up street improvement, and 'Urni' repairs in the near future. As for the postal facilities, an experimental post office has been newly opened at Sundarapandiam and applications have been sent from the other two villages to the postal department for opening two branch Offices. Statistics have been taken and sent.

COTTAGE INDUSTRIES.

The Rural Reconstruction Honorary worker, out of his personal funds made 50 charkas and caused them to be distributed in three villages at the cost price and some have been disposed of. Poultry-keeping is tried in this Centre. Our Rural Reconstruction Inspector after his training period at the Y. M. C. A. Rural Reconstruction Centre, Ramanathapuram Coimbatore, brought with him a dozen of white leghorn eggs and they were hatched at Maharajapuram. The chickens are about three months old and they are brought up in strict confirmity with the instructions given at Ramanathapuram. Bee-keeping was also tried in our Centre. A colony of bees was hived and since the queen bee was absent, the colony became extinct at the end of the 2nd month. Now that the rainy season has commenced, an unfavourable season for bee-hiving, it is postponed to the next quarter. By practical demonstration, the villagers have been satisfied that the bees could be domesticated and brought up at home, the fact which was not believed before it was actually demonstrated by our Centre.

V. *Agriculture.*—The Deputy Director of Agriculture VI Circle was addressed to take Maharajapuram (The Rural Reconstruction Centre) as one of the Agricultural Demonstration Centres. He visited our Centre and has recommended this village as one of the three Centres to be taken in the Sriviillputtur Taluk for purposes of demonstration. The Agricultural Demonstrator is visiting our Centre very often and gives very useful suggestion. As per his advice, the ryots have sown Daincha seeds, for green manure, to the extent of nearly 50 acres. The District Agricultural Officer visited our Centre and inspected the Daincha plants. He addressed a small gathering of ryots and emphasised the importance of cattle manure and particularly pointed out that cattle urine should not be wasted. The District Agricultural Officer further told the people to sow Karunganni cotton seeds and to sow Kichili samba and Nellore samba, these two being new kinds of paddy seeds to these parts. The ryots have taken his advice and 10 bags of Karun-ganni cotton seeds were secured from the Agricultural Demonstrator and they have been sown. The Agricultural Demonstrator has selected a demonstration plot in which he has sown daincha seeds. Experiments with better strain of seeds and improved implements of agriculture have to be tried soon on that plot.

GENERAL.

The majority of villagers of Maharajapuram are conservative in nature. They fear the cleaning of streets lest they should be taxed. The rest of them are enthusiastic, adaptable to new ideas and co-operate with our Inspector. At least so much of change in the mentality of the people has been effected by strenuous effort of our Honorary worker who with a genuine desire of uplifting the village, devotes much of his time in the village services. It is he who brings to bear the influence of the various agencies upon the village. Our Inspector guided by the Honorary Worker takes interest in all the lines of village improvements. There are two 'Bhajana maddams' and our Inspector who has got a good voice and sound taste in music, takes part in them and takes this opportunity of telling those who attend 'Bhajana' some matters of public interest. He visits the local school occasionally and trains the students to sing devotional and co-operative songs.

There are two villages, Thambipatty and Nathur, belonging to Madura District within a distance of a mile from the Centre. Our Honorary worker and Inspector visit these villages also to deliver magic lantern lectures on Co-operation, Prohibition and Thrift. Before I conclude this report, I should like to submit that major portion of the work enumerated were not begun during this quarter. Some items of them were thought of and commenced even before our Rural Reconstruction Centre was started at Maharajapuram. Most of the proposals were given effect to during this quarter as by a happy coincidence the Ramnad District Board has begun to work out its Rural Reconstruction scheme also. I have to thank the members of the Rural Reconstruction Committee of the Bank for their kind co-operation and useful and timely instructions.

FOR RAMNAD DISTRICT RURAL RECONSTRUCTION COMMITTEE,

(Sd.) A. SRINIVASACHARIAR,

Convener.

4. MELPANAGUDY RURAL RECONSTRUCTION CENTRE BELLARY DISTRICT.

Night School.—The average attendance during this quarter was 18. Even in the busy season of sowing paddy and dry crops attendance was fairly well maintained, as the Education Committee, took much interest in the same.

Bhajana Party.—Bhajana is conducted every Friday in the Uramma temple. Special Puja and Bhajana were arranged on Nagar Panchami, Vinayaka Chaturthi, and Dasara festival days. In the temple dedicated to Mallikarjunaswamy now and then puranam reading was arranged. People took much interest in the same and the average attendance used to be 20 to 25.

