

THE
Madras Journal of Co-operation

VOL. XXIV]

JANUARY 1933.

[No. 7.

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.



Our New Year Greetings and Message.

We send our New Year Greetings to all our readers, and wish that 1933 would in every way be a happy and prosperous year for the world in general. As co-operators, we wish for the substantial development of the co-operative movement in the land, where just a small proportion of the people has been brought under the co-operative banner. There are large tracts to be conquered and much consolidation work has to be done in the territories already brought under sway. It is as erroneous a policy to concentrate attention upon consolidation only as to think of expansion only and wisdom consists in cautious expansion combined with vigilant work in consolidation.

It has been said that so far as this Province is concerned the recruits enlisted in the first day of the movement by Sir P. Rajagopalachariar still continue to lead, though their ranks are thinning and the vacant places are not filled in by younger men to the extent

one would wish. Pessimists go to the extent of saying that this dearth of human material would be felt in a more acute form in a decade or so. We hope these would prove false prophets. We hope that the movement is spreading among the masses and taking root amongst them and would call forth leaders and workers as and when the need arises and to the required extent as well; but the pessimistic note sounded by some has this useful purpose to serve, namely, to rouse us to the urgent need for educational propaganda on behalf of Co-operation. Honestly speaking, we are not at all satisfied with the provision in the movement (official and non-official) for propaganda. Financing banks have to realise that money spent under a definite plan and useful guidance on propaganda is investment and not outright expenditure and it is bound to return to us increased many times over. It was a very wise plan of the Rochdale Pioneers to set apart a portion of their net profits every year for education and propaganda and if the consumers' movement be what it is to-day in England, it is in so small measure due to this extremely wise step taken at the beginning, a step which has been strictly followed by the later generations, because of the tangible benefits realised therefrom. We hope therefore that in our country also there would be some steps taken to pool together the available resources in men and money and utilise them to the best advantage for carrying on effective propaganda. Nature has always made the wise provision when it creates a species to implant in it seeds for the multiplication of that variety. We, as wise co-operators, should see that arrangements are made to keep aloft the flag, to enlist more and more recruits to our Force of Service and to see that the recruits are properly trained and equipped, so that when the time comes for veterans to retire, their places would be taken up by equally qualified persons. Effective propaganda and recruitment is our New year's message to our comrades.

Young Co-operator's League.

Elsewhere* would be found a brief account of the Co-operative Week celebrated by the Young Co-operators' League of Madras. The League has done splendid work in the matter of rousing the enthusiasm of the young and bringing the gospel of Co-operation to schools and colleges. The meeting they held in the

* See page 396 of this Journal.

Y. M. C. A. is specially noteworthy. Our readers would remember that among the speeches delivered in Madras on the International Co-operators' Day, emphasis was laid on the need for enlisting the co-operation of youth and women and both these purposes were achieved by the meeting at the Y. M. C. A., There were very informing and interesting discussions and the League is to be congratulated upon its being able to get Right Hon'ble Mr. V. S. Srinivasa Sastriar who expressed his views on the respective positions and functions of non-officials and officials in the movement.

We have one suggestion to make to workers in the League and we are sure it would be taken in the spirit in which it is given. The young enthusiasts should see that a steady stream of earnest workers is kept up. The danger with most of these young men's organisations is that it is at best one man's show or the show of two or three: the moment these young men pass out of the University and the wide world engulfs them, the good work they have been doing comes to languish. There must be some arrangement whereby workers may be trained so that they may take automatically the place of seniors the moment the latter leave the ranks of youths and that as smoothly and as effectively as in an army so that the outside world may not know the occurrence of the vacancy itself. Messrs. Anantaraghavan and Rajagopalan, the present Secretaries of the Young Co-operators' League are very enthusiastic and very efficient; but it would not be very long before they cease to have any justifiable connections with institutions like the Young Co-operators' League, which are mainly intended for those in *statu pupillari* and their duty therefore is to train their successors on whom their mantle may fall unobtrusively and worthily.

The Salem District Bank's Prohibition Work.

As co-operators we are interested in every movement calculated to bring about the uplift of the poor peasants. We are interested in all programmes of educational expansion, elementary education for children and visual and other forms of education for adults that are expected to liquidate the appalling illiteracy of the land. We are interested in all movements that promote the sanitary conscience of the rural population and make their abodes any the less seats of the damned trio, Dirt, Disease and Death. Not less are we interested in social and religious reform movements that would make

JL

XMM 20, N10M

N 32.24.7

367

125945

the villagers less superstitious, less victims of time-honoured customs long gone out of use, which like millstones hang round them and drag them down financially. Therefore are we very much interested in schemes of temperance which not only make the villager sober and therefore more efficient worker, but enables him to retain the money, which we as co-operators, try our best to help him in securing by all the different branches of our co-operative activities, such as, credit, loan and sale societies, consumers' society, co-operative insurance etc. We as co-operators are therefore very much interested in the appeal which the President of the Salem District Urban Bank has addressed to the Government on the subject, which is printed elsewhere.*

Our readers would remember that the Salem District Urban Bank started the experiment of Rural Reconstruction in a few centres in Rasipuram Taluk under the able guidance of Diwan Bahadur R. Ramachandra Rao, whose personal attention to the matter is not now unfortunately available owing to his illness. His plan of intensive work in a few centres was eminently successful in places like Elur as has been testified to by all disinterested observers from high administrators like the Registrar of Co-operative Societies and the Inspector-General of Panchayats to social workers like missionaries and others. This success was to a large extent due to the fact that certain taluks of Salem including that in which these centres are situated were declared "dry" by the Excise Department as an experimental measure. The appeal is against the decision of the Government to convert these taluks into "wet" once more on the recommendation of the Department on the two pleas that many people in the taluk do want to drink and that during the period of experiment there was going on a good deal of illicit distillation. The President's letter meets these objections. Whatever be the Government's attitude with regard to the radically opposed views of the Bank and the Excise Department, the least they can do is to comply with the request of the Bank in exempting specific villages and allow them to remain dry. It is in these villages that the experiment has been going on successfully and if drink be introduced the good work done during the last so many years would be nullified and there would be a general setback. We earnestly appeal to the Government to sympathetically consider the eminently reasonable request of the Salem District Urban Bank.

*See page 401 of this Journal.

Social workers' Conference.

A conference of social workers in the city of Madras was held on the 29th and 31st October and 1st and 2nd November last to consider the best means of improving the lot of the slum dwellers in the City. The Conference was opened by Mr. T. R. Venkatarama Sastriar, C.I.E., Ex-Advocate General and was presided over on the succeeding days respectively by Mr. T. G. Rutherford, Collector of Madras and Chingleput District, Col. Webb, Director of Public Health and Mr. T. S. Ramaswamy Iyer, then President of the Corporation. The improvement of housing conditions was discussed on the second day of the conference and the following resolutions were adopted :—

- (1) "That this Conference is of opinion that propaganda on the subject of Thrift and Co-operation is necessary in the slums of the area and requests the Madras District Central Co-operative Bank and the Madras Provincial Co-operative Union to render assistance in the matter."
- (2) "That this Conference recommends that the Sociological Brotherhood should take steps to explore the possibilities of the introduction of subsidiary home industries in the slums."

There is no doubt scope under the Co-operative Societies Act to form societies for the acquisition of sites and the building of houses. But the basis of such societies is the practice of thrift by the members of such societies. The virtue of thrift is a difficult one for the dwellers of the slums, but its practice by them is even more necessary if their condition should improve than for the better circumstanced classes.

We are sure that the Madras Provincial Co-operative Union and other organisations and even individual co-operators will heartily extend their help to the slum-dwellers but the success of any schemes that they may formulate will entirely depend upon the readiness of the slum dwellers to develop co-operative character. We wish them every success in their laudable attempts.

Mr. Ramadas on the Ottawa Agreement.

In this number is concluded the article on the above subject, the first part of which Mr. Ramadas contributed to the December

number of our Journal. It is a reasoned pronouncement on an important subject affecting the destinies of this vast sub-continent; though it has now only propagandistic value inasmuch as the Legislative Assembly has ratified the Agreement for three years and wants to see how it works. That it is a question of general economics and not directly bearing upon Co-operation does not necessarily exclude it from our purview, as we are interested in the welfare of the masses of India and look upon Co-operation as the most effective means of bringing about a decided improvement in their economic condition. The Agreement has an intimate bearing on agriculture which is the main occupation of the people.

Mr. Ramadas has made heroic attempts to exclude politics and to discuss the question purely from the economic point of view; but how far economics can be so isolated especially from politics which can make it or mar it is an open question; nor has he been able to avoid it altogether. When he discusses the important question that this Agreement will not prejudicially affect the existing protection granted to Indian industries, which is one of the arguments advanced in favour of the Ottawa Agreement, he raises the issue:—

“But the real question is, will this assurance operate in India in practice in the same way as it does in the case of the United Kingdom and the Dominions. The plain answer to this simple question depends upon answers to two other plain questions; (a) Has the Indian Legislature the same powers to give protection to Indian Industries by tariff legislation as the legislatures of the United Kingdom and the Dominions have? (b) Even if it has such power in constitutional theory, is it in a position to exercise it in practice in accordance with the wishes of the people of India and solely in their interests? The answers to these questions must obviously be based on the past and present experience of the working of the Indian Legislature in matters fiscal. It constitutes the most important and exciting chapter in the Economic History of India. The outstanding features of that chapter is that the decisions of the Indian Legislature during the last century and a half, in regard to protection to and development of Indian industries, have been mainly influenced by considerations of their reactions on the vested interests in India of British Industries.”

We have only to add the example of Ireland which has been left out in this inter-Imperial arrangement and which has retaliated against Great Britain's tariff on Irish beef by raising a tariff wall of equal height against British manufactured articles and has given away the proceeds as subsidy to the Irish agriculturist exporting beef from Ireland so as to enable him to compete with other suppliers of beef to Britain unimpeded by this obstacle. This is acrimonious economics on one side and dangerous politics when viewed from another point of view. Though we hold that politics and Economics cannot be separated, yet we shall also not step into the forbidden field of politics, but study Mr. Pantulu's article from the economic point of view or from the higher point of view of sociology that attempts to look upon the activities of mankind in a comprehensive way and not view it from the nationalistic point of view.

We are reminded of a very illuminating story current in this country about the advent of *Kaliyuga*, this present age of wickedness and sin. After the great Mahabaratha War was victoriously terminated so far as the Pandavas were concerned, Sri Krishna took Dharmaputra for a walk one evening and they came across two farmers quarrelling. They were owners of contiguous bits of land and the quarrel was about a narrow strip which was adjoining both their lands and which was for the time without an owner. Farmer A refused to have it, as it was not his and shoved it on Farmer B, who in turn refused to have it, as it was not *his*. The next evening Sri Krishna came with the First of the Pandavas and the quarrel was still going on, but now it has taken a different turn. Farmer A claimed the no man's land as his which claim was strongly opposed by B, who claimed to be its owner and Krishna explained the puzzling situation to Dharmaputra and said “To-day the *Kaliyuga* has begun.” If all people be actuated by high ideals of Righteousness in their behaviour towards others and be not actuated by selfish cupidity, there would be no need for pacts like this. We cannot afford to live in a fool's paradise and hide our head and think like the ostrich that there is no evil. Let us take cognisance of the fact that we live in the

year of grace 1933, 15 years after the war was concluded, which was expected to put an end to War and make the world safe for Democracy. The ghost of economic rivalry and exploitation which was one of the most important causes of the late war is not yet laid, but stalks the world in triumph. The British Empire, one of the most important of the units into which the world is at present divided, is organising its forces to weld its different parts by stronger bonds of mutual economic help especially against the rest of the world; the worst of the tragedy is not that this joint attempt is for making competition with the rest of the world more effective, but that among the component parts of this "Commonwealth of Free Nations" there is very little love lost and every unit is bent upon getting the maximum benefit to itself and if it agrees to co-operate with other units within the Empire, it is because the co-operating units are convinced that this is the most effective method dictated by expediency and policy of self-preservation.

"The British Empire" according to a most favourable view, "may be regarded as consisting not of an aggregate of separate entities with no mutual relation to each other, but of a fraternity of States animated by a common family purpose. Each State in the first instance organises its tariff and its policy *to suit its own financial and economic needs* and gives an imperial sanction to its policy by granting to other parts of the Empire *as large a measure of trade advantages over foreign countries as consistent with its own economic development* *". "In this assembly of free nations within the Empire India cannot put her case very freely and forcibly as others can and do. Lord Curzon's Government remarked in 1903 that "from an economic stand point, India has something, but not perhaps very much to offer to the Empire, *that she has very little to gain in return and that she has a great deal to lose or to risk.*" †

* Sir G. F. Wilson quoted on page 27 of Indian Economics Vol. II by Jathar and Beri (Italics our own-Editor)

† Quoted on page 33 of the same. (Do.)

