

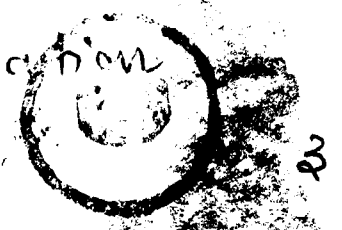
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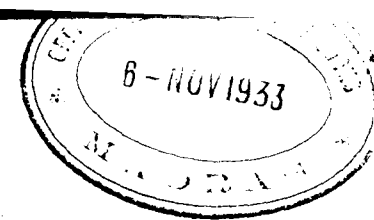
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Editorial Notes.

The Reserve Bank Bill.

The introduction of a bill, in the Imperial Legislature by the Finance Member of Viceroy's Council for the starting of a Reserve Bank for India is an event of first rate importance in the history of our country. So long ago as 1926 the Royal Commission on Indian Currency and Exchange recommended the formation of such a bank and a bill was introduced in the Imperial Legislature in 1927 which has undergone several modifications in the Select Committee Stage. A new Bill was introduced in 1928, after some discussion it was withdrawn by the Government. The Central Banking Enquiry Committee went fully into this important question and made a unanimous recommendation that a Reserve Bank should be established as early as possible, having full power over the currency and credit of the



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land and to be completely independent of the changes in Political Parties.

"It is the unanimous opinion of all authorities on the subject that the first step to remove many of the defects in the existing system is to bring the Reserve Bank into being. The foreign banking experts went so far as to say that it is one of our principal duties to recommend that the Reserve Bank should be established in India as soon as possible and that this institution should be free from political influence..... We accordingly consider it to be a matter of supreme importance from the point of view of the development of banking facilities in India, and of her economic advancement generally, that a Central Reserve Bank should be created at the earliest possible date." The committee also made certain suggestions towards improving the bill as drafted in 1928.

One of the most outstanding problems discussed at the Round Table Conference was certainly the formation of a Reserve Bank and therefore it was that Sir George Schuster in introducing the bill expressed himself as follows :—

"I am impressed on this occasion with a full sense of responsibility in making what is perhaps the most important motion which has fallen to me to move during the tenure of Office as Finance Member. I use the words advisedly, for in framing and passing this bill, we shall be doing something to shape the destinies of the New India of the future to which we are looking forward."

As the subject is of great importance and as it teems with problems of a somewhat controversial nature, we do not at present enter into the merits of the bill as introduced, but await the publication in our next issue of an article by Mr. V. Ramadas Pantulu who as one of the Members of the Select Committee which considered the Bill of 1927 and of the Central Banking Enquiry Committee has had unique opportunities of discussing this subject with Indian Bankers and foreign experts who were co-opted. Our comments, if any, would be published latter.

Co-operative Milk Supply for Madras.

Of the major Co-operative organisations in the Province of Bengal, one which has elicited the admiration of every visitor to the City of Calcutta is the famous Milk Supply Union. It is really a producers' Union trying to get milk from the outlying villages and getting it transported under sanitary conditions to Calcutta and having it distributed amongst consumers. We have a Milk Supply Union in our City as well, but attempts to link this Union with consumers have not been quite successful so far. Consumers are proverbially unsteady and the smallest consideration is enough to make them waver in their loyalty and business suffers heavily from such waverings. If the quantity of milk ordered for a locality on a particular day is not required in that locality on the day, it has to be sold elsewhere or converted into butter or curds and sold for whatever price they fetch. Hence in Madras attempts have been made to secure as many large units of consumption as possible, such as hospitals, hostels etc., instead of supplying this very necessary article of diet to individual consumers. It is exactly on this point that Calcutta has stolen a march over Madras. They have been able to give the benefit of fresh and pure milk supply not only to large consumers like hospitals etc., which would be a convenient business proposition from the point of view of producers, but they have been able to supply to a very large number of individual consumers hygienically prepared milk and this they have been able to do because of the pasteurization plant they have been able to put up. In Madras, the milk that is milked in villages near Poonamallee and other places early in the morning at about 3 o'clock is brought in vans for consumption in the city before 9 o'clock in the morning and the same thing is repeated in the evening and in the absence of pasteurising plant, it is impossible for us to keep the milk on for more than 6 hours. The producers, therefore, are interested in getting the milk sold in bulk as far as possible and hence the benefit of pure milk supply does not reach the individual consumer. If following the example of Calcutta we also are able to establish a pasteurising plant and if we could keep the milk of the morning

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pasteurised and stored in ice-chambers for selling in the evening and similarly milk brought in the evening could be kept for use in the next morning, not only could the supply be regulated to consumers but the benefit of such supply could be extended to a much large number than at present. We earnestly hope that ere long the present Registrar who as Joint Registrar was responsible for the Milk Supply Union will do his best to see that pasteurising plant is bought for the Milk Supply Union and the benefit of hygienic milk supply extended to thousands in the city. It is a pleasure to see thousands of bottles being sent out every day from the Union Office to the consumers' very doors and what Calcutta has done Madras may also do.

Some Current Problems and the Provincial Co-operative Union.

The proceedings of the meeting of the Executive Committee of the Provincial Co-operative Union that are published elsewhere may not give a full and accurate idea of the amount of work turned out at its meeting. The session was a long and well-attended one. Among the outstanding problems discussed, the question of Supervision was the most important one. It was the unanimous opinion of all members present that in many cases, the present machinery of Supervising Union which was originally devised independent of the Financing Bank to Supervise the day to day working of Primary Societies has largely broken down in many areas and that there is no other agency at present in the field to take its place. It was felt equally strongly that most of the Primary Societies do require constant supervision; hence the Executive Committee spent a good deal of time in arriving at a unanimous view about the re-shaping of supervising machinery. Mr. V. Ramadas Pantulu's scheme, which is also published elsewhere, is a result of much hard thinking and frank exchange of views.

We adverted in these columns to the prevalence of a good deal of idle sentiment in the Co-operative Movement which instead of

being a help is a positive hindrance, and we have to classify attachment to certain effete formulae and enunciated as unalterable laws but since found to be very crude and imperfect statements of partial truths as another such hindrance. We co-operators should have a sense of realism about us and we should be ever ready to listen to the very convincing arguments of facts. That finance and supervision should never go together was the old cry. Financiers, even though they are Co-operative Financiers, were looked upon as the descendants of Shylock having the Shylockian mentality and therefore, the supervising union was devised from which Financing Bank was kept out except as an agent to collect supervision fee and hand it over to the union authorities. The so called Orthodox doctrine that borrowers would somehow manage the lenders' money better than the lender himself has been tried and found wanting. There is more truth in the old Tamil proverb, that, it is the drop of oil in the eye that makes you smart and not that on the eye-brow. The natural interest of the financing bank in the way in which the money lent out by it is being utilised by Primary Societies cannot be taken out of it by any number of epigrams or G. O's based upon them. The financing banks should no longer be treated as untouchables or unapproachables but should in a true co-operative spirit be invited to come into the supervising scheme and revitalise it. It may not be unknown to our readers that in many Provinces in India supervision, such as it is, is being done by financing banks and done at least as successfully as the Madras scheme of pure supervision, independent of financing banks which show that the Madras scheme is only one of the many that may be tried and was not based upon any unalterable economic laws. We hope, the scheme put forward by Mr. Ramadas Pantulu would be given the consideration it deserves and a way discovered to get over the present serious situation.

There was heated discussion about the indiscriminate way in which liquidation proceedings are taken against societies and the Department came in for a good deal of criticism and the resolution on the subject was arrived at after a discussion with the Registrar, who

himself has expressed his partial agreement with the line of action indicated.

The T. U. C. S.

The General Body meeting of the Triplicane Urban Co-operative Society, Ltd., which was held last month considered two resolutions of an interesting nature and as the Triplicane Urban Co-operative Society is a unique institution in India, we offer no apologies for dwelling at some length upon them. One was to remove the existing by-law whereby branches not selling up to a particular minimum every half year cease to have the right to send a representative to the Board of Management. This by-law was introduced about four years ago, when the by-laws were completely remodelled and it was specially put in (there was no such provision in the old by-laws) with a view to spur every branch to keep its business up to the mark; but unfortunately this very good intention of the framers of by-laws has not been given effect to and branches not doing business up to the minimum have instead of putting forth efforts and not to lose their claim to send a Director become indifferent when they come near the danger point and as a result so many branches have now ceased to have Directors. The General Body was, however, not for the removal of the disqualification.

The second resolution discussed was one authorising the Directors to hold General Body meetings by rotation in different branches and not as is being done now exclusively at the headquarters. The danger at present is, it is alleged, that people of the locality in and about the headquarters gather in large numbers, as is only to be expected, than members from far off branches and it is the voice of the local members that ultimately prevails and that the feeble voice of distant member is not heard. It was, therefore, thought desirable to shift meetings to different centres so that audiences may be different but this proposition was also thrown out.

This proposition raises a very important question *viz.*, how to make the opinion of the General Body express itself clearly when the membership of the General Body is so unwieldy. This problem

is not confined to the Triplicane Urban Co-operative Society only. It is a problem which affects many an important Urban Bank also whose membership as in the case of the Triplicane Urban Co-operative Society runs to more than 5000. Is it possible for all these 5000 people to come, at least a fairly large number of them, and vote upon questions, or should the voting be done by representative of groups? There are those who hold that owing to the unwieldy nature of the General Body, each member should be asked to be content with electing his group representative and the right of vote should be given only to these representatives. This is opposed to the principle of direct representation and hence is opposed on principle by some theorists though in fact several countries in the west have changed the constitution of co-operators accordingly. An alternative is to hold meetings simultaneously in different places and placing the same agenda before different groups as is being done in parts of England and other continental countries and make members record 'yes' or 'no' in a definite and unmistakable manner. This procedure would be quite all right if confined to broad issues of policy; it would be a sort of referendum. But it has one disadvantage however from the Indian point of view apart from the difficulty of discussing matters of administration by such means. It would rob the General Body meeting of all its glamour and make it a prosaic, dull, business affair. Opportunities that are now available for budding orators to speak and to appeal to general body of members of the whole society would be lost; but co-operation as we have been saying is essentially business and business methods have to be adopted. We hope our readers will think about this problem of how to make General Body meetings of big societies sufficiently representative and the pages of this Journal are always open to them for expression of their opinions.