Village Panchayat.—The Panchayat is denied any grant from the Government. The question of acquisition of land for village extension is still under the consideration with the Revenue Department. At the meeting of the village Panchayat held in September a committee was formed to wait on deputation on the Revenue Divisional Officer regarding the acquisition of the land for village extension. The Sub-Divisional Officer P. W. D. was approached regarding the proper and adequate water supply in Raya channel at the lower reaches and he has promised to make every arrangement possible.

Distribution of Quinine.—Quinine and other medicines are being distributed in the village every day and once in a week in the surrounding villages. People suffering from other diseases are directed to the Government Hospital, Hospet.

Stud Bull.—The bull is being taken to the neighbouring villages and left in the herd for service. It has done very satisfactory service and is quite healthy. Early in September the District Agricultural Officer, Bellary came here to inspect the bull and recommend for the premium due in November. A request was made to him to increase the premium explaining to him all the circumstances and high cost of maintenance. He was convinced and said that he would make his recommendation for the increased grant.

Agricultural Co-operative Society.—The Joint Registrar of Co-operative Societies, Madras, and the Deputy Registrar of Co-operative Societies Bellary visited the Centre on 15-7-1930. After long discussion the request by the people of the village, they have promised to give a new Agricultural Co-operative Society. The Deputy Registrar of Co-operative Societies, Bellary, was approached several times for the formation of the new society. He said that he would instruct one of the Inspectors to organise one. Proposals for formation of a new society to Panchamas of this village is sent to the Labour Department and is still with the District Labour Officer. The District Labour Officer was interviewed regarding the improvement of Singanathanhalli Thanda. He has not given much hopes. Still attempts are being made to get them every facility.

Agricultural Activity. The cutltivation have taken up to the use of chemical fertilizers with green manure crops for paddy lands and for sugarcane crops. They are given different variety of paddy seeds which give heavier yield such as G. E. R. and C. O. 2. The people have taken to "single seedling transplanting" of paddy largely. For want of seedlings some lands could not be brought under this system.

The people are taught the advantage of growing flower gardens and how they can make more profit. About 3 acres are now planted with flower plants. The advantage of raising fruit gardens on dry lands is also taught to them and some mango grafts from Bangalore have been brought and given to them.

On 5-8-1930 the Agricultural Demonstrator delivered an interesting lecture in the night school about the general agricultural interest and how different methods of farming are adopted at different places and how far behind our district is; and the advantages of poultry farming, cattle breeding, bee keeping etc. in general.

Bee Keeping. A set of Bee hive is got from the Y. M. C. A. Rural Reconstruction Centre, Ramanathapuram, to start Bee keeping. The regular work will be started from October.

Dying and Calico Printing. There is a proposal to start some calico Printing work at Chitwadigi. It is still under consideration and arrangements are being made to get some printing blocks.

Village Library. People are taking a good deal of interest in reading the library books. Kanarese weekly papers and some old copies of Times of India Weekly are placed at the disposal of the people. They take great interest in looking at the pictures.

Educational. A day school and a night school were revived at Kondinayakanhalli. Requests by villagers were sent to the Educational Department for the annual grants. The Educational Department has given a favourable endorsement saying that the consideration of annual grant will be considered when the Deputy Inspector has inspected the schools and made his recommendations. His inspection is awaited. A Day School has been started at Kondiramapuram.

Madras Journal of Co-operation (1929-30.)

VOL XXI.

INDEX

A.—GENERAL.

B.—CO-OPERATIVE FINANCE.

C.—LAND MORTGAGE BANKS.

D.—AGRICULTURAL CO-OPERATION.

E.—NON-CREDIT CO-OPERATION.

F.—SPECIAL TYPES OF SOCIETIES.

Extracts from the Audit Reports :—

G.—RURAL RECONSTRUCTION.

H.—CO-OPERATIVE EDUCATION, PROPAGANDA AND TRAINING.

I.—CELEBRATIONS AND CONFERENCES.

J. GOVERNMENT ORDERS.

ERRATTA.

In page 713, May 1930 issue, (5. No. 11, 2nd line from the bottom),
For " B. V. Krishna Rau, Ramachendrapuram "
Read " P. V. Krishna Sastry, Viziavada "

K—PROCEEDINGS AND CIRCULARS OF THE REGISTRAR.