It is contended however that much water has flowed under the bridge since 1903 and that India "now virtually enjoys fiscal autonomy as a result of certain recent developments" such as the creation of the Tariff Board and the convention that has grown that the Secretary of State will not interfere with matters on which there is agreement between Indian Legislature and the Executive. The true position of India as a member of the Imperial family is thus correctly described in a recent book on Indian Economics.*

"India is however, less fortunately situated in this respect than the self-governing Dominions. The Dominions having received the gift of self-government from the mother-country are bound to her by ties of gratitude. As between themselves also their relations are most cordial and not marred by any sense of grievance and injustice felt by one Dominion against another. It must be frankly admitted that India's position is different. She feels that in her own attempt to realise her political and economic aspirations, she has been often thwarted and depressed by England, and the anti-Indian legislation enforced by the Colonies against her has naturally embittered her feelings against them."

Let us therefore be under no delusion about our position in the Imperial household. Mr. Pantulu also tells us how our representatives happened to be sent to the Ottawa Conference.† He subjects the argument as a whole to the following crucial tests, *i.e.* (1) how far it affects the Indian farmer as a producer, (2) how far it affects the future industrial development of India, and (3) how far is the Indian affected as a consumer. The agreement is between India and the United Kingdom and its essence is that "India shall guarantee a preference of 10 per cent on specific goods coming from the United Kingdom other than motor vehicles on which the preference is to be 7½ per cent. In return for this, the United Kingdom shall guarantee a similar preference to certain specified articles imported

* See page 29 of Indian Economics, Vol. II by Jathar and Beri.

† See page 307 of the Journal.

from India. Mr. Pantulu easily demolishes the argument that non-acceptance of this agreement will involve serious consequences upon us by showing that we have the monopoly of production in certain articles, that the United Kingdom is not after all the only important importer of our produce, and that she cannot afford to boycott our goods as these are articles of necessity for her, and proves his case to the hilt by taking 5 specific articles of Tea, Jute, Cotton, Rice and Oil-seeds. He is fair in his criticism and does not say that there is no advantage at all in the Agreement but only that :

"Taking our export trade in the articles covered by the Agreement as a whole, it must be said that even though the Agreement may benefit some of the articles, the non-acceptance of the Agreement, if dictated by other paramount economic considerations, will not seriously jeopardize our export trade in the preferred articles."

Taking up the other argument that this agreement will stimulate our production, he shows how the Ottowites have ignored the possible attitude of non-Empire countries who do quite a respectable volume of business with us, that the so called benefit can easily be undone by skillfully manipulating the currency of the country, that the possible increase has not been accurately forecasted, that hypothetical estimates have been clothed with the dignity of mathematical conclusions and that in conclusion our export trade based upon possible increased production will not appreciably expand by our accepting the agreement.

He also proves that the so-called freedom to terminate the Agreement which is conceded in theory may not be so easy to be applied in practice and that the guarantee that the existing right of India to protect her own industries will remain unaffected.

"Our experience is that, even without complications arising from trade agreements, it is an uphill task for the Indian Legislature to adjust her tariff policy to the real economic needs of India. How much more difficult it should be to do so, when

new rights are created under solemn trade treaties which are acted upon for a certain period, must be evident to every one who bestows any thought to the question."

The assurance that any article for the manufacture of which in India, protection may be desired by India can be put on the list of protected articles and removed from the preference list of the Agreement is a theoretical concession of little practical value to India at this stage and the difficulties for giving protection to Indian Industries will as a matter of fact become greater by the acceptance of the Agreement."

We have already extracted* his views on some other factors that are likely to complicate the operation of the Agreement. No wonder therefore he comes to the conclusion that "The verdict of India on the whole is that the Indian delegates committed a serious error of judgment in signing the Agreement, that they conceded to the United Kingdom far more than India got in return and that India has little to gain and much to lose by the Agreement on a balance."

Let us as co-operators once more repeat our creed and gain greater faith in our fundamental principles. Production for use and not for profit should be the rule and service motive should be substituted for the profit motive. Co-operation knows no narrow barriers of nationalism and the International Co-operative Alliance has already been hailed as a minor League of Nations.

Let us conclude this note with a quotation from Mr. H. G. Wells' latest book:—

"Has organising intelligence been applied to a world wide basis to the production and distribution of food? The question answers itself. In spite of all our knowledge, this essential phase of the world's work is a chaos, a haphazard drifting arrangement. * * * Here is a vast problem that is calling for the organising intelligence of mankind. * * * What we need is sympathetic thinking, constructive

*See page 370 of this Journal.

brains, a plan laid down in world terms. that will disentangle and weave together in a common system the complex details of our present arrangement." *

That is, what the world needs is co-operation, more co-operation and still more co-operation. These Ottawa Agreements are all palliatives which may prove to be worse than the disease.

Now that the Indian Legislature has set its seal of approval upon the Agreement, let us watch and see the further developments and find out whether the pro-Ottowites or the anti-Ottowites would prove true prophets.

New Year Honours.

We congratulate Mr. K. M. Singaravelu Mudaliar, President of the District Council of Supervision, North Arcot, and member of the Executive Committee of the Provincial Co-operative Bank and the Provincial Co-operative Union on the conferment of the title "Rao Sahib" on him by the Government. He is an unostentatious and earnest worker in the cause of Co-operation in this Province and the recognition of his services to the people is well merited.

* Page 189 of H. G. Wells' "Work, Wealth and Happiness of Mankind."

*The Ottawa Trade Agreement and India.

BY

MR. V. RAMADAS PANTULU.

II

A General Survey of the Agreement.

A Plea to Postpone the Agreement.—The Scheme of the Ottawa Agreement is said to differ from the Imperial Preference Scheme which Lord Curzon's Government said in 1903 was detrimental to India's interests and which the majority of the Indian members of the Fiscal Commission also rejected in 1922. It is true that the Agreement does not embody a scheme of general preferences but adumbrates a scheme which is limited to selected commodities and based on reciprocity. Taking the Agreement as a whole and the wide range of the British imports which are to receive preference in India, the prevailing Indian opinion seems to be that the main objections urged against the adoption by India of the old plan of Imperial Preference still hold good. The fundamental consideration to be borne in mind in connection with a proposal to commit India to any form of Imperial preference is to be found in the dissenting minute of the majority of the Indian members of the Fiscal Commission. They say "The principle of Imperial Preference implies the uncontrolled power of initiating, granting, varying and withdrawing preference from time to time consistently with each country's interest and on lines which are not injurious to itself." If this test is accepted as correct, the defenders of the Agreement must necessarily maintain that India has such power and that her Government acts solely in her interests. In any case they seem to say that India now virtually enjoys fiscal autonomy as a result of certain recent developments. The fiscal convention that the Secretary of State is not normally expected to interfere in matters on which the Indian Legislature and the Executive are in agreement, the creation of the Tariff Board to investigate schemes of discriminating protection to enable the Indian Legislature to pass suitable measures to protect Indian industries and the holding out of an assurance that in no case a preference will be allowed to diminish the protection which an Indian industry requires are claimed by the supporters of the Agreement to be fundamental factors in the present fiscal policy of India which were not in operation either in Lord

*Continued from page 325 of this journal.

Curzon's time or at the time when the Indian Fiscal Commission reported. These developments which emerged from the recommendations of the Joint Parliamentary Committee and of the Industrial and Fiscal Commissions, it is said, have altered the situation so radically that the test laid down by the Fiscal Commission about India's fitness to consider schemes of preference may now be taken to be satisfied.

But the people of India do not concede that these developments have resulted in securing to India in practice, the fiscal freedom necessary to initiate, grant, vary or withdraw preference from time to time to promote her true economic interests. It is mainly on this ground that Indian opinion urges the postponement of the consideration of the Agreement by the Indian Legislature, till responsibility is introduced into the Central Government, under the impending scheme of constitutional reforms. The objection to this request, namely, that it is impossible for the United Kingdom to wait till then and that the scheme of reciprocal preferences in the case of the Dominions and non-reciprocal preferences in the case of India cannot be simultaneously, pursued even for a temporary period, is utterly unconvincing. What will be the magnitude of the possible financial loss which England may sustain by exempting India from the operation of the Import Duties Act for two or three years more? To-day, does not the United Kingdom enjoy statutory preferences to her steel and cotton goods? In addition to these, has she not been enjoying and will she not continue to enjoy, other substantial preferences, such as the administrative encouragement given to the purchase of British goods for the public and semi-public departments of the State and the direct and indirect advantages of a creditor country by reason of the large investments of British capital in India, not to speak of the gains arising from the manipulation of the currency policy of India? So, the loss of import duties which the United Kingdom may sustain by allowing free import of Indian commodities till the new constitution is brought into force will be as dust in the balance when weighed against the stupendous fiscal benefits which the United Kingdom received and still receives from India.

It would appear from the published proceedings of the First and Second Sessions of the Round Table Conference, specially those of the Federal Structure Committee, that it was all along contemplated both by the British Commercial interests and the Indian delegates

that a Commercial Treaty or a Trade Agreement between India and Britain should follow the new constitution in which the financial safeguards necessary in the interests of India and Britain would be settled. But, for reasons best known to His Majesty's Government, the process is reversed and India is being committed in advance of the constitutional reforms to a far reaching policy of Imperial Preference, to the detriment of the future of her fiscal freedom.

*Case for the Agreement examined on its merits:—*It is urged at the outset that India could not possibly refrain from participating in the Ottawa Conference for she could not stand out of a scheme of trade preferences in which all the other Empire countries join and face their competition in commodities in respect of which she will be deprived of the benefit of the preferences. The answer to this plea, as already stated, is that the situation created at Ottawa is not of India's making. Nevertheless, assuming that in the circumstances in which she is placed to day by the action of other Empire countries, it becomes inevitable for India that she should enter into some kind of trade agreement with the United Kingdom, the question still remains whether the particular Agreement concluded at Ottawa is one which it is obligatory on her to accept. The very intention of the proposal that it should be ratified by the Indian Legislature before it becomes operative is that India must have the freedom to examine it on its merits and to accept it only, if it is beneficial to her on the whole and to reject it, if it is not. What then are the grounds urged in favour of its acceptance?

The positive and negative virtues claimed for the Agreement may be thus summarised:—

- i. It helps India to *retain* her export trade in the concerned commodities with the Empire countries, which will otherwise slip away from her. It is also calculated to *expand* the total volume of India's export trade in those commodities which receive preference and will increase her present level of production.
- ii. It does not interfere with the protection afforded to the Indian industries.
- iii. It does not interfere with India's freedom to shape her tariff policies;
- iv. It brings about industrial co-operation between India and the Empire countries; and
- v. It helps the revival of world trade.

So let us examine the validity of these claims.

(i) *Retention and Expansion of our Export Trade*:—In considering Part I of the Agreement, the position of our principal exportable commodities in the World markets was examined; it was found that the non-acceptance of the Agreement would not seriously dislocate our export trade with the Empire countries and that its acceptance, while it might result in a partial diversion of that trade from the non-Empire to Empire countries, would not lead to any substantial expansion of our trade, or increase of our production. Further it has not been established that a preference of 10 per cent will enable the several preferred Indian products to successfully overcome in Britains' market the competition of the Dominions or of the foreign countries which are much better organised in Agriculture and Marketing, in many cases with substantial State Aid. India's agricultural products are mostly consumed internally and except in the case of cotton, tea, jute, oil-seeds and tobacco India is not competing with other countries in overseas markets to any large extent. The position with regard to these commercial crops in the United Kingdom was dealt with under part I of the Agreement.

The question what effect the Ottawa compact between India and the Empire countries would have on our export trade with non-Empire countries is an essential test in this connection. The relative position of our export trade as a whole with the Empire countries and non-Empire countries is somewhat like this:—We sell about 40 per cent of our exports to the United Kingdom and the other Empire countries put together. Out of this, the share of our export trade with the United Kingdom might be put down on the average at 25 per cent of our total export trade though since 1931 it has risen slightly. Thus, Britain is our single largest purchaser, but the other countries put together buy from us three times as much as she does. Therefore, the effect of a trade agreement with His Majesty's Government on our large export trade with other countries must necessarily form a vital consideration in determining whether we should accept the Ottawa Agreement or not. Nevertheless it is most surprising that the Report should have practically ignored this aspect of the problem. India has secured preferences to some of the commodities imported into the United Kingdom by her offering similar preferences to the commodities imported from the United Kingdom into India. In other words, India has to erect higher and more extensive tariff barriers against

the inflow of non-Empire goods into her market. The effect of this must be the diminution of the import trade of those countries with India, for they have to compete with British goods in Indian markets with a load of at least 10 per cent on the prices of their goods. The non-Empire countries would certainly not like this arrangement, whatever else they may do or not do. It is too soon to say what action they may take to undo the effects of the Agreement. Assuming that retaliation is not a sensible proposition in trade and that India's exports being chiefly raw products, which possess food and industrial value to the purchasers, the non-Empire countries will not boycott them, there still remains the probability that countries which are forced to sell less to us will be forced by the sheer operation of economic factors to buy less from us. So, if we apprehend that as a result of the operation of the Agreement in its present form there may be reduction in the demand for our exports to the non-Empire countries, whose *import trade* with us is hit by the Agreement, it cannot be said that those apprehensions are baseless. In any case, it rests heavily on those who advocate the acceptance of the Agreement to make out that *our export* trade with the non-Empire countries will not be dislocated or diminished by the operation of the Agreement.