International Co-operators' Day.

Our readers are reminded of the fact that according to a previous decision of the All India Institutes' Association, the International Co-operators Day is to be celebrated all over India on the 1st Saturday in November which this year happens to fall on the 4th November. We hope Co-operative Societies all over the Province, especially propaganda institutions will make preparations from now for celebrating the day in a fitting manner and send us reports after the function is over.

Rural Reconstruction.

It is a happy augury of the times that Village Reconstruction is no longer the talk of a few faddists but has begun to engage the serious attention of Governors and persons in exalted position. It was only the other day that His Excellency the Governor of Bombay addressing the Bombay Rotarians laid great stress upon the village as a Unit of Indian life and the duty of the educated Indian to render unto the village real service realising the fact that he could not steal a march over the village in his own urban area, for the progress of India is to be both of Rural and Urban India. 'Take care of the cultivator' said His Excellency, and that is what the workers in Rural Reconstruction Centres have been attempting to do. We await with great interest the development of His Excellency's plan of holding durbars in different parts of the province and summing up the final results at a durbar to be held at Poona. We hope it will be laying the foundation of a new era of village reconstruction activities not only in Bombay but in India as well.

Well Done, Mr. Chengappa !

From the latest co-operative News of Manchester to hand we are glad to note that Mr. Chengappa whose articles have appeared in our Journal, is returning to India after a year's study at the Co-operative College, Manchester. We are extremely gratified to note that he has won Honours Diploma securing five First Classes in the seven subjects set for the examination. We wish Mr. Chengappa a hearty welcome home and many years of useful work in his native district of Coorg.

The International Co-operators Day.

By

Mr. V. SRINIVASAN, M. A.

It was in 1923, a decade ago, that the International Co-operative Alliance considered the organisation of a Co-operators' Day besides a co-operative exhibition. May 14th is a day dedicated to the memory of Robert Owen the founder of the movement and the Rochdale Day comes on the 21st of December and betwixt the two the International Co-operators Day was fixed by the Alliance on the first Saturday in July for co-operators to organise a holiday and toast the movement they had identified themselves with. Local sentiment was however permitted to determine the nature of the Anniversary and we in India acting up to the suggestion made by the Bombay Co-operative Institute in 1930, have it in November.

One is inclined, with its approach, to reflect over the past and survey the progress of the movement. For, Owen's Movement is old and the flannel weavers of Toad Lane Square of Mecca of Co-operators, would celebrate shortly the centenary of the foundation of its famous store. It was first of its kind in the country and the two features of its organisation were the dividend declared among the purchasers in proportion to their purchases and the provision under which profits were added to the capital which when it reached £ 5 enabled one to be a share-holder. From humble beginnings, the co-operative ideal has spread far and to-day the movement embraces according to International Labour Office estimates. More than 31 countries claiming the allegiance of more than 50 million people.

Women too took to co-operation early and their first society in England was founded in 1834.

It is necessary to dwell on the basic principle of the movement and then advert to its record.

Economic theory has always understood co-operation to be a mode of industrialism under which labourers try to dispense with the employing class. Instead of waiting to be hired they borrow capital and start a business and after paying interest, divide the profits among those who provide the capital and those who provide the

labour, as well as among the customers. Co-operators thus is an 'association tending towards the abolition of profits' (Gide).

The idea is that those who have helped to produce are entitled to a share in the profits and to a voice in the direction of the business. It is to the interest of the employer that the labourer gets a share in the gain; such an arrangement will tone up efficiency. 'A spirit of mutual aid and self-respect is engendered in either party.'

Owen pointed out how an isolated and powerless individual can, by association with others, obtain in his own degree the material advantages available to the upper ten of society which would enable him to grow to the highest stature of manhood.

As for methods, the Editor of the *Co-operative Magazine* stated as early as 1826 that it was not the intention of the founder of the movement that the rich should give up their property to the poor, but that 'the poor should be placed in such a situation as would enable them to create new wealth for themselves.' Mutual aid, not competition, is to be recognised as a nobler principle to guide the conduct of life. By uniting to sell to others or purchase for themselves, a body of men can gain more than by proceeding individually. There is thus secured in co-operative effort an economy of capital, production and management.

This was the rationale of the movement which has enveloped the world. And to its achievements we should now advert.

Of the distributive system itself which was the form the movement took early, it has to be said that it eliminated the unspeakable middleman. The store has come to be a recognised school of training in shop-keeping. Profit is suppressed and divided among share-holders and among customers and the employees. Advertisement is as a rule avoided and a lower price generally characterises business. That at any rate has been the experience in England, where the Royal Commission of Food Prices reported in 1925 that co-operative societies had helped to keep down prices, reduce cost of production, cut down overhead charges and cheaper living. "By buying goods from the local co-operative society you will not only help to cheapen the loaf; you will also help to make profiteering impossible and at the same time increase the society's power to control prices and reduce cost of living." Strictest economy is enjoined on

these societies. The manager is generally elected and labour is paid the ordinary wages. An adjustment between production and consumption is consistently striven after, crises avoided and habits of thrift cultivated.

But the movement has been found to be successful only in retail tradings; despite enthusiasm and strenuous efforts, its success in production has been but qualified and moderate. Competent observers held that better results could be obtained by offering a fixed salary that would be high enough to attract the necessary managerial ability. There is, as it is, reluctance to remunerate competent men and this together with the difficulty of gauging aright the fluctuating needs of distant markets have hampered progress in European large scale production on co-operative lines. This is inevitable in an age of trusts and cartels organised by big business interest on profit.

Though co-operation in production is disappointing, the success of co-operative farming or at least the utilisation of farm products which transport has stimulated has been phenomenal and countries like Holland, Belgium, Denmark and Ireland point the way to future development in the line.

Co-operation in Central Europe has for a long time interested itself in problems of rural welfare and the village banks of Germany are among the far famed on earth. The villages of Germany are, as with us, the nerve centres of national life and the interests of the industrious peasantry have drawn forth in that country intensive co-operative efforts which in the banking sphere have been such as to shock even the joint stock organisations transacting banking business under other auspices. This is as it should be when we consider the place of the village in a nation's economy. Sir Horace Plunkett once said that if he had to begin his economic work in Ireland over again he would begin with village banks.

The Raiffeisen Banks of Germany have influenced the course of German national development. Essentially rural in the scope of their operation, the share-holders of the Raiffeisen Society were poor but as they knew each other intimately, the society lent to members on security the soundness of which was indubious. Savings Bank business also is transacted in these institutions and the banks are

not infrequently linked into unions, the unions in turn being knit into a general agency.

The Schulze Delitzche type of banks which was yet another system of co-operative banking grew up in urban areas and catered to the needs of the middle class. Its officers were generally salaried men and interests were paid on shares which are greater than in the Raiffeisen type. The sphere of action was not necessarily restricted to the neighbourhood. The societies closely resembled the commercial banks.

The village banks of Germany have an interest to us because it was their success that influenced the first co-operative efforts in our country. Sir Frederick Nicholson's now famous minute stimulated interest in the subject which the efforts of enthusiasts like Dupernex in the United Province and Crosthwaite in the Punjab helped to materialise and on the recommendation of the Famine Commission, our first Co-operative Societies Act was passed in 1904 during the Viceroyalty of the indefatigable Lord Curzon, here, as in many other things, the architect of grand projects. But higher finance was not within the purview of early co-operative legislation and its operation was restricted to the credit side. There was no popular demand either as there was in Japan, and the Co-operative Movement in India commenced work under official auspices. Public interest was roused only subsequently through departmental efforts and it was not before the Act of 1912 that co-operative remedies were sought to be applied to the crux of the problem of indebtedness and the educative value of the movement brought home to the multitudes.

It was, then, the village banks of Germany that attracted us towards the close of the last century.

Another development in European life requiring mention is the establishment of insurance houses under co-operative auspices which are rapidly taking the place of banks.

Phenomenal success has attended the efforts of the co-operators of the West where societies have vied with the government in ensuring to the people the satisfaction of material comforts which go to make the good life of the state. They have been conducting kitchens, creameries, laundries, butter works, poultry farms and seed societies they have been interesting themselves in warehousing and market-

ing operations; and they have succeeded in attaching butcheries and slaughter houses. And fine has been the record of housing societies and the local banks of England and the German Raiffeisen institutions have shown what could be achieved by applying co-operative solution to relieving congestion.

In India too we have seen the beginning of these things though not on gigantic scales. Sir Dentil Ibbetson once explained the purpose of co-operative legislation in this country to be the encouragement of thrifty habits and the provision of cheap credit among men of limited means. This objection of furnishing credit, though a prime consideration with the early co-operators, is not true of conditions obtaining now, and we have travelled a long way from this restricted ideal and have taken to the broader and yet baffling sphere of non-credit co-operation.

The sphere of Co-operative effort in India has been conterminous with all the recognised fields of Co-operation in the West. Co-operators have identified themselves with every progressive moment and have included Harijan service in their programme. Building societies are dotted all over the country and have excellent work to their credit, particularly in Triplicane, Bombay and Lahore. Rural reconstruction centres have arisen and are sedulously fostered by Co-operators. The stores movement has made much headway, and the Co-operators have been keenly interesting themselves in marketing and warehousing projects. The banking position recently came under the review of a Royal Commission and the Imperial and Provincial Committees of enquiry, whose findings and recommendations are receiving careful attention with a view to their being given effect to. Irrigation societies in Birbhum and Bankura have been cultivating thousands of acres and many land mortgage banks have been started. And the Insurance Society recently started in Madras is the first of its kind in the province and judging by the results of its one year's existence, bids fair to become a popular institution. As a result of these varied activities, the colossal sum of 25 crore is said to be handled by the Co-operators of this Country who at 2½ million strong belonging to nearly 68,000 societies spread over this vast land.