It is unnecessary to give detailed figures about the relative volumes of our foreign trade with the United Kingdom and other countries. To show the magnitude of the problem it is enough if we know the position in regard to a few important countries. In the year 1929-30, the figures for which are throughout adopted in the Report, our export trade with the United Kingdom was 21.9 per cent of our total export trade, while the proportions for Germany, the United States of America and Japan were 8.8, 11.6, and 10.2, respectively. In other words, these three non-Empire countries alone absorbed 30 per cent of our total exports as against the 21.9 per cent absorbed by the United Kingdom. In the same year, these three countries did so much as about 25 per cent of our total import trade with us. Our export trade with the United Kingdom has practically remained stationary in the last two decades; the pre-war average was 25.1; post-war average till 1926-27 was 24.2 and in 1930-31, it was 24 per cent. On the other hand it has been growing with other countries. The pre-war average for the three non-Empire countries named above (Germany, the U. S. A., and Japan) was 24.8, the post war average till 1926-27

was 30.2 per cent, which level it still maintains. In regard to our import trade, the position is even more crucial. The pre-war average of the imports into India from the United Kingdom was 62.8 per cent of our total imports; its post-war average till 1926-27 was 57.8 per cent. It has been declining further since then and in 1930-31, it was no more than 37.2 per cent. It stood at 35.4 per cent at the time of the Ottawa Conference. Thus in these two decades, the United Kingdom's share has come down from 63 per cent of our total import trade to 35½ per cent. So the non-Empire countries which are purchasers of 60 per cent of our exports are also supplying us with more than 50 per cent of our needs in imported manufactured goods. The three countries above named alone supply 25 per cent. It is in relation to these factors that we have to examine the effect of the Agreement on our export trade with the non-Empire countries. It seems to be a fair and reasonable inference to draw from these facts that the import trade of the non-Empire countries with India will diminish by reason of higher duties on their goods and that such diminution will lead to a reduction in the demand for our commodities by those countries and a contraction of our export trade with them.

(ii) *Protection to Our Industries*:—The Report, it is true, contains assurances to the effect that the preferences will not be allowed to impair the protection afforded to our industries. It is impossible not to make this concession in theory; both the majority and the minority of the Fiscal Commission have laid this down as a condition precedent to the adoption by India of any scheme of Imperial Preference. All the Dominions have claimed in unequivocal terms that not only their existing industries but also industries "to be established hereafter," must in no way suffer by the Agreement in the matter of protection needed by them. So a different rule cannot be laid down in the Agreement for India. But the real question is will this assurance operate in India in practice in the same way as it does in the case of the United Kingdom and the Dominions. The plain answer to this simple question depends upon answers to two other plain questions; (a) Has the Indian Legislature the same powers to give protection to Indian Industries by tariff legislation as the legislatures of the United Kingdom and the Dominion have? (b) Even if it has such power in constitutional theory, is it in a position to exercise it in practice in accordance with the wishes of the people of India and solely in their interests? The answers to these questions must

obviously be based on the past and present experience of the working of the Indian Legislature in matters fiscal. It constitutes the most important and exciting chapter in the Economic History of India. The outstanding feature of that chapter is that the decisions of the Indian Legislature during the last century and a half, in regard to protection to and development of Indian industries, have been mainly influenced by considerations of their reactions on the vested interests in India of British Industries. The textile industry is perhaps the most conspicuous example. The latest act of the Legislative Assembly in regard to it is to secure preference to the British cotton textiles, over the non-British ones, although the Indian Tariff Board did not make any such discriminating proposal. Throughout the Report it is said that the preference to Britain's cotton and steel was given in the "Interests of India". But nowhere was it explained in what way it was to India's interests. The implication is perhaps that the Steel Protection Act and the Cotton Protection Act would never have been passed but for the preferences given to the British steel and cotton goods and it was therefore to the interest of India in that sense to get those Acts passed by conceding those preferences. I am aware that Sir George Rainy put forward in 1930 several grounds in favour of the preference to British Cotton Goods benefit to the Indian consumers was one. But those grounds were disproved by later examination.

The extremely difficult position in which the Indian Legislature finds itself to-day to reconcile the industrial interests of India and of the United Kingdom, will become, if anything, more difficult as a result of the Agreement. The increase of our export as well as our import trade with a single country, the United Kingdom, which is aimed at by the Agreement, will make the dependence of India for her overseas trade on the United Kingdom greater and consequently the vested interests of British manufacturers in India will also become greater. The opposition from that quarter to any demand for protection to Indian industries, which has always been and is still serious, will naturally become intensified more and more, as the interests of British manufacturers in Indian import trade become larger and larger. They will neither agree to Indian industries with which they compete getting effective protection nor to a reduction of tariffs once imposed on non-British imports, so long as they benefit British goods, although they may hit the Indian consumers. So the assurance that any article for the manu-

facture of which in India, protection may be desired by India can be put on the list of protected articles and removed from the preference list of the Agreement is a theoretical concession of little practical value to India at this stage and the difficulties for giving protection to Indian industries will as a matter of fact become greater by the acceptance of the Agreement.

The industries which are at present protected in India are very few, and in the case of the two most important protected industries, Steel and Cotton, the protection was secured by concession of substantial preferences to Britain to the manifest prejudice of the Indian consumer. So the future worth of the assurance of protection to Indian industries not being impaired by preference remains to be tested while its present worth is little.

In connection with this aspect of the problem it must be stated that the actual method proposed to be adopted to create the prescribed margin of preference to British imports namely, the reduction of duties on British imports by 5 per cent., and raising those on non-British imports by 5 per cent. may have an adverse effect on some of the industries which are now sheltered by the Revenue Duties though not protected by Protective Duties. The case of Soap may be taken as an illustration. The soap works in India are developing. The import of soap into India, 80 per cent. of which comes from Britain, has declined in the last 4 years from Rs. 50 lakhs a year to Rs. 28 lakhs a year. If the development of Indian Soap Industry goes on at this rate, it will be able to replace the entire foreign soap in a few years. But the reduction of import duty on British soap may have an adverse reaction on our soap industry. There are many other preferred British articles of the same category.

So the danger of the Agreement impairing the protection to Indian Industries is not unreal.

(iii) *India's freedom to shape her fiscal policies.*—In so far as freedom to give protection to Indian industries, is concerned, it has been dealt with above. Fiscal freedom in another direction will be necessary to work a scheme of preference to the benefit of India. The tariff policy of the Indian Government in relation to the Ottawa Agreement must be so directed as to prevent any injury to Indian interests and to eliminate all avoidable burden to the Indian consumer.

It is now well established that the "reductions of duty under concessional methods have different consequences under varying conditions of supply as regards the article affected." If preference is given to those British articles whose position is very strong in the Indian market relatively to that of the non-Empire countries, the lower duty will govern the general price level of those articles, or in other words, the effect of the concession is that it operates as a general reduction of duty. The Indian consumer does not suffer, but may benefit. Though certain British articles may not now be particularly strong in the Indian market but have a prospect of attaining that position in a reasonably short time, by reason of the advantages which the preference will give to them, there will be only a temporary burden on the Indian consumer till the British article concerned acquires a dominant place in the Indian market. If there is good prospect of such temporary burden being removed in a short time, the preference may ultimately prove beneficial to the Indian consumer also. In arriving at these conclusions it is of course assumed that the country receiving preference will be able to produce her goods at about the same cost as the non-preferred countries; otherwise the conclusions will not hold. But if the scheme of preference to British articles includes articles whose position is definitely weak and in regard to which there is no reasonable prospect of their soon attaining, even with the aid of the preference, a strong position in the Indian market, the result is not only a loss to the revenues of the Government but also a burden to the consumer. The higher or non-concessional duty levied on the non-Empire articles will govern their general price level and the cost to the consumer becomes greater, while the reduction of duty merely entures to the benefit of the British producers. In this view, schedules F and G of the Agreement, which comprise a large range of British articles to be imported into India under the preferential duties, must be re-examined having regard to the consequences of preferential duties on the cost to the Indian consumer. The following recommendation of the Indian Fiscal Commission was based on the considerations adverted to above and still holds good. "In our view it is clear that if the preference is to be given, it must be confined to a comparatively few commodities and cannot take the form of a general preferential tariff. The commodities selected must be as far as possible those in which British manufacturers already hold an important part of the market and in which the grant of a preference is likely to develop rapidly the portion of the market which they will need, so

that the burden on the consumer if any will be removed at an early date."

Judging the Agreement by these principles, it will be found that, in the case of several articles to which preference is given, the position of the United Kingdom is not strong in the Indian market. In the 25 articles, No. 34 to 58, in the list appearing on of page 16, the part which the United Kingdom holds in the Indian market is relatively small. The total value of imports in them into India in 1929-30 was Rs. 28 crores, of which goods worth less than 9½ crores came from the United Kingdom and the rest from other countries. It is not necessary to give a detailed schedule thereof. It is enough for the purpose of illustrating the position to give figures in regard to a few articles whose inclusion in the list of preferences offends against the test.—

	Total Imports into India Lakhs of Rs.	Imports from the United Kingdom Lakhs of Rs.
Copper ...	301	29
Brass and similar alloys...	223	56
Motor vehicles ...	752	156
Aluminium ...	201	57
Silk Piece Goods ...	222	1
Artificial Silk Piece goods	211	3

In articles like these, the higher duties paid on them, (being, articles mainly imported from the non-Empire countries), will govern their general price level in the Indian market and consequently operate as a burden on the Indian consumer.

There is another potential danger which is associated with the adoption of schemes of preference to which the dissenting minute to the report of the Indian Fiscal Commission draws pointed attention. Its relevancy is enhanced by reason of the greater dependence of India for her overseas trade on the United Kingdom, which will result from the Agreement. It is pointed out therein that even when the supply of an article comes wholly or mainly from the preferred country, it is not unqualifiedly correct to say that the consumer will not suffer. The minute proceeds to show that such a result "is consequential upon there being in the preferred country sufficient internal competition to regulate the price on a competitive basis." By the removal of the foreign competitor from the Indian market, the manufacturers of the preferred country may combine to maintain

the prices to the Indian consumer at a high level. The British monopoly in Shipping trade is cited as an instance. The greater the dependence of India for her import trade on the British manufactures, the larger the chances of the danger.

In addition to the danger of such indirect taxation by increasing the cost to the consumer, there is also a very real danger of direct taxation. The margin of preference to the British imports, as already stated, is now sought to be created by a reduction of 5 per cent of the duties on them and by raising those on the non-Empire goods by a similar amount. This will very likely involve a loss of customs revenue to the Government of India both as a result of British goods paying 5 per cent less and of the probable fall in the imports of the non-Empire goods. The fear entertained by the critics of the Agreement that the Finance Member may approach the Legislative Assembly with proposals for fresh taxation to make good this loss of revenue, are not baseless.

The plea put forward in favour of the Agreement that it leaves India freedom to so shape her tariff policy as to promote her interests cannot therefore be substantiated.

(iv) *Does the Agreement promote Industrial Co-operation?*—It is difficult to predict in what manner the Agreement is likely to promote Industrial Co-operation between India and the Empire countries. It will not repay to speculate on the possibilities which the Indian delegates may have contemplated in arriving at this conclusion. The Agreement itself has implemented one act of such co-operation. The supplementary agreement about steel industry provides for the Indian steel manufacturer making the sheet bar, British ships carrying it to the United Kingdom, the British manufacturer converting it into galvanised sheets, British ships bringing the sheets back to India and the importers selling the sheets to Indian consumers at prices which may be fixed with the aid of a preference of Rs. 53-12-0 a ton, over the sheets imported from countries other than the United Kingdom. The Government of India may, under the Agreement, increase the duty on non-British sheet still further without reference to the Tariff Board. This co-operation introduces into the Indian fiscal policy a novel principle of giving a share to the British manufacturers in the protection afforded to an Indian industry by the Indian Legislature. India imports galvanised sheet of the value of Rs. 6 crores a year and the poor people in the rural parts also use it

largely. This abnormal preference will kill Belgian competition and increase the cost of the galvanised sheet to the Indian consumer. So low a duty as Rs. 30 on British sheets manufactured with Indian sheet bar may have an adverse effect on Tata's trade in sheets. If more of such co-operation is intended to result from the Agreement, it will not tell in favour of its acceptance.

(v) *The Agreement and the International Trade*:—The Indian delegates foresee for the Agreement international benefits as well. In their view the reciprocal preference regime will usher in an era of World Trade revival. The manner in which Ottawa's contribution to international well-being is made is indicated in the following resolution of the Conference:—

"That by the lowering or removal of barriers among themselves, provided for in these Agreements, the flow of trade between the various countries of the empire will be facilitated and that, by the consequent increase of the purchasing power of their peoples, the trade of the world will also be stimulated and increased."

It is well known that even in the United Kingdom there is a large volume of influential opinion that the attainment of these objects is highly problematical, if not impossible. The aim of the United Kingdom to secure a stable market for her manufactures in the Dominions and in India by keeping out other competitors is not in any event easy of accomplishment. The Dominions and India themselves are no longer content to be producers of raw materials and importers of manufactured goods from the United Kingdom. They are becoming more and more industrialised and are aiming at becoming able to supply the needs of their home markets as far as possible. The report, incidentally it may be, discloses the fears entertained by the United Kingdom in this behalf. In dealing with the obstacles to developing trade within the commonwealth, with the help of the Agreement, the following resolution of the Conference is referred to in the Report:—

"This Conference recognising that export bounties and exchange depreciation adversely affect the rate of tariff preferences within the commonwealth, expresses the hope that with a rise in the level of commodities prices and stabilised exchanges such bounties and special duties which have been adopted as a means of adjusting the situation so created may be withdrawn."

It remains to be seen how far this expectation is well founded. We hear that New Zealand has by currency manipulation already committed a breach of the Agreement. The Irish Free State has not yet come under the scheme and the prospects of its doing so are not bright. It is said that Canada is negotiating with America some trade Agreement which will not be quite consistent with the Ottawa pacts. In the case of certain articles, (wheat, copper, zinc, and lead) the Agreements with the Dominions provide that Britain may remove duty on foreign imports of those articles if the Dominions fail to give adequate supply at world prices. This shows what dangers are lurking in these compacts. Incidentally it may be asked why India should not have the freedom to withdraw the preference to British steel and cotton goods if Britain fails to supply them to India at world prices.

Again Britain's trade with the Empire countries forms but a small part of her total overseas trade. Her exports to the Dominions and India form only 33·63 per cent. of her total export trade and imports into her from the Dominions and India are still less and form 23·51 per cent. of the United Kingdom's total import trade.* It has been diminishing from 1927 (See Ottawa Supplement to 'The Economist' of October 1932, page 2.) In the case of India, the import trade which was in Britain's hands before the war, was nearly 67 per cent. of India's total imports. It is now about 35½ per cent. While in 1904, India supplied no more than 22 per cent. of the cotton textiles needed by her people, in 1930-31, she supplied the needs of her population to the extent of 74 per cent. In these circumstances, how the Agreement will affect Britain herself in her trade with her important foreign customers like South America, Scandinavia and Denmark remains to be seen. An impartial and informed writer

Countries,	Imports into the United Kingdom.	Exports from the United Kingdom.
1 Australia ...	5'30 per cent.	3'74 per cent.
2 Canada ...	3'81 "	5'30 "
3 India ...	4'26 "	8'30 "
4 South Africa ...	1'52 "	5'61 "
5 New Zealand ...	4'37 "	2'88 "
6 Irish Free State ...	4'25 "	7'80 "
	23'51 "	33'63 "

like Sir Arthur Salter thinks that the tariff walls raised against other countries by means of compacts between some countries will not help the revival of world trade. (See his book 'Recovery,' page 171 as regards effects of tariff barriers.) Just as it is said by militant militarist nations that augmentation of armaments is intended to minimise chances of war, the erection of higher and more extensive tariff barriers by aggressively industrial countries is said to be intended to demolish tariff barriers altogether by international action in future. At the Imperial Economic Conference of 1927, it was said that "the time has come to put an end to increase in tariffs and to move in the opposite direction." But in which direction are we moving under the Ottawa Agreement? After tabulating the British Imports from foreign countries showing the extent to which various countries are affected by the post-Ottawa British Tariff, the Ottawa Supplement to 'the Economist' exclaims, "A curious commentary on our pretensions to be desirous of assisting recovery of the hardest hit areas of Europe." We may therefore leave the hope of revival of world trade by the Ottawa Agreement at that. It is at any rate not a factor which ought to enter into India's judgment in the matter of accepting or rejecting the Agreement.

A Constructive Proposal.—If the Ottawa Agreement is unacceptable and if it rests on India to propose another Agreement in its place, what shape should it take? It is a task which leading representatives of Indian Trade, Commerce and Industries and leading Indian economists must collaborate in accomplishing after a thorough investigation of facts and the numerous complicated issues necessarily involved in the process of concluding a trade agreement or a commercial treaty. All that one may *prima facie* suggest as a possible line of improvement of the Agreement is to curtail the range of the commodities to which India agrees to give preference to Britain. If one keeps Schedules F and G to the Agreement and the Directory of a Swadeshi Exhibition side by side, and study them one will be struck with the identity of classes of numerous articles in regard to which India is trying to supply her home needs by Swadeshi enterprises. Many such articles should be omitted from the scope of the Agreement, to allow Indian industries to develop and also for the reason already stated that the United Kingdom not being strong in some of them the burden on the Indian consumer by direct and indirect taxation will increase, by higher duties on non-British imports. In the interests of India therefore metals like, copper, brass and

aluminium, and goods like silk, and artificial silk piece goods, building and domestic hard ware, enameled, ironware, earthenware, porcelainware, boots and shoes, toys and requisites for games, paper, heavy chemicals, drugs and medicines, stationery, toilet requisites, soaps and rubber manufactures, motor vehicles, electric bulbs, paints and varnishes, buttons and brushes will have to be removed from the list of preferred articles. The list is by no means exhaustive and may also be found on examination to require modification. The list is put forward for investigation and not for adoption.

Conclusions.

The main conclusions that emerge from the detailed as well as a general survey of the Agreement are :

(i) That the preferences given to Indian products are not likely to help the Indian farmer or producer; they will not help to increase his production, or raise the price level of the staples produced by him or enhance his purchasing power.

(ii) That the scheme is such that while the burden on the British consumer is, generally speaking, not increased by the preferences he gives to imports from India into the United Kingdom, as they will mostly enter free or on the present level of duties (with few exceptions) the burden on the Indian consumer is appreciably increased by the preference which India gives to British Imports as such preference has to be given by substantial increase of the present level of duties on non-Empire goods.

(iii) India being an exporter chiefly of raw products or semi-finished materials, her preferred imports into Britain will have no adverse effect on British industries. But British imports into India being manufactured goods, a preference given to them will have an adverse effect on the development of Indian industries, generally speaking.

(iv) As Britain requires the products which India can export to her either for food, or industries and Britain having already taxed heavily, for revenue or protective purposes, many necessities of her peoples food and requirements of her industries it is unlikely that she would tax Indian imports, even if India does not ratify the Agreement. It is really to Britain's interest that such Indian products should be admitted on the same terms as the Dominion goods,

(v) Assuming that Britain would carry out her threat to put the Import Duties Act into force if the Agreement is not concluded, the Indian Export trade in the concerned commodities would nevertheless not suffer seriously. India has a large internal market and also non-Empire markets, which need her products.

(vi) The denunciation clause is a futile one and it will be almost impossible for India to avail herself of it. Termination or modification of the Agreement by India can follow only a notice of denunciation to Britain and a disagreement between the two countries in regard to the matter notified. When Britain disagrees, the Indian Legislature and the Indian Executive Government will scarcely be able to overcome her opposition to the termination or modification of the Agreement. If the Agreement is once ratified either unconditionally or for a period, it will create so many new vested interests of British trade, commerce and industries that it will become almost impossible to dislodge them and terminate the Agreement.

Verdict on the work of the Indian Delegates.

The Indian Delegates assure their fellow countrymen in India that they did their best at Ottawa, in these words: "Throughout our negotiations we have been striving to secure for India every advantage which the circumstances in which we were placed enabled us to claim, but without making any sacrifice where India's interests were vitally concerned." No one doubts the sincerity or the patriotism of the Indian delegates. It is probably true that they could not have got more out of the negotiations "in the circumstances in which they were placed" to quote their own pregnant phrase. It is precisely India's complaint. But it does not mean that the Indian delegates were right in affixing their signatures to the Agreement. If they were unable to get more out of the negotiations, it may not have been their fault. When however what they got was, as events have turned out, so disproportionate to what was got out of India and if it became reasonably certain that India did not stand to gain by the Agreement, there was no obligation on their part to put their seal of approval to the particular document. If they felt that an Agreement was necessary they might well have said that India would propose one after due deliberation. In this connection I must mention an interesting revelation, made by the Indian delegates, of the use to which they put

at Ottawa, the advantage which Britain now enjoys in India by differential duties on British steel and cotton goods. They say, "We desire to add that it should not be forgotten that except by way of Trade agreement there was no way by which India could obtain a return for the advantages conferred by differential duties. Their existence enabled us to conclude an agreement on much more favourable terms than would otherwise have been possible." To unsophisticated minds, it looks like arguing in a circle. Moreover, in more than one place in the Report, it was prominently declared that the preferences given to British steel and cotton goods by India were really in India's interests. If so, why should they have been made a lever for exacting further concessions from Britain? To Indians who have given their serious thought to the question in a non-Ottawa atmosphere, it strikes that if the Indian delegates had really the freedom to notify to Britain that the preference to British steel and cotton goods, the two most important of the United Kingdom's industries, would be withdrawn if better terms were not offered to India, such a situation might have been used to obtain a far more satisfactory Agreement. The verdict of India on the whole is that the Indian delegates committed a serious error of judgment in signing the Agreement, that they conceded to the United Kingdom far more than India got in return and that India has little to gain and much to lose by the Agreement on a balance. India cannot and will not therefore ratify the Agreement.

THE CHEAPEST HOUSE FOR

RUBBER-STAMPS



Any design Rubber-stamps viz :—Oval, circle & oblong shapes fitted with air-cushion, complete with one self-inking pad, ink bottle, brush & one tin box will cost only ... Rs. 3/2

Rubber-stamp alone ... Rs. 2/4

Package & Postage ... As. 8

SATISFACTION GUARANTEED or MONEY REFUNDED.

Please send your orders to-day.

THE BEST RUBBER-STAMP MFG., Co.,

19, Kasi Chetty St., G.T., MADRAS.

Co-operative Movement To-day.

BY V. ALAGAPPAN, B.A., B.L.

Two hundred and fifty millions of the people of India are directly dependent upon agriculture, and yet such an industry has hitherto been left to the tender mercy of the small money lender. The most important man in the country, the man upon whom all India depends, the man without whom neither the trader nor the banker nor even Government could exist, is left outside the reach of cheap and facile credit. The producer has nothing to pledge, when he wants to borrow, but his labour and his ungrown crop. At this stage he will be completely under the mercy of the moneyed man and as soon as the crops reap he is bound to dispose the crops at the price fixed by the man with money to redeem his loan. The trade of our country will never increase unless produce will increase and produce will increase in exact ratio to the inducement offered to it. Though not inducement is given, at least the producers' difficulties should be removed. We see our agriculturists buying their implements and seeds dear and selling their produce cheap.

So the scheme for securing for the agriculturist accommodation at reasonable rates and on reasonable security is found to be the Co-operative Movement. The Co-operative Movement supplies cheap credit and in fact cheap credit is a blessing to rural population only where the average cultivator is possessed of the knowledge and strength of character required to induce him, on the one hand, to limit his borrowing within the range of his capacity to repay and on the other to apply the major part of the borrowed money to sound productive and useful purposes.

The Co-operative Movement has been now in the field for nearly 28 years. In some quarters the progress is satisfactory. The Government helps the movement to a very great extent through a proper official machinery. Non-officials also, in some capacity or other, work for the advancement and regulation of the movement. The Imperial Committee on Co-operation (MacLagan Committee) reviewed the progress of the movement in 1915 and various recommendations were made for the expected success of the movement. Provincial Committees such as the Townsend Committee in Madras, the King Committee in Central Provinces, the Oakdon Committee in

CO-OPERATIVE MOVEMENT TO-DAY.

United Provinces and the Calvert Committee in Burma also reviewed the working of the movement. These Committees made a beautiful and vigilant survey of not only the Co-operative Movement but also other credit agencies such as indigenous banks and joint stock banks. Twenty-eight years' experience has now disclosed the elements of strength as well as the elements of weakness in the movement.

The Royal Commission on Agriculture reviewed the working of the movement. They gave remarks on the forces of laxity and suggestions for the welfare of the movement. In this matter Agricultural Commission's remarks are worth mentioning.

"For these disquieting conditions there are several causes of which lack of training and of understanding of Co-operative principles is the most important. The democratic principle is not so potent a force in checking abuses as is sometimes supposed. Members take insufficient interest in the working of their society; they exercise little restraint over their President and Committee, and hesitate to evict from office an incompetent or dishonest neighbour. The Office holders on their side dislike incurring the unpopularity attendant on stringent action against recalcitrants and the recovery by legal process of overdue debts. The calculated inertness of the two parties all too frequently leads to stagnation and dissolution. * * *

The lack of progress of the local co-operative credit societies is due to the under-estimate of the moral value of the principle of unlimited liability. Now unlimited liability is accepted only by force of office machinery. It should not be the case. It should be attractive from the point of view of the insolvent agriculturist, who is in need of money and cannot get his money on suitable terms from the village money lenders without having a guarantor under whose control he is. The agriculturist should also clearly understand that there is no other alternative for rural finance but unlimited liability. Only through unlimited liability cheap money will go to the door of the borrower and thus increase the volume of credit available. Co-operative Movement should be used in such a way so that it may by itself can achieve the result of relieving the agriculturist from his indebtedness, which is being borne at a heavy rate, and of securing for him all finances which he would need.