In assessing its achievements, it is hard to slur over the fact that in the matter of relieving agricultural indebtedness, India

Co-operation has failed. The indebtedness of our pleasantries has been computed to extend to 5000 millions* of which only 85 have been found according to a great authority. Loans amounted to 210 millions after 16 years and at this rate it would require 300 years to wipe out agricultural indebtedness in this vast country. Sir, D.E. Wacha speaking of Bombay pronounced the work of co-operative societies in the sphere to be a failure and considered it a pity that indebtedness had increased. The experience in other provinces has not been far different. We should not judge by more increase in societies. As a distinguished Registrar said more co-operators rather than co-operative societies are wanted. The problem of agricultural indebtedness is of stupendous dimensions and only a fringe has been touched. It was the Industrial Commission which first got Government interested in the subject and before much could be done, the great war intervened and the process of recovery had hardly commenced, when we found ourselves, in common with the rest of the world in an economic blizzard of an unprecedented kind.

Here, then, is a sphere where labour and yet more labour of an unremitting nature is called for four co-operative institutions. And Government should be instituted in its support in the campaign of agricultural relief. Co-operation to be successful predicates savings which has yet cannot be said to exist in our country to the extent desired. The position could not be otherwise in a land where the bulk of the people have to toil hard to keep body and soul together. There is moreover no hope of success in a state of 95 per cent. illiteracy. But education alone would do nor can even scientific training by itself usher in the millennium. Intensive farming requires capital which should be provided by making available cheap credit to those who need it and deserve it. Saving habits should be encouraged to an increasing extent, little resources pooled and prototypes of the Raiffeisen banks of Germany and the Japanese Hypothec banks should be brought into existence in large numbers. Egypt solved the problem long ago and is it too much to hope that under a superstructure of credit erected on the Post Office Savings Bank, the gold standard reserves and fiduciary resources of the state, it would be possible to mobilise small scattered holdings and drawing in even the unspeakable native Sowcar in a war against agricultural indebtedness, loans, deposits, shares and other means known to the banking world keeping the enterprise going.

* The Indian Central Banks Enquiry Committee put it at Rs. 1,000 crores in 31.

As for the non-credit side of co-operation, reference in India has shown that in the matter of societies of purchase and sale, age-long custom which has restricted purchases and sales to castes and communities is an obstacle. There exist, besides, certain features of village shop keeping that could not be introduced into Co-operative business. Sale on credit, purchase in advance, flexibility of rate, small profit in turnover are instances in point: these features it has been found impossible to incorporate in Co-operative organisations. Societies cannot seek to cover expenses and risk malpractices.

It could not be gain-said that the Co-operative movement has done some good to the Indian population as a whole. Besides the provision of capital at normal rate of interest, the organisation of rural credit, and the spread of co-operative ideals and habits, and the training in the art of handling money, the movement has resulted in an appreciable reduction of the usurers's rate of interest, a matter to which pointed attention was drawn by the Linbithgrov commission who noted a distinct change in the moneylender's outlook on life. These stand to the credit of the movement. But human organisations have nowhere been perfect and several provincial enquiries have revealed many a sore in the Co-operative Fabric of India. In the Central Provinces, concentration of authority and fluid resources at the Centre tampered progress and many societies have gone into liquidation; the Oakden Committee in the United Province recommended several changes of a drastic nature in 1925 consequent on the disclosure of malpractices mostly due to imperfect understanding of the principles of the Co-operative Movement. And in our province the Townstend Committee noted with alarm the steady increase of overdue loans and wondered why people forgot that borrowing implies repayment.

This experience is explained by the fact that democratic principle has not been a potent force for checking abuses. Members of societies often happen to be people not so much interested in working out co-operative ideals as in benefitting themselves from the connection with co-operative organisations. And this way of profit has not infrequently blocked the way of progress along truly co-operative lines. And as for this officials of the department, the impression is prevalent that they are loth to become unpopular by taking stringent action against recalcitrants and recovery by legal processes. Calculated inertness on either side must needs lead to stagnation and dissolution.

When all is said and done, it is to be acknowledged that the defect in working of co-operative ideals is inherent in the movement itself which is democratic in principle and is swayed in practice by ordinary human motives. With all this the work of co-operation is marvellous particularly when it is remembered, that it has developed independent of Governmental help except in instances like India. In the credit sphere, its potentialities have been proved to be great and given a Raiffeisen of integrity and given a community devoted to the pursuit of time co-operative ideals and adhering to the sportsman's maxim 'do not cheat', there is no reason why it should not immeasurably benefit the world. Here and in the non-credit side, the movement has certainly vindicated itself during the less than a century of its existence. England is highly co-operative to-day, as also Ireland, not to say the United State. Denmark's dairy system has changed the face of her national life and made her a world power. Holland, Belgium, Germany and other states of Europe have been profoundly influenced by Co-operative ideals and imperial Japan owes much of her agricultural prosperity to the adoption of co-operative methods. Italy has her Luzattis and as for Russia, Co-operative ideals have found a place in Lenin's scheme of a workers republic, and have preserved the Russian Revolution, giving a very liberal interpretation to the rule, 'Each according to his need'. In India itself the work done is by no means negligible thanks to our Oakdens, Crosthwaits and Rothfields and the band of non-official workers whom co-operative ideals have drawn to active public service.

"Throw yourself on the altar of some great cause. Enthusiasm is the life of the soul", exhorted Wendall Phillips long ago. And in our age of competition and conflict of interests, of uncertainty and readjustment economic and social, there is no sphere which holds for the opportunities of selfless service as the co-operative sphere. In the plane of co-operation, all nations meet as in that of theosophy and the observance of the International Co-operators Day is only another manifestation of the new spirit of internationalism that has permeated in the world after the world War. The occasion is utilised by co-operators to meet and exchange notes and views, to take stock of success achieved, and disconfitures encountered and surmounted and to concert measures for promoting co operative welfare. The Day has become a festival when games are organised, exhibitions arranged for, plays put on board, prizes given and efforts taken to get the masses Co-operative minded. The celebration of the Day has therefore come to have a definite place on the co-operative propaganda clock. It has become symbolical and potentials of all those high human attributes which alone could unite mankind in the peaceful evolution of a happier social order and the realisation of the Co-operative Commonwealth.

Directorate of Primary Land Mortgage Banks.

BY RAO BAHADUR A. VEDACHALA IYER.

The working of a Primary Land Mortgage Bank is a very difficult concern and the Directors in it must have adequate knowledge of agricultural conditions, capacity to estimate fairly accurately the value of land, the yield, the income and expenditure of a borrower and must be men with sterling character and unselfish in their actions. The work done must be accurate and true to facts as any exaggeration would hit hard the interest of Mortgage Banks and any haphazard depreciation will work against the interests of the agriculturists especially of the poor men with small extent of lands and small repaying capacity. To avoid at the outset the eccentricities of election of directors by the general body due to factious communal or political differences, the Registrar has now taken power in the by-laws to nominate the directors in the first instance for one year and for a term of three years. Where however this has not been done or where this is done and the term fixed is over, the election by the general body of the directorate has to be undertaken without allowing the election vagaries to play. But suitable arrangements have not been made to secure really efficient and capable men as directors and the result is that in a number of institutions suitable men have been out voted or undesirable or inefficient men have got in in large numbers so that a small number of self-respecting men are in a perpetual minority or have to resign out of sheer disgust. I am not putting this factor as a possible and hypothetical contingency but as a result of facts about which I had information from reliable and entirely trustworthy sources. Some way out of this difficulty must be found with the main object of continuously working the land mortgage banks system efficiently and successfully. I am in favour of completely wiping out the election system and allowing the power of nomination by the Registrar or by the Central Land Mortgage Bank to be perpetuated. I would ask the primary bank representatives to hammer out a system of election under which competent men will not be avoided or smothered. To my mind, it seems that the Central Land Mortgage Bank can be asked to select from among the members of the primary bank, men suitable for the

Directorate through its own staff or through the departmental staff. It will select double the number of members wanted to fill the seats in the directorate and the general body can select the required number out of this panel. Another method is to ask one half the number of seats to be thrown to election without any reservation and the other half to be nominated by the Registrar or the Central Land Mortgage Bank. In the absence of any such arrangement, we must have a paid secretary appointed by the Central Land Mortgage Bank not liable to punishment or removal by the primary bank and he will conduct the affairs of the Bank. I am not practically wedded to any one scheme. The Primary Land Mortgage Bank co-operates with the Central Land Mortgage Bank and the department should devise a workable scheme by which the primary banks will have smooth running without the vagaries of election working detrimentally to the progress of the primary bank.

The Deputy Registrars, Land Mortgage Banks and the Registrar of Co-operation will be in a suitable position to suggest suitable remedies as a whole or for specified banks. Unless some suitable arrangement is made, the land mortgage bank system will fail after the first flush of enthusiasm is over, especially when communal vagaries creep in. Paid Managership or secretaryship will solve many difficulties in areas where competent men are not available for a majority of the seats in the directorate. Investigation by a paid agency is preferable to honorary service which may not be efficient or continuous, the latter being availed of only when local knowledge is essential. I am suggesting these ideas for the consideration of the co-operators interested in the land mortgage banks system.

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The Future City.

BY E. S. SUNDA, B.A., B.L.,

*Fellow of the Annamalai University Senate and Academic Council,
President, Madura, Ramnad Districts Co-operative Bank and
Federation, Vakil, Madura.*

I

The problems of municipal life are getting varied and intricate. They are assuming unexpected colours and undignified proportions, and some appear altogether as new features in Municipal life. An ordinary municipality which did not manage a few latrines in street corners properly has now to think of a Radio set as a normal feature; a civic body which finds hard to supervise a street sweeping has to cater music by a Broad-cast set. The day labourer who thought that his free air in the evening was in the centre of a sandy river, now thinks of his right to have a place in the park and play a cards game or two of "Bridge". He values his time and energy spent in walking most and would be happy if a generous company or the corporation can ply a local bus-service or two from important places. Civic conscience (at least for certain purposes) convenience and comfort are now the features of a normal citizen and these three are hard to be satisfied.

II

The planning of a city and city life is becoming important. New pleasures the citizen wants but he will not leave off his conservative habits of living. He desires a cinema or a talkie, but swears against vaccination and would spurn the Health Officer who enters, with impunity. The Municipality would be accused of having done nothing against infection, but every case of small pox or cholera would be suppressed and no information would be given to the Municipality. Over population would be developing into a curse but no finger will protest against the street being turned into a public latrine. Everyday the citizen is informed and he reads of the road risks and dangers to life but no road conscience has developed and the citizen walks in the middle of the street as though to welcome a crush by a motor.