Another unsatisfactory fact is that the amount of money which they can receive *i. e.* individual maximum borrowing power is not

limited with reference to their needs. In some cases it does satisfy their needs but in some cases it does not. On account of this they are forced to look for additional finance from outside. This limitation to the amount which can be given to a member also acts as a deterrent, as after all, the borrower is not completely away from the clutches of the village mahajan. But there is fullest justification for the restriction, because the funds brought in by the Co-operative Movement from all centres must be disbursed only with due consideration to safety and equally also. The funds of the Co-operative Movement, in so far as the public is concerned are drawn by two methods, viz. the shares and deposits. To the members of the movement both these methods are open to the fullest extent and there are certain restrictions in detail with regard to the dealings of non-members. Local Co-operative Societies get money from Central Co-operative Banks which in turn get money from its members either as fixed deposits or as current deposits. The fixed deposit will be generally from 1 to 3 years and current deposits are for current needs of the client. Every one should understand that this money alone is given as credit to the credit society members. So it is impossible to meet all the requirements of the borrower. These societies can therefore give money only for current expenses and seasonal requirements. The duty of every member is to take advance from the society only for the said purposes and reserve his indebtedness to the Co-operative Land Mortgage Bank. These Banks get money from the Central Land Mortgage Bank which in turn gets money by floating debentures on the security of the assets of the bank. These debentures are redeemable only after 15 to 25 years. So with this money the agriculturist can safely and easily clear off his existing debts and clear this debt from the annual savings within a period of 20 years. If the principle is well understood by our agriculturists the movement can within a reasonable time, say the next 20 years, be expected to embrace at least 75 per cent. of the agriculturists in the country. And in course of time, the co-operative movement will replace all other agencies and have the field for itself.

Some other defects will also appear if the subject is taken in detail. Usually when a society is registered, a statement of the assets of the members is made out. The rule permits the credit of the society and of each individual member to be limited with reference to the total assets. There are rules providing for periodical and careful revision of such statements but they are not strictly adhered to

by the officials. As these assets are further not secured in the hands of the society and are left free with the member to deal with, it is the duty of the supervising officer to verify and examine the title, the present state of the assets and value of the assets. Many primary societies have come to grief through these defects. So it is the duty of the supervising institutions, such as federation, union etc., to have an efficient control over these affairs.

Coming to the practical working of the society it will be found great responsibilities lie in the hands of the panchayat members in the case of unlimited liability credit societies. It is they who scrutinise the loan applications and if efficient care is taken on this matter default could be minimised to some extent. They should take care to distinguish between short term and long term loans. One of the things, on which the foreign experts have laid very great stress, is the need of confining commercial banks to short term advances. All long term loans must come from special institutions such as Land Mortgage Banks and that the requirements for industry except small seasonal needs, must be met from debentures. One of the established rules should be that co-operative banks and primary credit societies should finance only short term, self liquidating transactions and should leave the provision of permanent capital to specialized investment institutions. The theory underlying this principle is that, since the liabilities of the bank are demand liabilities, the assets must largely consist of ready cash and that short term, self liquidating paper is the most convertible and manageable earning asset. Industrial loans which finance the purchase of raw materials and labour and serve agricultural purpose to make a marketable product are quiet as good bank assets as commercial loans to finance and marketing purposes.

If the society members' and office-bearers' interest are sought, the immediate success of the movement is come. They are responsible for the collection and any negligence on their part proves a declining era to the movement. It is their duty to see that no overdues arise, because overdues mean frozen advance, and frozen advances are an evil, but in determining fundamentals one must not at all ignore an occasional root test such as this: can the banking system as a whole claim, that they can withdraw their moneys, which are ostensibly lent out for a short period. The answer can only be a definite negative. So, as far as possible, co-operators should prevent loans becoming overdue and time-barred.

To-day many non-officials are associated with the movement in some capacity or other, and if the movement suffers it is not through lack of publicity or patronage.

Poultry Keeping.

BY MR. V. VENKATASUBBAIYA.

Poultry keeping is an important branch of agriculture in the western countries. It perhaps lends itself to co-operative organisation as much as, if not more than, any other branch of agricultural business. The organisation on co-operative lines of the production and sale of eggs in Denmark has become a classical example to co-operators all the world over.

There is much scope for the development of poultry keeping in India which is believed to be the original home of the cock. The Government of the United Provinces has started a school for teaching the subject and many educated Indians have started private farms of their own, after undergoing training there. Several missionary organisations are maintaining efficient poultry farms and are training members of their congregations to the occupation. In the Rural Reconstruction centres of the Y. M. C. A. poultry farms are maintained and the subject is taught to batches of students in successive summer schools. All these educational efforts are based on the belief that poultry keeping on improved lines can be developed in our country as a secondary occupation for the agriculturists.

It is true that as in every other kind of business,—agricultural or other—theoretical knowledge alone does not suffice and that it has to be supplemented with the knowledge that only experience can give. Without sufficient previous experience no one may expect to run a poultry farm successfully. That experience can be easily acquired by any willing agriculturist, who sees the profitability of the occupation.

We hope that the particulars given below of a poultry farm* owned and successfully managed by a prominent co-operator will be found inspiring to other co-operators in our province. The farm is at Sanankuppam, a hamlet of Ambur with a railway station in North Arcot District on the Madras Bangalore line. The owner is Mr. Manikya Mudaliar, President of the Ambur Land Mortgage Bank and of the Ambur Supervising Union. It is in charge of his son-in-law Mr. S. V. Swami, who received training in poultry farming in May '30 at the Rural Reconstruction centre of the Y.M.C.A. at Ramanathapuram in Coimbatore under its poultry expert, Mr. T. Stephen. In June, 1930, a small beginning was made with white Leghorn cock and two hens of the same breed brought from the Ramanathapuram Rural Reconstruction centre. During the first two years attention was concentrated on increasing the stock. In the first hatching season, from 12-8-1930 to 13-4-1931, the hens laid 250 eggs of which 180 were successfully hatched and 70 were spoiled. In the second hatching season 806 eggs were laid by the original hens and the new stock, of which 664 were successfully hatched and 142 were spoiled. In the third hatching season, com-

* Diamond Poultry farm Sanankuppam, Ambur, N. Arcot Dt.

POULTRY KEEPING.

encing with 1-8-1932, no hatching is attempted, as the owner considers the farm to be fully stocked. The eggs are therefore being sent to Madras for consumption. They are being sold at Rs. 0-12-0 per dozen, which leaves a satisfactory margin as profit.

Out of 884 chickens successfully hatched in the last two years 100 birds and chickens died of disease and 38 of accidents; 526 were sold and 180 were in the farm on 23-10-'32. These latter consisted of:—

		Rs.	A.	P.
100 hens valued at	...	300	0	0
33 pullets	...	66	0	0
26 breeding cocks	...	52	0	0
21 cocks in reserve	...	21	0	0
<u>180</u>		<u>439</u>	<u>0</u>	<u>0</u>

The income and expenditure for the whole period 7-6-1930 to 23-10-1932 is given below:—

Income.				Expenditure.			
	Rs.	A.	P.		Rs.	A.	P.
By sale of eggs	435	12	11	Fowls purchased	12	8	0
By sale of fowls	493	11	9	Feeding charges	577	13	3
By sale of droppings	34	0	0	Establishment	85	8	0
				Medicines	41	5	7
				Miscellaneous	9	13	2
	<u>963</u>	<u>8</u>	<u>8</u>		<u>727</u>	<u>0</u>	<u>0</u>

To the figures given above must be added on one side the value of the stock and on the other side interest on the capital spent on fencing, structures, incubator and other appliances, depreciation and rent. These charges are not all accurately ascertainable, because the land and structures are intended and used for other purposes as well as for poultry keeping. What perhaps is quite sufficient for our purposes is that with the present stock the farm is giving a current income of Rs. 40 to Rs. 50 per month in excess of the current expenditure.

With the experience he has gained on his own farm, Mr. Manikya Mudaliar should soon be able to organise a Co-operative Society for the production and sale of eggs from his area. From a co-operator of his position and enthusiasm the formation of such a society is certainly to be expected. In such pioneering effort, we are sure that the North Arcot District Bank and the North Arcot Council of Supervision will only be too glad to co-operate, as also the Provincial Co-operative Union and other bodies in Madras, if only they are told what help is needed of them.

Co-operative News.
CO-OPERATIVE EDUCATION IN THE
CITY OF MADRAS.

CELEBRATION OF THE
MADRAS YOUNG CO-OPERATORS' WEEK.

To stimulate a better understanding and practice of the Co-operative gospel, the Young Co-operators of Madras organised a week of intensive propaganda in the City from the 25th November to the 5th December 1932, when several eminent co-operators stressed the value of organised and effective Co-operative Education in clearing the mist of confused thought encircling the movement.

THE CO-OPERATORS' STUDY CIRCLE.

The week opened with the happy inauguration of the Madras Co-operators' Study Circle at the Provincial Co-operative Union by Prof. S. K. Yegnanarayana Iyer who, emphasising the great basic ideals of the movement, referred to the part that the educated youth of the country might play in the wide propagation of those ideals and a comparative and intelligent study with a view to their practical application to the solution of our present social and economic problems. Mr. V. Ramadas Pantulu, congratulating the League on its educative endeavours which, he said, deserved the warmest support and encouragement of all well-wishers of the movement, pointed to the contribution the League could make to the constructive use of co-operative knowledge in the promotion of small-scale urban industries. Mr. John George, M.A., initiated a discussion on the advisability of suspending the further expansion of the movement till effective educational institutions were established in the villages and in towns for propagating the ideals of Co-operation.

OUR WOMEN CO-OPERATORS.

On the 28th November the Women Co-operators met at the Young Women's Christian Association under the Presidency of Mrs. H. S. Hensman, M.A., and appealed to their sisters to rally under the co-operative banner, since the supplanting of competition by Co-operation in modern life was the safest and surest means for the betterment of our present social and economic order.

CO-OPERATIVE EDUCATION IN THE CITY.

OUR STUDENT CO-OPERATORS.

On the 29th, under the leadership of Mrs. J. Kuriyan, the students of the Government School of Indian Medicine resolved to start a Students' Co-operative Stores for co-operative distribution of their requisites in books, stationery and toilets, on the model of the stores run by the Queen Mary's College at the suggestion of the League. The great possibilities of service that the co-operative movement afforded to the students of medicine were discussed and the organisation of a co-operative dispensary, it was pointed out, would exploit, to the useful purpose of alleviating human suffering, the leisure moments of medical students. With three scores of students' store societies already existing in the province, the idea of a students' Wholesale Society was not totally impracticable and the organisation of stores in the educational institutions in the city, it was emphasised, would greatly add to the chances of the formation of such a Wholesale Society.

A CO-OPERATORS' ENTERTAINMENT.

On the 1st December, 1932 the amateur artists among our men and women co-operators gave a delightful variety entertainment at the Gana Mandir under the patronage of Dr. U. Rama Rao. The entertainment, admission to which was free to members, included interesting items in vocal and instrumental music, Mandolin, Bharata Natyam, group girls' dance and mimicry and the net proceeds were assigned to the League for Co-operative Propaganda.

. URBAN UPLIFT.

On the 2nd, the social workers of the city met under the chairmanship of the Rev. J. A. V. Latham at the Kellett Hall to discuss plans of a co-operative solution of urban illiteracy, and the conditions of industrial workers and Mr. S. Ananta Raghavan formulated proposals for inaugurating a scheme of adult education in the city and pleaded for the institution of a few more Libraries and Reading Rooms in the city for making available co-operative literature to the public.

PROPOSAL FOR A CONSUMERS' COUNCIL.

Prof. S. K. Yegnanarayana Iyer, Messrs. V. C. Rangaswami and S. Ananta Raghavan and Sister Balambal made fervent appeals to the Consumers of Madras, at a meeting held at the T.U.C.S., Hall, to organise themselves into an effective body to safeguard against the vagaries of the middlemen and the producer and to devise ways

for checking the adulteration of products, particularly foodstuffs and to ensure a wider understanding and interest in the usefulness of distributive agencies like the T.U.C.S. of Triplicane.

CO-OPERATION AND DE-OFFICIALISATION.

The Anniversary of the League was celebrated on the 3rd at the Y.M.C.A. Prof. S. Subbarama Iyer of the Christian College initiated a discussion on de-officialisation of the co-operative movement, in which Messrs. S. Ananta Raghavan, S. S. Rajagopalan and A. L. Pandya took part.

The Right Hon'ble V. S. Srinivasa Sastri, who presided, after congratulating the League on the work of a very useful and necessary kind that they were doing and hoping that they were receiving the support of an amount and kind that would encourage them, said that for sometime past, he had not kept in as close touch with the co-operative movement as was desirable. But his recollection was that in the Madras Presidency, in the initial stages of the movement, the officials kept themselves in the background in all possible ways and gave the non-officials the entire forefront of the stage so that the movement should appear mainly as a non-official one. Unless a great change for the worse had come over the spirit of officialdom, he expected this attitude still continued. If it did not—he was not aware of it—then it would be worthwhile enquiring why, in the movement, the official had come to be so prominent as to be almost abnoxious. One or two things he had heard. Latterly, all over India, a loud complaint had been heard that, the first flush of enthusiasm having expired, a sort of torpor had come over the movement that everywhere the spirit of co-operation was a little dormant, that the best men were not in it—there were always great and honourable exceptions—, that the money had been taken by a few and was slow in returning—in some cases, it refused to return. Both on the official and non-official side, he well remembered, a great wave of anxiety was passing. He was one of those who believed that when there was a deep seated malady of this kind, one particular cause alone could not be at the bottom. If in the field of co-operation, the official was in the background in the first years and the non-official occupied the greater and the more prominent part, if the official encroached on more and more, it must be because the non-official made the vacuum. Perhaps, the official overdid his part by giving a gentle push to the non-official. But he was unwilling to accept a description which threw the entire blame on the official and painted

the picture as though all that was wanted to cure the disease was the disappearance of the non-official. He rather thought that much would be required from the non-official before the movement could once more be placed on a satisfactory basis.

All over their national life, he said concluding, the official and the non-official were, as it were, husband and wife, married together and having to understand each other's weaknesses, each to supplement the other's defects and between them to do the utmost possible service to the nation. Let them, in deciding either way on this question, bear in mind that the official had been the mainstay of the co-operative movement and there was the utmost necessity for the official and non-official to put their heads together and to co-operate in the best possible manner in pulling the movement out of this somewhat unsatisfactory condition and then starting upon another career of long and uninterrupted prosperity and credit, calculated to bring welfare to the country.

MR. RAMADAS' PORTRAIT UNVEILED.

The Rt. Hon'ble V. S. Srinivasa Sastriar, in unveiling the portrait of Mr. Ramadas Pantulu, said that it gave him immense pleasure to be associated in the pleasant function of honouring Mr. Ramadas. He paid a glowing tribute to the public work of Mr. Ramadas, particularly in the economic sphere, and said that he was an earnest worker of intense application with a high record of continued public service.

YOUTH AND CO-OPERATION.

On the 4th, Messrs. G. Sriram Babu and V. Tiruvenkataswami addressed the wards of the Pachaiyappa's Hostel and the youth of Madras gathered at the Ranade Hall to hear Srimatis S. Meenambal M. A. and V. Parvati, B.A., L.T., on the place of youth under the co-operative banner.

THE GREAT CO-OPERATIVE CALL.

The week terminated with the meeting of co-operators in the Provincial Co-operative Union to discuss methods of expanding non-credit co-operative activities in useful channels. Prof. L. N. Govindarajan initiated the discussion and the Hon'ble Mr. B. Ramachandra Reddi presided.

THE MADRAS JOURNAL OF CO-OPERATION

THE SENGALIPURAM CO-OPERATIVE SOCIETY
THE REGISTRAR'S VISIT.

Mr. D. N. Strathie I. C. S., Registrar of Co-operative Societies, accompanied by Mr. Palaniappa Mudaliar, Deputy Registrar of Co-operative Societies, Tanjore and Mr. Swaminatha Aiyar, Deputy Registrar of Land Mortgage Banks, Southern Circle, visited the Sengalipuram Co-operative Society in the Naunilam Taluq at about 4 P. M., on the 26th October 1932. The Deputy Registrar inspected various account books of the Society and enquired individually the members about several transactions.

The President of the Society, Mr. V. Panchapagesa Iyer, read a welcome address on behalf of the members. The Registrar, in the course of his reply, said that he was very glad to have had the opportunity of seeing one of the well-conducted Societies in the Presidency, which though small, is working to the true principles of co-operation The Society gives loans only to the needy and it is gratifying to note that it is working on its own deposits and that the large number of loans are surety loans.

A group photo was taken with the President and other members of the society after which the Registrar and party left for Kumbakonam.

ALWAYS INSIST ON BUYING "SAPRU'S" Genuine System of "HEIGHT INCREASE" with Prof. Sapru's signatures thereon. All others are forgeries & imitations! BEWARE!

**Increase YOUR !
HEIGHT!**

Complete Illustrated, Scientific and
Guaranteed Course-English Edition
Cloth-bound, Gold-lettered, with
CHART etc. **Rs. 3 only.**

Increase your Height

Why remain short statured,
meek and absurd? Become taller,
add 3 to 5 inches & become smart,
handsome and commanding.

Full illustrated course **Rs. 3 only.**

'THIRD EDITION' of this UNIQUE PUBLICATION is in Press?
PRE-PUBLICATION PRICE :- **Rs. 2.8/-** by M. O.

IMPERIAL STORES, KASUR. (Punjab)

Correspondence

THE SALEM DISTRICT URBAN BANK, LTD.,
SALEM, 6th December, 1932.

To

The Honourable the Minister,
for Excise and Education,
Fort Saint George, Madras.

(Through the President, The Madras Provincial Co-operative
Union Madras.).

Sir,

Last July, the Bank represented to Government that the closed arrack and toddy shops of Namakal and Tiruchengode Taluks may not be re-opened and that the period of experiment may be extended by at least two years. But it is now published for general information that all the closed arrack and toddy shops will be re-opened from next April and that any objections to this procedure should be made to the concerned Advisory Committees.

The main reasons for re-opening the shops appear to be that (1) some people want the shops and (2) that illicit cases have increased. It is true that Excise officers were very active to make out a case for re-opening the shops by showing a large number of illicit cases to the Excise Commissioner who visited the dry area in June, 1932, but I should like to point out that since his visit there has been practically no illicit case detected. People who want back the shops are so few in number, compared with the population of the villages, that it is unjust to re-open the shops for the few and submit the majority of the villagers to all the hardships and indignities that follow. The people in the dry area are suffering from leprosy to a very large extent, and several clinics have been opened for treatment of the same. Drinking of toddy and arrack in such areas impedes the progress of treatment and is calculated to largely aid the spread of the disease.

The experiment of closing the shops and creating a dry area has been tried only for a very short time and in view of the fact noted above, I request that the experiment may kindly be tried for two more years. There is absolutely nothing political about this. Financially, the people are undoubtedly better off in dry areas even as admitted by the Excise Commissioner.

125945
401
JL
X 11/12/1932
1231247

If for any reason it is not possible to keep all the shops closed, I request that the shops at Elur and the undermentioned* neighbouring villages may be kept closed, as Elur has for some years past been a centre of Rural Reconstruction conducted by this Bank and helped by the various departments of Government. There is an Inspector who is in sole charge of this centre and whose duty it is to do propaganda in respect of temperance with the aid of the magic lantern, pictures, etc., and house to house talks.

- * 1. Elur.
- 2. Kolathupalayam.
- 3. Navani Puduchatram.
- 4. Musiri.
- 5. Thondiapatti.
- 6. Manali.
- 7. Vayyappamalai.
- 8. Mavireddipatti.

I have the honour to be,
Sir,
Your most obedient Servant,
(Sd.) S. C. VENKATAPPA,
President.

R
THE MADRAS PROVINCIAL CO-OPERATIVE UNION,
ROYAPETTAH, MADRAS, 10th December 1932.

To

The Hon'ble Minister for Excise and Education,
Madras.

Sir,

I have much pleasure in endorsing and forwarding the accompanying letter from the President of the Salem District Urban Bank Ltd., Salem. That Bank and this Union are jointly conducting a Rural Reconstruction Centre at Elur and in the hamlets attached to it. If the experiment of closing arrack and toddy shops in the area be continued for a period of two more years as requested in the accompanying letter the Rural Reconstruction Centre will use all its resources to promote the experiment and to discourage and expose illicit distillation in the area.

I have the Honour to be,
Sir,
Your most obedient servant,
(Sd.) V. RAMADAS
President.

Extracts from Foreign Journals.

INTERNATIONAL CO-OPERATIVE WOMEN'S CONFERENCE LONDON.

Thursday and Friday, August 17th & 18th 1933.

PRELIMINARY NOTICE.

The Fourth Conference of the International Co-operative Women's Guild will be held in London on Thursday and Friday, August 17th & 18th 1933, prior to the Congress of the International Co-operative Alliance.

The Conference is likely to be of unusual interest. It will meet in the homeland of the Consumers' Movement and of the Guild Movement, and its meeting will coincide with the 50th Jubilee year of the English Guild. It will take place in the midst of world events that are daily calling to women to use their new-won freedom in untiring efforts for world co-operation. It should prove an opportunity to show what co-operative organisation among women has done and can do for women, for the Movement and for the world.

The agenda will include the 3 important questions of

1. The Methods of Supply that Co-operative Women want.
2. Co-operation and Women's Freedom: The place of the Co-operative Movement in Woman's struggle for freedom and for the improvement of her daily life.
3. The Next step towards World Peace.

The first two subjects will be introduced by means of special reports to be presented by Mrs. Munch, Switzerland, and Mrs. Moll, Holland.

In addition to the business sessions there will be a social gathering, and on Saturday and Sunday, August 19th & 20th, delegates will be given the opportunity of visiting some of the Co-operative and Social enterprises and historical monuments of London.

National Co-operative Women's Organisations affiliated to the International Guild (and these only) are invited to send *voting delegates* to the Conference. The number of these is not limited by rule, but the total voting strength of each delegation is determined in accordance with the membership subscription of the organisation represented up to a maximum of 20 votes.

In addition the Committee extends a very hearty invitation to Co-operative women belonging to countries not yet affiliated to the International Guild to attend the Conference as *fraternal delegates*. Fraternal delegates will have the right to take part in all the discussions of the

Conference (except on the rules and constitution of the International Guild) but not to vote.

All Women's Guilds, Women's Commissions, Women's Groups and active Co-operative Women throughout the world are urged to note these arrangements and to do their best to ensure that their country is well represented at this important international gathering of co-operative women.

EMMY FREUNDLICH,
President.

A. HONORA ENFIELD,
Secretary.

UNITED STATES OF AMERICA.

"JUNIOR" CO-OPERATIVE ASSOCIATIONS.*

In Oregon a plan which is worth mentioning has recently been developed for teaching co-operative marketing in agricultural high schools. The plan proposes instruction to high school boys by having them organise co-operatives, operate co-operatives and practice co-operation. The end in view is that the farm boys of to-day may be experienced in co-operative thought and practice when they become the farmers of to-morrow.

As these "junior" co-operatives are composed of minors, their associations are not incorporated. Also there are no separate marketing contracts with the members. By-laws were prepared, however, which contain many provisions usually found in articles and contracts, and the signing of the by-laws constitutes an agreement by the members that they are morally bound thereby.

The objects of the association, as set out in the by-laws, are as follows:

(a) To provide a co-operative marketing and purchasing organisation through which agricultural high school students may, through actual experience, receive instruction in co-operative experience, receive instruction in co-operative principles and practices, in organisation procedure, and in the conduct of business along sound lines.

(b) To promote, encourage, and engage in the business of producing, assembling, displaying, grading, packing, processing, shipping, storing, financing, advertising, selling or otherwise handling and marketing agricultural products, and to provide facilities and services whereby the members may engage in these or other activities on a co-operative basis.

(c) To handle the products produced by its members; to buy and sell any commodities whatever under rules established by the board of directors; to co-operate with adult co-operative associations or other junior associations; to operate in conformance with the co-operative association laws of Oregon and to be guided thereby though not controlled thereby.

* For general information on "junior" and school co-operative societies, their aims and their position in 19 countries, see Co-operative Information, No. 48 year 1927; No. 114, year 1931; No. 1, year 1932.

Special Types of Societies.

EXTRACTS FROM AUDIT REVIEWS.

1. THE TRICHINOPOLY DIST., CO-OPERATIVE FEDERATION, LTD., No. 10856.

(For the year 30—31.)

During the year under review there was no new admission in the Federation nor any withdrawal. The Federation had, therefore, at the end of the year, one individual, 19 local supervising Unions, one Audit Union, one Central Bank and two limited liability societies as its members. Out of the total demand of Rs. 37,328-10-0 for the year a sum of Rs. 36,621-9-0 was collected during the year leaving a balance of Rs. 707-1-0 on the last day of the year as supervision fund pending realisation from primary societies.

The general body never met during the year under review. But the Board, met 4 times during the year. 17 meetings of the Executive Committee were held during the year of which 3 meetings were adjourned for want of *quorum*.

The Federation staff under the control of the Executive Officer attended to the revision of property statements, collection work and rectification of audit defects. They also attended to the revival of bad societies and reconstitution of the recalcitrant panchayatdars. Several societies which could not be revived were recommended for liquidation and in many societies filing of suits by the District Bank was suggested as a preliminary measure prior to liquidation.