How to prevent density, how to remove over-population, how to avoid infection, how to make life cheap, happy yet busier, and more beautiful, flimsy yet large in strength and less dangerous to pedestrians are immediate questions that face even the smallest union as they do in the major corporation.

III

A heavy responsibility lies on the heads of civic bodies. The exercise of the powers is sure to become odious if not highly revolting. The civic body has a duty to discharge and sternly repress small habitations with too large a number of inhabitants in them. The habitations are to be extended or pulled down to be replaced by more commodious structures. This has to be done sternly and this is sure to make anybody's position unwelcome.

New structures, where are they to be erected? Should the Municipality permit vacant sites within the present limits for house construction, they ought to be acquired for the Municipality. The outside neighbouring portions ought to be purchased and sold by the municipality by plots of varying measurements to suit family needs. Proper care should be taken that every extension forms a village by itself, a self-sufficient unit, the inmates coming out only for a trip to the town proper to attend to their avocation in life. This extension has to be artificial but the municipality has got the opportunity to make it natural by knitting the roundabout rural areas with extension centres in the middle. This may mean a huge pecuniary strain on the municipality and every one cannot bear it. What is the next alternative?

IV

A Co-operative Building Society can successfully tackle the question. The Municipality and Co-operation can join hands and do effective service for the poor as well as the rich. Aristocratic colonies and mediocre habitations can be raised on such sides of the town as will satisfy the demand. Structural limitations, sanitary restrictions and road regulations apart, the co-operative society can be made to be an effective agent of proper municipalisation of habitations. The problems of municipalities are not so many in towns themselves as they are over a wider area.

V

Our reformers always talk, of Rural Reconstruction and raise a huge cry of 'Back to Village'. There are constant appeals to

educated young men to move into villages again and spread the knowledge they have acquired. But one is not sure of the effects of the appeal. Reasons are not far to seek. Persons accustomed to urban life and urban amenities, revelling in urban fashions and tasting urban sweets can hardly be expected to go, remain and do work in a village as guides, philosophers and friends. It means an entire physical intellectual and moral evolution in a person. Are the pecuniary attractions strong enough to induce the same? Probably not. Then how to achieve the same? I believe the remedy lies in the extension of the town to the villages to *ruralise* the towns, knit all villages to the nearest municipality by means of electric wires and bus-service. Carry electricity to the distant village, give all amenities, make the village a little town, but preserve the fields and rural surroundings. Bring every village nearer to the town by a regular bus-service or urban trains if necessary under municipal control. *Let the town get rural colour and the village an urban odour.* The approach from a village to a town should not be the days travel it is to-day. The idea of suburban life should permeate hereafter all aspects of municipal life.

VI

A town composed of detached but conveniently knit units, with a co-operative credit society, and stores in each locality will be an ideal state of a good city. The Credit Society under good conditions can be made to be the agent and bank for Municipal tax and fee collections and the society can do this branch of revenue work with less cost and greater cordiality. The society if so minded can be given contracts of small nature like road repairs etc., and the members of the society can stand to gain. The stores may be a valuable adjunct in this co-operation of the town by slow degrees. The "village town" or the "town village," by whatever name you may call it, will then be an attraction to all educated and uneducated. The agricultural enterprise will then be one of the avocations that will be taken up by all with the least difficulty or hesitation. In this new evolution of a village town, all the old traditions of the village can be maintained; in fact they should not be disturbed but other town facilities are sought to be added.

I am not unconscious of the disadvantages that are likely to arise by taking electricity, bus or urban trains to the countryside. It may lead to more artificial wants. But are we not sure

that it will lead to a higher standard of quiet and peaceful life, greater economy in time and distance and what is more an addition to the pleasures in enjoyment of life. In the long run, the villagers will find it more economical. The Madura Bodi Railway is an instance. It has imperceptibly reformed many a household prone to other activities. Large number of milk pots and ghee tins that come in every day into the city—once carried on heads—show the dexterous trade which has received an excellent impetus. Transit is made easier. Move into town and out of it is facilitated. An expenditure of a whole day is curtailed by a more than 6 hours, leaving a good margin for other domestic activities. Instead of the villager coming into towns and falling into evils of town life, is it not better that the better aspects of the former enter the village and make the villager's entry into town superfluous. ?

VII

This urbanisation of the village, or ruralisation of the City is the best solution of the city and village problems. Municipalisation of buses, urban trains and roads coupled with co-operative efforts in town and rural extensions will alone remove the difficulties of townsmen and rural population. The villager hates as much to live in town as the townsman in the village as the attractions and indispenables vary. In the solution suggested, both should find their wants satisfied and this may be put forward as the nearest approach. The relationship between Municipalities and Co-operative Movement ought to be strengthened. In this, the Municipality will find a new channel of agency and activity while the Co-operators would welcome a real civil service without the turmoils of facing Municipal election. For efficient municipal service to be done this way, a co-operator need not enter civil life proper. The objection to persons of local bodies dabbling in co-operation and *vice versa* * stands removed. This does really mean a new orientation in the policy and attitude of Co-perators and Municipal administrators. Will our Ministers in charge of Local Self Government and Co-operation think over the suggestion and enlarge on this with their executive experience and legislative wisdom ?

* Administration Report on working of Cooperative Societies in the Madras Presidency By Mr. D. N. Strathie. I. C. S. Registrar.

The Tanjore Land Problem.

AGRICULTURE AS A PROFESSION

BY A CO-OPERATOR.

In one of the articles published in the May Journal under the above head, I brought to the notice of the public that, under the present ryotwari system of sharing the nett produce of land by half and half with the Government and with paddy selling at Re. 1 per Kalam of 24 Madras measures, the margin left to the ryot in 11 out of 12 Tarams of the wet land was minus, ranging from 8 annas to Rs. 4-8-0 per acre. As the Government was not disposed to readily accept the figures of the private land-holder, I worked out the margin on the basis of the estimate of the Resettlement Officer in regard to gross out-turn and cultivation expenses valuing the gross out-turn at Re. 1 per Kalam. Since then I have had opportunities of Visiting some important villages of the District and making enquiries of ryots who are actually cultivating their lands and maintaining regular accounts. For the information of Government and of your readers, I would like to state the experiences of one such ryot of the Negapatam Taluk. He happens to be a graduate of the Madras University belonging to the army of the unemployed, who seriously took to agriculture with reference to the advice of 'Back to Land' offered by the Director of Agriculture and other fortune favoured gentleman of his way of thinking. He managed to raise a loan of Rs. 300 to cultivate his 10 acres of single crop wet land assessed at Rs. 5/15 per acre. With the loan so obtained, he advanced Rs. 100 as premium to two pannayals, purchased a second hand cart for Rs. 40, a pair of buffaloes for Rs. 26, a pair of bullocks for Rs. 38 and two ploughs and 2 spades for Rs. 5. With this equipment he carried on the cultivation of his lands and reaped the harvest in the usual course. He has now closed his accounts and has found to his dismay that he has lost Rs. 37 in the enterprise, a figure which nearly comes to that of mine. The following are the details of income received and the expenditure incurred. The figures have been found to be almost accurate by a comparison of my own accounts and those of other cultivators in the area.

The income comprises 246 kalams of paddy (as against 230 Kalams, the estimate of the Re-settlement Officer) valued at Rs. 246,

farm yard manure Rs. 20 and straw Rs. 25 and the total comes to Rs. 291. The expenditure consisted of—fodder for plough cattle Rs. 26, cost of housing and maintaining the same Rs. 10, seed Rs. 27, cost of the services of the blacksmith and carpenter Rs. 3, manure Rs. 20, wages to farmhands Rs. 73, presents Rs. 5, harvest expenses and pannayal allowances Rs. 40, depreciation in the price of bullocks and farm implements Rs. 41, interest on capital at 8 per cent. Rs. 27. Add to this the Government kist of Rs. 56 (excluding Rs. 8, 12½ per cent. suspended). The total expenditure comes to Rs. 328 as against the gross income of Rs. 291.

The assets of this young graduate now consists of his ten acres burdened with a debt of Rs. 300, the old cart costing Rs. 35, three heads of lean cattle (one having died during the year) valued at Rs. 32 and two worn out country ploughs and spades costing Rs. 3. But for an heirless well-to-do relative to fall back upon, he must have borrowed further heavily to maintain himself and his family.

Quite undaunted, he has again begun to repeat his experiment this time also and I am hoping with him for better yield, better prices and a plus margin. No wonder that, with this minus or at best poor income from land, which has become more or less the normal feature, members of Agricultural Co-operative Societies have not been able to pay their loans or interest and that arrears under both heads are mounting up year after year. As I have repeatedly pointed out, the problem of Agricultural Indebtedness and the economic up-lift of the ryot cannot be solved as long as the present system of land tenure, under which the burden on land is steadily increasing in the shape of land assessment water-rate and cesses, is in force; and no Co-operative Society or Land Mortgage Bank or any amount of Government loan can save the ryot from ruin. Will the Director of Agriculture, the band of co-operators who pose to be the friends of the ryot and the members of the Legislative Council, who run after him at the election seasons begging for his vote, move the Government to give effect to the recommendation of the Taxation Enquiry Committee to reduce the land assessment to at least 25 per cent. of the annual rental as defined by that Committee?

The South India Co-operative Insurance Society, Ltd.

A meeting of the Interim Board of Directors of the Society was held on 27th August 1933 to consider the Annual Report and the Audit Certificate. In presenting the Annual Report to the Board which, under a transitory bye-law, constituted the General Body of the Society till 31st August 1933, the President, Mr. V. Ramadas Pantulu, addressed the Board as follows:—

GENTLEMEN:

The First Annual Report on the working of the SOUTH INDIA CO-OPERATIVE INSURANCE SOCIETY, LTD., for the year ending 30th June, 1933 has to be presented technically to this Board, which is also vested with all the powers of the General Body till the 31st August 1933. But in reality and in effect it is presented on behalf of this Board to the large General Body, which has actually been brought into existence in the course of the year, but which is not meeting to-day. The Society had on its rolls on 30th June 1933, 605 members of which 55 are Co-operative institutions and 550 are individual policy holders.