The Special Officer concentrated his attention in the Jayankondam area particularly in societies taken up for rectification and consolidation under the subvention scheme. Four supervisors worked under his control and nearly 60 societies were taken up for rectification.

The work of the Federation is more systematised now and the Executive Officer and the Special Officer are keenly interested in the rectification and consolidation of bad societies in Jayankondam and Karur areas. If the present system of working the Federation is continued with much more vigour the complete usefulness of the Federation in Trichinopoly will be felt in all quarters. The rectification work should also be extended to other areas as well, as it is the legitimate work of the Federation.

The Federation has not yet attempted to reconcile its office figures with those of the several Unions. The Unions have, after the centralisation of the supervision fund, no assets and liabilities of their own. The Federation ought to have transferred all assets and liabilities of the Unions to its own registers long ago. The Federation is requested to attend to this important item of work at least before the close of the current Co-operative Year.

2. THE KISTNA DISTRICT CO-OPERATIVE FEDERATION, LTD., No H 936, BEZWADA.

(For the year 30—31.)

Membership: The Federation was started on 23rd June '28 and this is therefore the fourth year of its working. The area of operations of the Federation extends to the whole of the Kistna District. On 30th June '31 there were on its rolls 18 supervising unions, 2 central banks, 4 unlimited liability societies and 1 limited liability society as against 17 supervising unions, 2 central banks and 3 unlimited liability societies on 30th June '30.

2. *Funds:* There was a sum of Rs. 4,837-12-0 in the two Co-operative Banks to the credit of the Federation at the beginning of the year. An amount of Rs. 22,860-13-0 was received towards supervision fund, etc., and Rs. 22,890 was withdrawn from its account during the year for allotments to local unions and expenditure of the Federation.

3. *Activities of the Federation:*

(i) *Conferences:* The fifteenth Kistna District Co-operative Conference was held at Chennur under the auspices of the Federation on the 21st and 22nd February '31. M. R. Ry., Rao Sahib V. S. Lakshminarasimharao Pantulu Garu presided on the occasion. Important subjects of co-operative interest were discussed and resolutions passed. The Federation is advised to formulate proposals for a suitable constitution for the conduct of the Conference.

(ii) *Propaganda:* No propaganda work was done during the year. The Federation is requested to make use of the Magic Lantern, and Co-operative slides purchased during the year.

(iii) *Educational Activities:* There is nothing to be recorded under this head during the year. Co-operative propaganda and education in the district may more usefully be carried on through co-ordination of work of the three propagandist institutions situated in Bezwada, viz., The Federation, The Andhra Sahakara Sammelanam and the Andhra Co-operative Institute.

4. *Collection work:* The Federation did its best in the recovery of arrears due from members to societies. From March 1931 to the end of the Co-operative year the whole supervisory staff was told off mainly for collection of overdues in societies. Nevertheless the overdue arrears in affiliated primary societies are still very heavy. It is hoped that the Federation will concert measures for speeding up the collection of arrears in the next harvest season in consultation with the two Co-operative Banks.

SPECIAL TYPES OF SOCIETIES.

5. *Compilation of Statistics:* The Federation undertook successfully with departmental assistance the compilation of Statistics for the Annual Administration Report for the year 1929-30.

6. *Meetings:* During the year 3 general body meetings and 6 meetings of the Board of Directors were held.

7. *General:* The working of the Unions is not quite satisfactory. There needs be a more effective control over the supervisors of unions and a better co-ordination of work among unions. Co-operative education and propaganda deserve more attention. The Federation is requested to consider the desirability of appointing a competent full time officer to carry on its administration satisfactorily and efficiently.

The Mysore Economic Journal. BANGALORE.

Published on the 7th of each month.

(The only English monthly Journal in Mysore State which has the largest circulation of any Newspaper or other periodical published in it.)

An Advertising Certainty and not a Mere Speculation.

Annual Subscription Rs. 6/- always payable in Advance.

For Advertisement rates, special positions
and other, apply to :—

The Manager,

“ MYSORE ECONOMIC JOURNAL.”

No. 19, Gundopunt Buildings, Siddicutta,
BANGALORE CITY.

3. THE ANDHRA CO-OPERATIVE INSTITUTE, LTD., No. H. 980, BEZWADA.

For the Year 1931—32.

The Institute was registered under the Co-operative Societies Act on 10-6-29 and started on work on 11-8-29. This is therefore the third year of its working. Prior to its registration, it functioned as an informal body for about two years.

Membership: At the beginning of the year the membership of the Institute was 17 comprising of 12 individuals, two District Federations and three Central Banks. During the year one individual and the Guntur District Central Bank were admitted to membership while one individual member was removed from the rolls. Thus the number of members at the end of the year was 18 of whom 12 were individuals, 2 District Federations and 4 Central Banks.

Training Classes: The Institute conducted one long session during the year which lasted from 6th July 1931 to 19th April 1932. Unlike in the previous years, the Madras Provincial Co-operative Union through an Examination Board constituted by its Education Committee conducted the final examinations common for all the districts. The particulars relating to the admission of students and the success achieved during the several sessions held by the Institute since its inception are shown below:—

The Students trained at the Institute had also the opportunity of sitting for the Government Technical Examinations held in April 1932 and the results are given below.

No. of Session.	Period.		No. of Students admitted	No. of Students that sat for the Examination.	No. of students that passed.			Percentage of passes Col. 8 to Col. 5.
	From	To			In the first Class.	In the second Class.	Total.	
1	13-3-28	12-6-28	44	44	...	26	26	59%
2	17-8-28	19-12-28	50	46	6	23	29	63%
3	5-1-29	11-5-29	90	84	7	34	41	49%
4	1-7-29	20-11-29	86	74	28	26	54	73%
5	2-12-29	16-4-30	80	61	3	29	32	53%
6	2-6-30	15-11-30	82	72	3	36	39	54%
7	1-12-30	4-5-31	102	100	4	46	50	50%
8	6-7-31	19-4-32	37	37	2	31	33	89%

SPECIAL TYPES OF SOCIETIES.

Subject.	No. of Students appeared.	Passed.	
		1st Class.	2nd Class.
Co-operation (Higher) ...	31	...	16
Auditing (Higher) ...	30	3	18
Banking Higher ...	1	...	...
" Lower ...	32	...	15
Book-keeping (Higher) ...	32	...	6

Library: The Institute maintains a good library consisting of books on Co-operation, Banking and allied subjects. The Library is open to all the Students and the Staff of the Institute and also to the outsiders approved by the Committee.

Co-operative Literary Association: During the year Messrs. V. Venkatasubbayya, B.A., S. K. Yegnanarayana, M.A. and V. Ramadas Pantulu, B.A., B.L. of the Provincial Co-operative Union visited the Institute and delivered lectures on "Consumers Co-operation", "Triplicane Co-operative Stores and its working", "Land Mortgage Banks" and "Insurance Societies". Under the auspices of the Literary Association lectures were arranged periodically and the students were largely benefitted by such lectures. The Institute had the honour of being visited by the Registrar and the Acting Registrar during the year. The International Co-operators day was celebrated under the auspices of the Institute.

Government Subsidy: There was a balance of Rs. 730 at the beginning of the year and subsidy of Rs. 1,666 was received during the year. The total amount of Rs. 2,396 was spent during the year towards the pay of the Staff, house rent and library.

The Government have at the instance of the Accountant-General ordered the Institute to refund the subsidy of Rs. 3,885 sanctioned in excess in the years 1929-30 and 1930-31. The Institute has since refunded Rs. 1,000 out of Rs. 2,010 relating to 1929-30.

Staff: The Superintendent is a Sub-Deputy Registrar of the Co-operative Department and his services have been lent free by the Government. The Lecturers on Rs. 120 and Rs. 100 respectively are maintained by the Institute from out of its funds. The Government have also placed at the disposal of the Institute one Clerk on Rs. 35-60 and two peons on Rs. 12-18 up to 31-3-32 and one peon thereafter.

Meetings: Two meetings of the General Body, four meetings of the Board of Management and five meetings of the Executive Committee were held during the year and none of them were adjourned for want of quorum.

General: The progress of the Institute continues to be satisfactory and the management and the staff have been taking interest in its working.

4. THE HOOD CO-OPERATIVE INSTITUTE LTD TANJORE.

(For the year 31--32.)

This is the fifth year of the working of the Institute.

Members :—At the beginning of the year there were 21 individuals and 52 societies on the rolls. Four individuals were admitted during the year. Thus the total number of individual members at the end of the year was 25 and the number of Society members remained the same.

Income and Expenditure.—

(a) **Income :—**The total demand of contributions due from members was Rs. 1,187. Of this 640 was collected during the year leaving a balance of Rs 547 at its end. The total amount of tuition fees collected during the year was Rs. 1,660. The Institute also realised Rs. 778 by way of interest on its investments.

(b) **Expenditure :—**The total amount spent on account of establishment consisting of one lecturer on Rs. 110/-, two clerks one on Rs. 35/- and another on Rs. 20/- (for the library) and a peon on Rs. 12/- per mensem was Rs. 2,003-8-6 including a sum of Rs. 41-0-6 being the pensionary contribution and allowances paid to the Instructor lent by Government during the previous year. The other main items of expenditure are :—

			Rs.	A.	P.
Rent	...	...	...	550	0 0
T. A. to Directors	...	...	...	24	8 0
Library Books and Journals	...	...	...	481	5 4
News papers and Gazette	...	...	...	111	10 6
Postage	...	...	...	59	3 6
Stationery	...	...	...	49	8 6
Advertisement	...	...	...	90	0 0
Printing and Binding	...	...	...	69	14 3

Office :—During the year Khan Sahib Dr. Syed Tajuddin Bahadur M.I.C., continued to be the President of the Institute. M.R.Ry. U. L. Vekatanarasaiah was the Superintendent of the Institute till 20-7-31 when he was succeeded by M. R. Ry. A. Hirudayaswamy B.A., who continued to be the Superintendent till the end of the year.

Training Classes :—During the year the Institute conducted a training class of nine months duration from July '31 to March '32. The course was according to the revised syllabus qualifying the students to sit for the Government Technical examinations in the several subjects

SPECIAL TYPES OF SOCIETIES.

in the Higher Grade. 30 students sat for the examination conducted by the Madras Provincial Co-operative Union. Of these 9 were placed in the First class and 18 in the Second class while the remaining 3 failed. Some of the students also sat for the Government Technical Examinations and the results are as follows :—

Subject.	Number Appeared.	No. passed		Total.
		First Class.	Second Class	
Co-operation	... (H) 33	4	17	21
Auditing	... (H) 30	8	14	22
Banking	... (H) 27	1	9	10
Do.	... (L) 4	...	3	3
Book-keeping	... (H) 18	1	12	13
Do	... (L) 17	...	6	6

Special lectures were delivered by Messrs. Satyanarayana of the Madras Provincial Co-operative Bank, Ltd., and Rajagopalachari G.D.A., On a survey of Co-operation in Europe and India and principles of Co-operation and Auditing, respectively.

In the months of May and June 1932 the Institute conducted a free Training Class for rural workers. Lectures on Co-operation, Education, Agriculture, Hygiene and Sanitation were delivered by the Superintendent, District Health Officers and Officers of the Agricultural Department.

Library :—The Institute maintains a good library consisting of 646 volumes mostly on Co-operation and allied subjects.

THE MADRAS AGRICULTURAL JOURNAL.

An English monthly, which helps to develop your land your stock, your purse and your country. Rs. 4/- per annum.

Apply :—

MANAGER,

The Madras Agricultural Journal,

Agricultural College & Research Institute,

Lawley Road P.O. Coimbatore.

5. THE ALAMURU CO-OPERATIVE LAND MORTGAGE BANK LIMITED., B. 140.

(For the year 31—32.)

Membership and share capital :—The number of members increased from 290 to 347 during the year under review. The paid up share capital which stood at Rs. 21,260/- at the beginning of the year rose to Rs. 24,210/- at the end of the year.

The following statement shows the indebtedness of the bank on 30—6—1931 as compared with the indebtedness on 30th June 1930.

	On 30—6—30.	On 30—6—31.
	Rs.	Rs.
'A' series debentures	... 50,000	50,000
'B' series debentures	... 1,20,200	1,20,000
Deposits for the purchase of debentures	...	3,250
Loans from the Central Land Mortgage Bank		52,075
	<u>1,70,200</u>	<u>2,25,525</u>

Loans :—The amount of loans outstanding at the commencement of the year was Rs. 10,85,669/-. During the year a sum of Rs. 64,100 was disbursed. A sum of Rs. 12,462/- was repaid leaving an outstanding balance of Rs. 2,37,307. The amount overdue under principal and interest were Rs. 592/- and Rs. 512/- against a demand of Rs. 10,660/- under principal and Rs. 17,135/- under interest, the percentage being 5.55 per cent and 2.9 per cent respectively.