The Society was registered on 6th January 1932 and formally started on 29th idem by Mr. D. N. Strathie, I.C.S., the then Registrar. On that occasion he said that he registered the Society in response to a genuine and widespread demand for it from co-operators and prophesied a bright future for it. It actually commenced to transact business within 6 weeks from the date of its starting, that is to say, about the middle of March 1932. The first Annual Report therefore covers roughly a period of 15 months from April 1932 to June 1933. The progress made by the Society during this period is satisfactory. It placed on its books a paid up business of Rs. 6,33,500 in this period. Proposals to the extent of nearly Rs. 2 lakhs more were pending on that date and the bulk of them are expected to mature into policies in due course.

The Society had kept three aims distinctly in view from its start. *Firstly*, it had for its aim the spread of the benefits of co-operative insurance to all parts of South India and the neighbouring Indian States. Though much has to be done to achieve this aim, it is gratifying to note that business has been secured from all the districts of the province (with the solitary exception of South Arcot) and also from the Indian States of Mysore, Cochin and Travancore. Some small business had come from South Indians residing in Federated Malay States, Ceylon and Burma.* Roughly speaking, the Telugu Districts contributed a business of Rs. 3½ lakhs, the City of Madras a little over Rs. 1 lakh and the Southern and West Coast Districts about Rs. 1¼ lakhs.

Secondly, the Society from its inception tried to harness the existing co-operative institutions of the province to the scheme of popularising co-operative insurance in Southern India and to secure as much business as possible through the medium of Local Boards attached to such institutions, so as to emphasise the co-operative character of the business done by the Society and to keep down the cost of securing business to the minimum possible. From the Revenue Account and Balance Sheet appended to this report, it will be seen that the amounts spent on securing business of the Society are very moderate. After carrying 10 per cent. of the First year Premiums and 75 per cent. of the Renewal Premiums, as required by the bye-laws to the Life Fund, the Society was able to show a surplus as its Working Fund.

Thirty-three Local Boards have been started in various parts of the province as adjuncts to the co-operative institutions affiliated to the Society and some of them have functioned very well indeed. Of the total paid up business of Rs. 6,33,500, Rs. 3,99,500 constituted business secured through the Local Boards, while business to the extent of Rs. 1,81,500 was secured through individual agents not employed by the Local Boards; and business to the extent of Rs. 52,500 was secured by the Secretary on which no agency commission was paid. These figures show that the Local Boards have rendered substantial help to the Society in popularising it. The Society expresses its thanks to the several gentlemen who served on these Local Boards and hopes that they will continue to evince the same interest in future.

* A district-war statement of business secured till 30th June 1933 is appended.

Thirdly, the Society had so far aimed at encouraging small policies among the lower middle and poorer classes and did not endeavour to secure big business by means of large policies. The maximum amount of a policy is fixed at Rs. 5,000 and the minimum at Rs. 100. But as a matter of fact very few policies of above Rs. 2,000 were canvassed for. The policies issued by the Society during the period under report classified according to the amounts thereof are as follows:—

	No.	Amount. Rs.
Policies above Rs. 2,000 ...	18	57,500
„ between Rs. 1,000 and Rs. 2,000 ...	85	1,60,500
„ between Rs. 500 and Rs. 1,000 ...	514	4,10,600
„ below Rs. 500 ...	20	4,900
Total ...	637	6,33,500

It will thus be seen that the bulk of the business, of over Rs. 4 lakhs, represents policies between Rs. 500 and Rs. 1,000. The premium rates are fixed as low as possible consistent with safety so as to carry the benefit to the masses. The premium rates of the Society are the lowest, except of course in the case of the Postal Insurance.

These three features of the Society will no doubt be appreciated by the public and the Society, it is hoped, will come to be recognised very soon as a most helpful organisation to promote thrift and habit of saving among the poorer classes.

It is a matter for gratification that the Inspector of Local Boards circularised all the Local Boards and Municipalities in the province, drawing their attention to the benefits and advantages offered by the South India Co-operative Insurance Society and exhorting them to help the Society by encouraging their employees to insure with it. The Registrar of Co-operative Societies also issued a circular to the Central Banks and the Departmental Officials requesting them to popularise the Society and emphasising on the duty of co-operators to insure with this Society, if they mean to insure their lives at all. These circulars had proved very helpful and the thanks of the Society are due to the Inspector of Local Boards and the Registrar and to the various Local Bodies and co-operators, who have responded to the circulars.

The credit of organising the Society goes to the Provincial Co-operative Union and the credit of having placed it in such a financial position as to enable it to commence its working within 6 weeks of its starting goes to the Provincial Co-operative Bank. It is hoped that these two institutions will always continue to extend their co-operation and assistance to the Society.

The Society has been very fortunate in securing the services of Prof. K. B. Madhava, M.A., A.I.A., the eminent Professor of the Mysore University, as its Honorary Actuary. He has rendered very valuable assistance to the Society, in drawing up its constitution and in constructing its premium tables and took great personal interest in putting it on a sound working basis. The Society is also equally fortunate in enlisting the co-operation of a medical man of the standing and experience of Dr. T. Satakopan, M. D. as its Medical Referee. Under his most searching and scientific scrutiny of proposals, one can feel confident that the business placed on the Society's books must be of the safest kind. Our grateful thanks are also due to Messrs. Sastri & Shah, Incorporated Accountants, for having audited the accounts of the Society as its Honorary Auditors throughout the whole period of its working. The Audit Report drawn up by them was accepted by the Registrar, who issued the Audit Certificate, which is appended to this Report. In Mr. D.N. Strathie, M.A., I.C.S., the Ex-Registrar and M.R.Ry. Rao Bahadur K. Deivasikhamani Mudaliar Avl., the present Registrar, the Society had enthusiastic supporters, who watched its career with great sympathy and it is hoped that the Department will look upon this Society as an institution which requires their fostering care and attention, being the first and only one of its kind in the province.

Prof. H. L. Kaji, M.A. in his address to the General Body of the Bombay Co-operative Insurance Society, rightly claimed that Bombay had set the example to us in the matter of organising insurance on a co-operative basis. We are thankful to the Bombay Co-operative Insurance Society and the Bengal Co-operative Insurance Society which is older, though it started with a provident scheme, for the great assistance they gave us especially in the matter of drawing up of our constitution. It must be a source of pleasure to those pioneers that their younger sister has done in one year more business than either of them has done till now. I also desire to echo the sentiment of Professor Kaji that, in the fullness

of time, an All India Co-operative Insurance Society will spring up by the amalgamation of these Societies and other Co-operative Insurance Societies that may follow in different parts of India.

Elections to the First Board of the Society under the bye-laws have just been completed and the new Board will come into office on 1st September 1933. The Interim Board, which goes out of office on 31st August, 1933, may legitimately take credit for having handed over to the new Board in sound working condition, an institution which has been built up with care and circumspection and which is full of potentialities and promise for the future.

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APPENDIX.

*District-war Statement of business accepted and paid-up till
30th June 1933.*

Name of the District.	Amount of accepted proposals.	Amount of policies issued.
	Rs.	Rs.
Anantapur	... 64,600	56,500
Arcot (North)	... 22,500	17,500
Arcot (South)	... 400	Nil.
Bellary	... 17,500	11,000
Chittoor	... 4,500	3,500
Coimbatore	... 15,500	10,000
Chingleput	... 21,500	15,000
Cuddapah	... 5,500	4,000
E. Godavary	... 1,55,700	1,11,400
Ganjam	... 76,500	52,500
Guntur	... 27,000	11,000
Kistna	... 16,500	15,000
Kurnool	... 4,900	1,000
Madras	... 1,16,000	1,07,000
Malabar	... 13,000	6,000
Madura	... 9,500	5,000
Nellore	... 30,500	23,500
Ramnad	... 32,400	20,400
South Canara	... 24,900	20,400
Salem	... 25,500	21,500
Tinnevely	... 3,000	3,000
Tanjore	... 36,000	25,500
Trichinopoly	... 11,600	10,100
Vizagapatam	... 63,500	62,500
West Godavary	... 16,100	7,000
<i>Indian States.</i>		
Cochin	... 1,000	1,000
Mysore	... 2,000	2,000
Travancore	... 6,000	5,200
<i>Other places.</i>		
Ceylon	... 1,000	1,000
Federated Malay States	... 2,000	2,000
Rangoon	... 2,000	2,000
	8,28,600	6,33,500

Extracts.

FIFTY YEARS OF THE FABIANS.

A little society which is helping to change the face of England.

BY GEORGE A. GREENWOOD.

So the Fabians are planning to celebrate their jubilee!

* * * * *

Imagine it! Here is a body of men and women, never, I believe, more than 5,000 strong—now actually under 3,000 with an income of less than £ 5,000 a year, which can claim with justice to have moulded political, economic and social thought, that within half a century of its inception it has been responsible mainly for the creation of a party which is now second in the state, has governed the country on two occasions and is now about to transform entirely the basis of society. I doubt if there is any record like this in the whole history of social institutions.

For nobody will doubt that, without the Fabian Society there would have been no Labour Party. From the beginning of the Labour's activities in politics, the Fabian Society has educated, encouraged, and supported it, giving it strength assurance and poise. I know of no prominent member of the party who would be other than ready to acknowledge the debt.

In precisely the same way it has from the beginning been a true Friend and Counsellor of co-operation. Most and probably all of the early Fabians were closely associated with the consumers' distributive movement, and as records show, helped in a variety of ways. Here again the debt will, I am sure, be handsomely acknowledged.

There was an element of romance in the beginning of the society, even though its subsequent course has been severely practical and matter-of-fact.

From the foundation it has been inspired and officered almost entirely by men and women drawn from the more fortunate ways of life. There is a joke, now rather threadbare, and never quite justified, that when the Fabians by any chance managed to get hold of a working man member, they hung on to him by his coat tails for fear that he might go. This, I repeat, is an exaggeration, for many craftsmen have from time to time been among the elect, but it is a fact that almost entirely its members have come from the professional classes—business men in a few striking cases, patricians and landowners.

This is probably explained by the nature of its beginnings.

In the early eighties, many men and women of goodwill, imagination, and education were questioning seriously the capitalist system. And no wonder! The effects of the industrial revolution had by that time become apparent, and there was little by way of ameliorative legislation to soften them. Great riches were being accumulated, and the poor were harrowed by their poverty. Industry was carried on in a most inconsequent LAISSEZ FAIRE fashion, and there was disorder, waste, and misery for all save the favoured few. Beyond those in the small and struggling trade Unions, supported by the still juvenile Co-operative Movement, there were none to challenge this system, save the few isolated, idealistic individuals who were powerless against the vested and entrenched interests, until they were joined by the men and women who had no small sympathy, and also the capacity to organise and to achieve.

It must have been a queer mixture of students and sociologists which began to gather just fifty years ago to discuss methods of attack upon the system they hated, for they included types as diverse as Sidney and Beatrice Webb, Bernard Shaw, H. G. Wells, Hubert and Edith Bland, H. H. Champion (the authentic aristocrat), Havelock Ellis, the Ford Sisters (wealthy heiresses of Adel, near Leeds) and so on.

Their meetings coincided with the visit to London of Thomas Davidson, an Aberdeenshire man who had become famous in New York as a lecturer, and he drew together young people to discuss his vision of a Fellowship of New Life, the partly organised collection of sociologists was there too. On his return to America, the company he had gathered met in October 1883, in the room of Edwards R. Pease, who was twenty five years secretary of the society and is still one of its keenest members. This proved to be the first of a series of fortnightly meetings that have ever since continued—except for a few brief intervals—for nine months of the year.

But the enthusiasts were not good mixers. One section was idealistic and communistic. They were off to form their Fellowship, which established a residential colony to put their ideas to the acid test. The others, practical and political, carried on and decide to form an organisation which they called the Fabian Society.

But why Fabian Society? How many must have wondered at this title; the explanation is simple. Unlike the other would be reformers, the Fabians had decided to take their part in attempting gradually to change the face of British civilisation and to attain their ends by the

educational and legislative methods of the famous Roman general, Fabius "Cunctator" (the hesitator), who went warily, but who remodelled the life of ancient Rome.

This method was scoffed at by the militants associated with organisations like the Social Democratic Federation who wanted quick action; but the Fabians have been amply justified by events. For whereas those ebullient organisations have never exercised any great influence, and have almost ceased to count, the Fabians have, as already pointed out, impressed themselves indelibly on the social structure. To achieve their objects they set out to issue a stream of literature in which they announced their plan of campaign.

* * * *

The Society's object stated in the original minute was "to reconstruct society, based on the competitive system in such a manner as to secure general welfare and happiness."

This was its strong point. Such a statement attracted many and frightened nobody in the great political parties. A number of prominent Conservatives and Liberals came into the movement and were gradually educated to see that this did, indeed, involve a complete change in the economic system and when eventually, the society was successfully launched, and that dread word "Socialism" was mentioned, these new adherents were not terrified by the exact implications of the movement. It was not until 1885, that the term actually appeared in any of the Fabian Publications.

And what of the Society's work and its achievements in detail? From the modest beginnings which have been chronicled, greater things quickly came. Not only did the membership and funds increase rapidly, but within a reasonably short space of time, its activities were widely flung. Lectures under its auspices were given in various parts of the Empire and Foreign countries; then branches were formed in those outposts; and in 1893, the partly had advanced so far on the road to political action, with definite Labour views, that the parent body, as well as, nine local societies were represented at the foundation of the Independent Labour Party; it began to permeate the universities; and, realising the tremendous and potential importance of the work that might be done on local authorities, the Fabians began in their various publications to attempt to direct the workers' attention to the importance of capturing the machinery of local governments starting with London County Council but going later for the provincial centres. Strangely enough even after the formation of the Independent Labour Party, the Fabians still concentrated upon their early task of forcing a programme

of constructive social reform, as a beginning to greater things, upon the Liberal Party. This was justified by the remarkable succession of measures which were enacted between 1906 and the beginning of the War, as leading to a new conception of the social contract.

But that was the fruit of later years. The failure of the Liberal Party to act before the close of the nineteenth century compelled the Fabians to change their tactics.

In 1895 the party had been crushed at the polls, and for years it remained if not lifeless, certainly dormant. Meantime the advance in strength and influence of the trade unions, and increasing perception of the need for direct Labour activity in the political field had grown to such a degree that 1900 saw the birth of the Labour Party—the Labour Representation Council, as it was first called. Again the Fabians co-operated. This was the Society's really definite and formal entrance into the active ranks of party politics. Even then, however, the Society did not, as it still does not, rule out of membership men and women associated with the other parties. There were still both conservatives and Liberals in the Society's ranks and, so far as I am aware they never raised any objection to this political link with labour, nor, I think, have the few Conservatives and Liberals who remain in the fold revolted, as one might reasonably have expected them to do. And so, throughout the last thirty-three years, the Fabian link with the Labour Party has grown closer and closer. As the Party increased its strength in the country and its representation in Parliament, there was also an increase in Fabian influence in both directions, and by preparing this, that, or the other idea for the control of Government, and the organisation of trade unions, by the development of the collectivist theory and in a hundred and one other different ways, the society was moulding and shaping the destinies of organised labour.

En passant, it is interesting to turn aside for a moment to see what manner of men and women were within the society in the years immediately before the war, when it was beginning to exercise its greatest power and influence. There was Arnold Bennett, Laurence Irving, Sir Leo (then Mr.) Chiozza Money, Dr. Stanton Coit, Aylmer Maude, Dr. R.J. Campbell, Hamilton Fyfe, George Macaulay Trevelyan (the historian) Philip (now Viscount) Snowden, George Lansbury, Jerome K Jerome, Edwin Pugh, A. Clutton Brock and goodness knows who else—many men and women whose names have since become famous—who were lending a hand in the betterment of the world.

But there is a digression. Let us, in accordance with sequence, turn for a moment to those years when all sorts of things happened. For

example, the Poor Law Commission sat, and long-since famous Minority Report—the work of the Webbs and their Friends advocating the break-up of the system and the creation of a new basis on a necessary minimum of subsistence was issued. Never from first to last did it mention Socialism: it was, nevertheless a notable statement of Socialist theory, entirely of Fabian origin and provided the ground-work of the momentous reforms in the Poor-Law which were instituted in 1929. There is so much else to be said, and so little room to say it! One would like to dwell upon the establishment of the New Statesman—one of the greatest achievements of the party although it had no actual, official association with the Review; the creation of the Fabian Research Department, which supplied powder and shot for the Labour Party, the Co-operative Movement and so forth; the organisation of summer schools; the establishment of a brilliant series of lectures in London, with some of the greatest women and men of time officiating; and, of course, the publication in rapid succession not only of tracts but books by Webbs, Shaw, Chiozza Money, Harold Laski, G.D.H. Cole, Sydney (now Lord) Oliver, and many others.

The most striking feature of this Fabian progress has been and is, the accomplishment of so much in the way of influence and action by the most uneventful yet penetrating methods of permeation. Years ago, Mr. Wells criticised Fabian policy on the ground that it should, and must, make more socialists. It appears that Mr. Wells was mistaken, as Mr. Pease points out in his admirable history of the Society. If that were indeed the sole, or even the main task, the Fabians could make little claim, since the number of men and women who confess themselves Socialists remains contemptuously small. The truth is, of course, that Fabians have succeeded in advancing towards collectivism in quite another way. Half-a-century ago, partly by inexorable circumstance, partly by drift and partly by the nature of legislation which “the times” were demanding, we had begun slowly—almost imperceptibly—to move towards the ideal, and the Fabian methods were precisely the methods required in this cautious and conservative country to give it the right momentum.

LONG CREDIT LOANS

BY RAO BAHADUR A. VEDACHALA IYER.

Rao Bahadur A. Vedachala Iyer contributed an article to the Hindu of the 14th August 1933 on the above subject. He starts by saying that Co-operative Societies now give its members short and intermediate loans but a village requires long term loans as well for purposes contemplated by Land Mortgage Banks which give long term loans for redemption of prior debts or purchase of land or its improvement. There is no agency in the opinion of Mr. Vedachala Iyer to help the villager with loans for marriage, funerals, building of houses or cattle sheds etc., which loans taking the repaying capacity of the villager have to be considered as long term loans. He therefore recommends that central banks which have got the reserve fund of constituent societies as long term deposits with them may earmark such funds for giving long term loans or may act as agencies of Central Land Mortgage Banks and enable the Central Land Mortgage Bank to raise debentures on the security of bonds taken from the villagers. He concludes his article by appealing to the Central Land Mortgage Bank to care more and more for agriculturists and not to give preference to non-agriculturists who may have higher repaying capacity.

THE CO-OPERATIVE REMEDY FOR THE WORLD CRISIS.

If we have any regret concerning that great gathering of the nations (the World Economic Conference) it is that this practical attempt at the solution of international difficulties was not sought earlier and before the farrago of nationalistic palliatives and irritants like tariffs, quotas, and trade restrictions had created an atmosphere of distrust inimical to Co-operation among the nations. The idea behind the World Economic Conference is one which has been preached from hundreds of Co-operative platforms years before the economic crisis had reached the present impasse. Once again the Co-operative remedy is reluctantly forced upon the world by the sheer logic of its necessity. Let me confess that I would feel more confident of the success of the World Economic Conference if it had been embarked upon and conducted by convinced Co-operators brought up on the faith and tradition of International Co-operation. (From the Inaugural Address of J. Millington, President of the British Co-operative Congress 1933.)

THE BALANCE SHEET OF THE WORLD CONFERENCE.

The "Economist" Assesses its Failure and Success.

In a leading article entitled "Barren Harvest" the "Economist" sums up the results of the World Economic Conference in London, which terminated its first session on the 27th July. Remarking that it would be easy to write the Conference as the greatest fiasco of modern times, and admitting that it patently failed to deal with any of the major issues with which it was directly concerned, the "Economist" claims that an impartial survey will reveal achievements of real substance to set against the acknowledged failures.

The debit side of the account is stated in the following passage :—

"Called to deal with the problem of the rapid shrinkage of international trade and the alarming decline of economic activity in every country of the world, the most substantial and voluminous portion of the Conference report consists of plans for still further restricting production—though even in this part of the proceedings, as in almost every other, almost nothing definite has yet been agreed. On tariffs and restrictions there is hardly a word; on shipping and other subsidies discussion is suspended; on international indebtedness there is no guidance, the only advice that is proffered being that the parties concerned should talk together while on currency and monetary stabilisation there is nothing save the admission that the time is not yet ripe. Indeed, on this last great problem it is not unjust to say that the only result of the Conference has been to emphasise differences of opinion. Every reference to a major issue is befogged by such question-begging epithets as 'excessive tariffs', 'uneconomic industries', or 'arbitrary subsidies', which are quite incapable of exact definition; while where specific discussion has taken place the most hopeful formula is that negotiations should be continued. It is perhaps a small redeeming feature of this mournful catalogue of negatives that no one country can be cast for the role of scapegoat. No great power has in fact done more than hover at the threshold of a new international world without the courage and resolution to push open the door."