Net Profits :—The bank earned a net divisible profit of Rs. 3,286-5-10, as against Rs. 3,654-3-6 of the previous year. According to by-law No. 63 (i) one fourth i.e., Rs. 821-10-0 should be carried to reserve fund. The balance is available for distribution according to by-law 63 (ii) and (iii). The Bank is requested to remit to the Madras Co-operative Central Land Mortgage Bank for credit to the Reserve Fund a sum of Rs. 3,963-11-10 including arrears.

6. KULITALAI LAND MORTGAGE BANK LTD., KULITALAI, TRICHINOPOLY DISTRICT.

(For the year 1930—31.)

The year of audit is the fifth year of the Society's existence. The year began with 95 members on its rolls with a paid up share capital of Rs. 11,630 and there were 143 members with a paid up share capital of Rs. 15,090 on the last day of the year. There has been a steady increase both in the number of members and the amount of subscribed share capital.

A sum of Rs. 26,850 was outstanding against the Society on account of the debentures issued and the issue of debentures being stopped on account of the amendments made in the bye-laws of the Society the same amount was outstanding at the end of the year. The fixed deposit of Rs. 2,500 outstanding at the beginning of the year was paid away in the course of the year when the deposit matured. A sum of Rs. 17,850 was outstanding at the beginning of the year on account of loan in the Central Land Mortgage Bank, Madras; a sum of Rs. 84,500 was borrowed and Rs. 2,296-6-0 paid off in the year leaving a balance of Rs. 1,00,053-10-0 at the end of the year. A sum of Rs. 8,906-2-0 was paid as interest on loans and deposits. There were no overdues at the end of the year.

A sum of Rs. 71,396 was outstanding against the members at the beginning of the year; Rs. 94,178 was issued as loans to members while Rs. 6,687-7-0 was recovered leaving a balance of Rs. 1,58,886-9-0 at the end of the year of which Rs. 54 was overdue. The interest collected during the year amounted to Rs. 10,376-14-0. The Board of Directors are requested to take steps for the recovery of the overdues.

The Society earned a net profit of Rs. 1,147. Twentyfive per cent of the net profits viz. Rs. 286-12-0 should be carried to the credit of the Reserve Fund and the balance is available for distribution as per the by-laws of the Society as will be decided by the general body.

The amount to the credit of the reserve fund in the Central Land Mortgage Bank, Madras, was Rs. 368-6-0. The Bank is requested to invest the sum of Rs. 286-12-0 noted in para 5 supra together with a sum of Rs. 308-1-0 being the amount due to reserve fund on account of the previous year in the Central Land Mortgage Bank, deducting therefrom a sum of Rs. 15-8-0 being the interest accrued on account of investment of reserve fund. With this, amount to the credit of the reserve fund will be Rs. 963-4-0.

The Society is classified as I. A. and its working is satisfactory.

7. THE NOBLE COLLEGE STUDENTS CO-OPERATIVE STORES LTD. No. H. 1004 MASULIPATAM.

(For the year 1931—32.)

The Stores was registered on 29—2—1930 and started on work on 2—7—1930. This is therefore the second year of its working.

Membership and share capital. There were 58 members on rolls at the beginning of the year with a paid up share capital of Rs. 83. The number of members rose during the year from 58 to 86. The paid up share capital amounted to Rs. 128 at the end of the year.

Purchases and sales:—During the year the Stores purchased stock worth Rs. 3,084-15-0 besides the stock on hand at the commencement of the year valued at Rs. 1,616-3-0. Stock worth Rs. 3,027-3-0 was sold during the year leaving at the close of the year stock worth Rs. 2,021-14-0. A comparison of the above figures with those of last year shows that the stores has enlarged its business in the year under audit. The Stores earned a gross profit of Rs. 347-15-0 as against Rs. 126-12-0 for the previous year.

Profits:—The Stores earned a net profit of Rs. 108-10-0. According to by-law 37 of the by-laws of the Stores—One-fourth, namely Rs. 27-3-0, should be carried to the reserve fund and the balance of Rs. 81-7-0 is available for distribution in accordance with and subject to the limitations laid down in clauses 2 to 5 of the same by-law.

Reserve fund:—With this year's contribution, the total reserve fund of the Stores will amount to Rs. 42-3-0. The Stores is requested to remit this amount to the Krishna Co-operative Bank, Masulipatam.

General:—The Directors are exhorted to enlarge the business further. Stock was not taken by the Directors on 30—6—32. It should invariably be done on 30th June of every year and a copy submitted to the Deputy Registrar.

ALL IN HALF A MINUTE'S TIME.

You can know the SEX of an UN-BORN CHILD, the SEX of UN-HATCHED EGGS and of Birds and INSECTS by the most wonderful "IKRIKI" (Appliance.)

IS IT NOT A WONDER TO KNOW AS TO WHETHER

A Pregnant woman will give Birth to a MALE or a FEMALE CHILD???

all in half a minute's TIME Guaranteed accurate appliance of Reliable GERMAN MANUFACTURE WHICH can conveniently be carried in your WAIST COAT POCKET.

PRICE (Complete with instructions) Rs. 1/- Only 87 appliances left in Stock.

Order to:—THE NOVELTIES SUPPLYING COMPANY,
DIRECT IMPORTERS, QILA SHEIKHUPURA, (PUNJAB).

8. THE MASULIPATAM CO-OPERATIVE MEDICAL AND GENERAL STORES.

(For the year 1930—31.)

Membership and share capital:—The stores was started on 23—4—1920 and this is therefore the 12th year of its working. There were 162 members with a paid up share capital of Rs. 2,073 at the end of the year as against 160 members with a paid up share capital of Rs. 2,063 at the end of the previous year.

Borrowings:—A sum of Rs. 1,000 due to the Krishna Co-operative Bank Ltd., Masulipatam at the end of the previous year was completely repaid with interest in the current year. There were no fresh borrowings during the current year.

Purchase and sales:—During the year the stores purchased stock worth Rs. 12,941-9-0 in addition to the stock on hand of Rs. 3,147-2-0 at the beginning of the year. Stock worth Rs. 16,108-10-0 was sold during the year. There was at the end of the year stock worth Rs. 1,551-10-0.

Profits:—The stores earned a net profit of Rs. 387-11-0 for the year. According to by-law 41(1) of the by-laws of the stores, one-fourth, namely, Rs. 96-15-0 should be carried to Reserve Fund and the balance of Rs. 290-12-0 is available for distribution in accordance with and subject to the limitations laid down in clauses 2 to 6 of the same by-law.

Reserve fund:—With this year's contribution, the total reserve fund of the stores will amount to Rs. 1,799-15-0. Adjusting the amount of Rs. 27-15-0 being the interest earned for the half-year ending 30—6—31 on the reserve fund already invested, the stores is requested to remit Rs. 794-14-0 including the arrears of previous years to the Krishna Co-operative Bank Ltd., Masulipatam towards its reserve fund account.

Meetings:—11 directors and 2 general body meetings were held during the year. But four of the former and one of the latter were adjourned for want of quorum.

General:—By-law No. 40 of the by-laws of the stores relating to the quarterly valuation of stock and by-law 38 regarding cash sales may be strictly adhered to. The amount of Rs. 1,115-2-0 due from members on account of credit transactions may be recovered at an early date.

9. CHITTOOR LAKSHMI CO-OPERATIVE STORES LTD.

(For the year 1930-31.)

This is the fourth year of its working, the stores having been started on 10-2-1928. The number of members rose from 34 to 39 and the paid up share capital from Rs. 425 to Rs. 523-3-6. A sum of Rs. 106-12-6 is in arrears under share capital at the end of the year. This should be collected at an early date.

The society enjoyed cash credit to the extent of Rs. 400 from the Chittoor District Co-operative Central Bank Ltd., and the entire amount of Rs. 400 was outstanding against the stores at the end of the year.

There was a stock of goods to the value of Rs. 519-10-0 at the beginning of the year. Purchases worth Rs. 2,637-15-0 and sales of the value of Rs. 2,898-13-0 were made during the year scoring a gross profit of Rs. 145-5-0. Value of goods on hand at the end of the year was Rs. 404-1-0.

The stores sustained in the year a net loss of Rs. 48-8-0. Rs. 8 should be remitted to the District Bank towards Reserve Fund as per audit certificate of last year.

General: The Stores had not distributed the dividend in full to the members. The management is requested to expand the business and try to wipe off the loss.

The contribution to supervision fund for the year will be determined after consulting the Chittoor Union to which the Stores is affiliated. The union has been addressed and the amount will be given on receipt of its reply. The arrears with Rs. 4 ordered to be paid for 1929-30 may however be remitted at once to the Chittoor District Co-operative Central Bank Ltd., Chittoor.

10. THE KAVALI COTTON STORES LTD.

(For the year 1930-31.)

This is the eighth year of its working having been started on 25-6-24. The number of members fell from 76 to 75 and the paid up share capital of the members from Rs. 620 to Rs. 595.

The society is financed by the Nellore District Bank from which it borrowed Rs. 1,800 and repaid Rs. 171 during the year leaving a balance of Rs. 2,813 at the end of the year against Rs. 1,184 only at the end of the previous year.

SPECIAL TYPES OF SOCIETIES

There was a stock of goods to the value of Rs. 563-4-0 at the beginning of the year. The stores purchased goods worth Rs. 6,304-13-0 and sold goods worth Rs. 5,936-6-0 during the year realising a profit of Rs. 468-11-0. Goods worth Rs. 1,400-6-0 were in stock at the end of the year.

To meet the probable loss in Kommi Centre owing to the frauds committed there, a sum of Rs. 824-7-0 is set off as bad debts reserve. On account of this, the stores sustained a net loss of Rs. 718-7-0 during the year, against 60-3-0 during the previous year.

11. THE KURNOOL CO-OPERATIVE THRIFT AND LOAN SOCIETY.

(For the year 1931-32.)

The year of audit is the second year of the society's working. The number of members and paid up share capital rose from 22 and Rs. 23 at the beginning of the year to Rs. 32 and 47 respectively at the end of the year.

The amount of contribution to the thrift fund by the members rose from Rs. 122-3-0 at the beginning to Rs. 820-0-0 at the end of the year. Seven members were in default of their subscriptions amounting to Rs. 41 on 30-6-32.

The Society's Investments in the Kurnool District Co-operative Central Bank Ltd. at the end of the year amounted to Rs. 800 in fixed deposits and Rs. 7-9-0 in savings deposits as against Rs. 100 and Rs. 46-15-0 respectively at the end of the previous year.

The society earned a net profit of Rs. 9-0-0 for the year 1931-32. According to clause (1) of by-law 57 of the society, 25 per cent of it, namely Rs. 2-4-0 should be set apart as reserve fund. The balance of Rs. 6-12-0 is available for distribution in accordance with clauses (2) to (5) of by-law 57 of the society.

The reserve fund of the society on 30-6-31 was Rs. 1-8-0. Adding Rs. 2-4-0 referred to in para 5 above, the reserve fund amounts to Rs. 3-12-0. The society has invested the amount as Reserve Fund in the Kurnool District Co-operative Central Bank Ltd. during the current Co-operative year.

THE CO-OPERATIVE THRIFT AND LOAN SOCIETY,
CONJEEVERAM.

*A Brief Account of the working during the year ending
30th June 1932.*

The society was started on 4th October 1930 under the auspices of the Provincial Co-operative Union in view to train the local residents practically in the habit of thrift and to inculcate in them the principle that no one who cannot save should borrow; also to develop and establish among the people the virtue of making punctual payment of their dues. Unlike the ordinary co-operative credit societies this society grants no loan to a member till after six months from the date of his admission and it is made a condition of the membership that he should regularly subscribe to the thrift fund or provident fund monthly such sum as he fixes at the time of his admission which may be varied thereafter only at the commencement of each year. The grant of loan when it is permissible is limited to 90 per cent of the savings to the credit of the member.

Though these conditions are not such as would attract the class of people who ordinarily join co-operative societies it is gratifying to record that the strength of this society which was only 17 at the start grew to 107 on 30th June 1932, and that persons of various occupations in life from the lowest wage earner to the leading local official have become members and they paid their dues of monthly subscriptions and loan instalments quite regular and punctually leaving not a single pie in arrear at the end of the co-operative year. The total collections in the society which were Rs. 1,618-15-1 on 30—6—31 rose to Rs. 4,537-14-9 on 30—6—1932. The society had naturally to work at a loss of Rs. 31-6-6 in the first year which the Provincial Co-operative Union made good. In the second year it made a profit and declared a dividend of 9 per cent. but this was possible because the entire scriptory work of the society was performed without any cost by the Honorary Secretary Mr. C. Arumuga Mudaliyar, a Retired Tahsildar, to whom the society is grateful for this generous help. The Management which includes Rao Bahadur A. Rajabadar Mudaliyar, the propagandist member of the Provincial Co-operative Union, as President and Mr. V. Gnanadicam, B.A., L.T., as Vice President, and other enthusiastic members, is making continued efforts by propaganda to induce the people to join the society in larger numbers.