Positive Gains.

The positive results to the credit of the Conference are than indicated as follows :—

"In spite of all handicaps and the storms through which it has passed, the Conference has to its credit a crop of definite achievements, the most outstanding of which, though due to the contacts made in

London and to the fact of the Conference being in existence, paradoxically do not figure in its records at all.

Of these results, first in time come the declarations of President Roosevelt which enabled the British Government to make a token payment in respect of the war debt without being regarded as being in default. The meeting of the Conference undoubtedly helped the President in taking this step which turned a very awkward corner in international relations. Two further results of first class importance attained outside the Conference doors are the resumption of Anglo-Soviet commercial relations, and the conclusion of non-aggression treaties between Russia and her neighbours. More closely associated with the Conference itself was the conclusion of the tariff truce which, like the Conference of 1927, has put a brake for the time being upon tariff increases.

Finally, the Financial Commission's report includes a series of resolutions, based upon work that has been going forward at Basle, relating to the working of the gold standard. This represents a greater degree of agreement among Central Banks on the form and need of banking co-operation and on the principles of monetary control than has hitherto been achieved, and may be of far-reaching importance when the time comes for re-establishing an international standard. There has also been reached an agreement regarding silver which, though not fulfilling the hopes of the silver enthusiasts, will at least ensure that the liquidation of surplus stocks in India and elsewhere will be co-ordinated and controlled during the next four years, and will enable the silver market to share in any general recovery that may take place."

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Special Types of Society

SCHOOL CO-OPERATIVE SOCIETIES.

From the Co-operative Educator for July 1933.

The present survey will deal only with the Associations of Elementary and Secondary school children sometimes including ex-pupils, which may be run either by the children themselves in complete independence or as happens more often, under the discreet supervision of their teachers, and are intended for the collective management of an economic undertaking for satisfying certain needs they have in common, or certain needs of the school itself, or even of the locality or district. Co-operative Societies of this kind have sprung up mainly, though not solely, on the European continent. In this connection the movement for "Young farmers Clubs" or "Young Stickbreeders' Clubs," which has made progress chiefly in the Anglo-Saxon countries, must also be taken into account.

Geographic extension and size of the Movement.—In one or other of these forms, school Co-operative Societies are to be found in at least eighteen countries in varying numbers namely, in Belgium, Bulgaria, Canada, Czechoslovakia, France (also in French East Africa and Cameroen), Great Britain, Hungary, India, Italy, Latvia, Lithuania, Mexico, Poland, Union of South Africa, Union of Soviet Socialist Republics, United States.

In some of these countries they have already made remarkable progress. There are 50,000 in the U.S.S.R. 6,381 in France, about 5,000 in the United States, about 1,000 in Poland, 600 in the Union of South Africa, 270 in India, 200 in Latvia, about 100 in Great Britain, &c. The total number may be estimated approximately at between 60,000 and 65,000.

Activities, Aims, and Methods of School Co-operative Societies.—The School Co-operative Societies reproduce in miniature form purchasing, savings and credit, marketing, products, agricultural or stockbreeding co-operative societies, or several of these at once. Their activities vary according to the country, the needs to be satisfied, and the available resources; joint purchase of stationery and text-books, sometimes also of toilet articles or raw materials for manual work; organisation of co-operative restaurants; encouragement of thrift; loans; manufacture of various wooden or metal articles or pottery; embroidery knitting, weaving, etc. agricultural or horticultural production, stockbreeding and sale of produce; afforestation; the forming of libraries; organisation of lectures, festivals, choral societies, dramatic societies;

physical education and sports; decoration and arrangement of school premises; creation of school museums and collection of teaching material, etc. In most cases one and the same society will engage in several of these different activities at once.

The economic aim of the school Co-operative Societies relates either to the pupil himself (or his family), being that of providing him with resources or lightening the cost of his schooling; or it may relate to the school itself, being that of its maintenance and pedagogical equipment. Sometimes it may relate to the locality and district. There is no lack of examples of school Co-operative Societies which have revived obsolete trades, promoted by their example the adoption of more efficient methods of production, and restored to their locality or district resources that had been neglected or wasted. In nearly every case there is the motive of joint action and the attempt to relieve some form of distress, whether close at hand or distant.

The feature common to all these Societies which distinguishes them from other children's Societies and gives them their true Educational value, lies in their constitution and methods of work. Practically all of them are, in fact, small economic units Managed by the pupils themselves, grouped in a fully-organised Association, with its rules and its authorities for discussion and direction. As a rule, however, the teachers have a advisory or supervisory functions, which they exercise with the maximum of discretion.

Their Function in the Education of the Young.—In addition to their economic advantages, which generally promote the Spread of Instruction either directly or indirectly, the School Co-operative Societies render the school valuable assistance. It has been said of them that they constitute "the popular realisation of the new school." Their contribution in this field is two-fold.

On the one hand in certain countries the School Co-operative Movement has helped to equip the School with the material need for applying active and Constructive methods.

On the other hand, in the opinion of those teachers who have had experience of it, it is itself in Practice an instrument, method, and means of intellectual and moral training. Not only does it constitute a "project" by means of which the knowledge acquired in class is grouped, developed, and rendered more flexible; it also offers a direct means, based on practical experience of acquiring such knowledge and even other information (e.g. Elements of Economics), which is not usually to be found in the Curricula of Elementary Schools. Above all, by appealing to the

whole personality of the child, it brings out and exercises faculties that ordinary Schooling is incapable of revealing or developing. This is true not only of intellectual faculties, such as judgment, concrete reflection, imagination, and the spirit of order, which in combination make up the talent for Organisation; it refers also to emotional faculties, such as the artistic sense sometimes and the sentiment of solidarity always; and, finally, to qualities of character, initiative, decision, self-control, self-respect, and respect for others apprenticeship in liberty, awakening of responsibility. Contact with other minds in the association develops the power to think. Joint action in the undertaking helps the Co-operators to discover the true significance of discipline and the compelling force of moral regulation. The risks and Responsibilities of managing an undertaking introduces much that is serious and real into the more playful aspects of the School Co-operative Movement.

KRISHNAGIRI HIGH SCHOOL STUDENTS' CO-OPERATIVE STORES.

A BRIEF REPORT.

The Society was registered on 2nd April 1930 and it started its work on 10th November 1930. This is the fourth year of its working. The co-operative year 1932-33 closed with March, 1933 as per Registrar's Proceedings No. R. Dis. C. No. 2093/33 dated 16th May 1933. The work of the third year is only for a period of 9 months, July 1932 to March 1933. There are 28 members (17 teachers and 11 students) and 450 Associates. The society earned a net profit of Rs. 85-6-0 for the year 1932-33 which under the by-laws will be distributed after the receipt of the audit order. The following statement shows the progress of the society from its start:—

	1930-31. (8 months.)	1931-32. (12 months.)	1932-33. (9 months.)	1933-34. (4 months) up to Aug. 1933.
Members ...	35	27	24	28
Associates ...	380	400	400	450
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Share Capital ...	52 0 0	49 0 0	62 0 0	66 0 0
Purchases ...	1,839 12 0	3,557 2 0	1,210 13 0	3,291 2 6
Sales ...	1,830 10 6	3,680 7 0	1,641 0 0	3,349 4 3
Stock held at the end	190 12 0	451 10 0	211 4 0	577 1 3
Net Profits ...	231 6 1	323 15 0	85 6 0	...
Reserve Fund ...	58 0 0	140 1 0	161 1 0	...
Rate of Bonus ...	0 1 4 per Rupee.	0 1 0 per Rupee.	To be declared after the receipt of the audit order.	

K. S. CHENGALRAYA AYYAR,
Secretary.

M. K. SWAMINATHAN, M.A., L.T.,
President.

THE MADRAS JOURNAL OF CO-OPERATION

THE MAYAVARAM MUNICIPAL HIGH SCHOOL
TEACHERS' AND PUPILS' CO-OPERATIVE
SOCIETY, LTD., No. T. 321—10875, MAYAVARAM.

The Board of Directors of the above Society have great pleasure in placing the following report on its working for the year 1932-33.

The year under report is the 9th year of the Society's work. There were 41 members and 437 associates on the rolls on the last day of the year.

During the year, goods to the value of Rs. 6,247-10-0 were bought and with the stock held from the preceding year valued at Rs. 588-15-0, sold for Rs. 6,488-12-0, leaving goods worth Rs. 1,248-10-0 at the end.

With the discount earned on the wholesale purchases and from retail sales, the net profits deducting all charges amounted to Rs. 262-4-0.

The total amount to the credit of the reserve fund is Rs. 576-15-0. The Sub-joined Statement shows the progress of the society.

	1924- 25.	1925- 26.	1926- 27.	1927- 28.	1928- 29.	1929- 30.	1930- 31.	1931- 32.	1932- 33.
Members	29	28	33	32	33	37	37	41	41
Associates	225	260	331	317	364	397	352	399	437
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Share Capital	31	30	46	46	46	52	51	56	56
Purchases	1,067	1,536	3,233	2,673	3,506	4,241	3,475	2,784	6,247
Sales	1,001	1,544	2,853	2,763	3,778	4,665	3,593	3,031	6,488
Closing balance	254	292	173	280	325	524	465	588	1,248
Net profits	131	111	272	306	298	261	345	223	262
Reserve Fund	55	83	151	228	303	455	390	511	576

MAYAVARAM, }
8th Aug. 1933. } V. RAGHAVA AYYANGAR, M.A., L.T.,
President and Headmaster, Municipal High School.

Reviews.

CO-OPERATION AND CHARLES GIDE.

Edited by Karl Walter

for the International Institute for the Study of Co-operation,
(P. S. King & Son., 8s., 6d.)

It is but fitting that the International Institute for the Study of Co-operation founded by Charles Gide should publish for the benefit of all English readers an appreciation of and an authoritative account of the life and teachings of its great founder who passed away in 1932 at the ripe old age of 85. To this have been added appropriately the papers read at the meeting of the Institute held in Paris in 1932. They discuss the most important problems of Co-operation not from a narrow national point of view but from that of the linking of co-operation in all countries with a view to solve some of the world's economic problems. Mr. Karl Walter of Horace Plunkett Foundation supplies an excellent introduction and the body of the book is composed of contributions by eminent authorities, on co-operation and economics, several of them collaborators and disciples of Charles Gide.

The first half of the book is devoted to the exposition of the life and work of this great co-operator and economist. Charles Gide was not only a unique French economist whose treatise on Political Economy, translated into several languages and re-edited 25 times in his life-time was for long the only breviary of young students of economics all over the world, including our own country. This work is not, however, a mere manual for examination purposes but presents a kind of synthetic picture for discerning students of economics. Gide broke away from the traditional classical school of Political Economy and founded, what may be called, the Social School of Economics at Nimes. He was, in fact, the founder and the elaborator of the doctrine of Consumers' Co-operation, though some credit is due to Mrs. Beatrice Webb of England but by no means to Robert Owen who has been wrongly acclaimed to the father of Consumers' Co-operation. This is well established in one of the contributions. While almost till the end of his life Charles Gide was a firm believer in Consumers' Co-operation, he began to see in the last decade of his life—particularly when he occupied the chair of Co-operation specially endowed for him in the College De France—the limitations of the consumers' movement so far as agricultural production of the most important types is concerned; and like the great economist he was, he admitted the value of Co-operation from the producers' point of view in agriculture and

realised that it was better to secure an understanding between the two great organisations of consumers and agricultural producers. It would be a great service rendered to the cause of Co-operation if the important writings and speeches on Co-operation of this great French theorist and apostle of Co-operation were translated into other languages.

The second part begins with a paper by Prof. E. Grunfeld on the "Service of the Universities to Co-operation." It recounts the existing facilities of the Universities in Europe in instruction and research on Co-operative Problems. We are sorry to be told that "the claims on the Universities made by Co-operators are as numerous as the response, upto the present, has been limited." As the author says "much depends on whether the Co-operatives need and employ university graduates or not." On the research side, valuable contributions have been made by means of doctorate dissertations on Co-operative topics. Some of the pertinent observations of this author, who worthily fills the chair of Co-operative Economics in the University of Halle, on the need for high standard of education for leading Co-operative functionaries, as Co-operative activities are becoming more and more complicated, are extracted elsewhere in this issue.

Dr. Karl Ihrig of the Budapest University contributes a paper on a very important current problem in European Co-operation, the "Relations between Agricultural Producers and Consumers' Co-operative Societies." The difficulties in effecting a lasting alliance between the two types of societies, so as to integrate the whole movement, are ably discussed but we are far from having developed either of these types of Societies and the relation that should subsist between either of the types of Societies is largely of academic interest to us at present.

Mr. Barou, a great authority on Co-operative Banking, discusses the fundamental question whether Co-operation is to co-exist with capitalism or replace it and shows his preference for the latter. He does not assume that it is its inevitable destiny or even its present tendency. He makes an analysis of the financial position of the Co-operative movement and points out how the lack of Capital will handicap the Development of several activities. He shows that Co-operation can best serve only as a basis for planned economy if it pays more attention to concentration and integration of activities in the field of finance. He advocates among other things a Central Co-operative Bank for each country, a Central Co-operative Insurance Society for each country, an International Co-operative Bank and an International Co-operative Insurance Society.

Mr. C. F. Strickland, I.C.S., is the writer of the last paper, on "Co-operative Methods in Tropical Countries." He has travelled widely

but has drawn largely from his Indian, particularly Punjab, experience of Co-operative Societies. He stresses the importance of social reform and of integrating the whole of village life, if Co-operation should succeed. He advocates the introduction of moral bye-laws (usually sumptuary) in Co-operative Credit Societies and the formation of special Societies for thrift, education and repression of extravagance. We cannot endorse in their entirety some of his sweeping statements such as that litigation is the curse of the country side in India, that next to usury, the lawyer is the greatest enemy of the villager, that the worst system of audit prevails in Turkey and a few Indian areas, where the audit is in the hands of financing institution whose paid agent, "being human, will study the safety of his Employer's money rather than the wisdom and equity of its use by the borrowers." We are, however, in agreement with many of his observations and suggestions born of great zeal and unique administrative experience.

The book from cover to cover is as delightful as it is instructive and is bound to be of great value to serious students of economics as well as to Co-operative enthusiasts.

K. C. R.

THE LAW AND PRINCIPLES OF CO-OPERATION

By H. Calvert Esq., C.S.I., C.I.E., I.C.S., (4th Edition, Pp. 349, Price Rs. 8/8/- Thacker Spink & Co., Calcutta).

We welcome this new edition of a book which has always been recognised as a classic on Indian Co-operation. Like the previous edition, it is dedicated to Messrs. Darling and Strickland, who together with Mr. Calvert form the beloved "Three Musketeers" of Punjab Co-operation. In this edition the author has made appropriate use of the reports of the Royal Commissions on Agriculture and Labour, of the Burma and Madras Committee on Co-operation, of the Central and Provincial Banking Enquiry Committees. But the facts and opinions embodied in these reports have not necessitated any material modification of the views expressed in the earlier edition; on the other hand they have only corroborated them. In addition to the Bombay Act given in the appendix to the former edition, the present one contains the Burma and Madras Acts passed recently; while attention is also drawn to the provisions of these Acts in the body of the book in commenting on the different sections of the Act of 1912. It is noteworthy that Mr. Calvert has not expressed disapproval of any of the new provisions introduced in the Madras Act, from which circumstance we may legitimately infer that they have his approval.

There is very little controversial discussion in the book. It is avoided as unnecessary, and also, on the essentials of Co-operation there is now not

much difference of opinion. An exception which the author has deliberately made is in discussing what appears to him an amazing order prohibiting primary credit societies from using their reserves in their own business. On page 254 he says: "The writer of this book has repeatedly requested defenders of this attitude to take pencil and paper and show how the position of a primary credit society is in any way strengthened or improved by refusing to allow it to use its reserves in its own business. The above rule seems to him merely a device to enable the financing bank to make money at the primary society's expense. He has never heard from any source a single sound argument in its favour." In our province the prohibition is not confined to Primary Credit Societies but extends to Central Banks and even the Provincial Bank, and undoubtedly has the effect of increasing the depositor's confidence. This is now recognised by the societies themselves and they have practically ceased to protest.

It is interesting to note that Mr. Calvert does not agree with the view of the Central Banking Enquiry Committee that the present Act does not permit the registration of societies of an All-India character like the Provincial Co-operative Banks Association and the All-India Co-operative Institutes Association. "There is nothing in the Act to prohibit such registration and the wording follows closely that of the Indian Companies Act under which associations operating all over India are freely registered."

There are many, like the students of our Training Institutes and Inspectors, who would very much like to possess the book and refer to it frequently for guidance or study. But its price is to them prohibitive. Could not a cheaper edition be put on the market?

V. V. S.

REVIEW OF AGRICULTURAL OPERATIONS IN INDIA

1929-30 AND 1930-31.

Issued under the Authority of The Imperial Council of Agricultural Research, Delhi.

Topics pertinent to Agriculture, to wit Enquiry into the conditions of production, Research conducted in plant physiology, Agricultural Meteorology, Plant breeding and Genetics, Nitrification and Soil Fertility, and the Study of Agricultural Engineering, Veterinary and Agricultural Education and Co-operative Activity have been methodically dealt with in all their ramifications in this Review. The wealth of details, culled on matters like Propaganda and Demonstration during a period of two years, merits deep study, since these details cover up the range of important problems which confront Rural India.

The importance paid to Agriculture now-a-days warrants particular attention being paid to some of the salient points noticed in this study of Realistic Rural Economics. While adverting to the circumstance that during the last fifteen years, remarkable progress has been made in Agricultural activities through the efforts of both official and private agencies, the Report conveniently lays its finger on the pulse when it says that the pecuniary advantage vouchsafed by this progress has not gone a whit onwards for productive purposes, but held up for dissipation in litigation and intemperance.

The principal causes of world-wide depression as noticed in the Review are few and far between. Over-production, incommensurate with the normal rate of consumption, concentration of gold in creditor countries (America and France) and un-settled political conditions in countries like India, China, Russia and South Africa do not constitute the full case-sheet of the malady. The Review should have had a peep into the psychology that is working in the Gatherings of the Great Commercial Nations of the world—psychology revealed in the talk of international or inter-dependent connexion and in the practice of economic insulation and national isolation.

The Book presents an interesting review of the Great Co-operative Movement ever since the date of its inception some three decades ago until the end of 1930-31. The remarks of the leaders of the Co-operative Movement have their echo in some of the observations of the Review when it has struck the nail on the head averring that the lack of understanding of the principles of Co-operation and the indiscriminate advancement of the Movement have wrought havoc in the various provinces of India. It is interesting to note that special mention is made of the Madras Central Land Mortgage Bank which was registered in December 1929. Brief mention is made of a few Non-credit Agricultural Co-operative Societies.

The Review affords interesting reading inasmuch as it reveals the panorama of the various—as they appeared during 1929-30 and 1930-31—phases of Agricultural India.

J. S. M.

INTERNATIONAL DIRECTORY OF CO-OPERATIVE ORGANISATIONS.

Published by the International Labour Office, Price 2s. 6d. 60 cents.

There are more than 600,000 Co-operative Societies in the World with over 150 Million Members.

In 1931 there were throughout the world more than 604,684 Co-operative Societies of all kinds with a total membership of 151,724,710. For the same year the trade of all these Societies in goods alone (sales to members and sales of members' produce) represented more than 25,000 Millions of dollars while the general turn-over for all rural and Urban Credit Co-operative Societies amounted to more than 28,000 Millions of dollars.

These figures refer only to Co-operative Societies affiliated to central Organisation. They are taken from the International Directory of Co-operative Organisations published by the International Labour Office (1), a new edition of which has recently appeared, containing along with other improvements on earlier editions, a third section giving tabular summaries with a variety of suggestive general figures as to the number, membership and turnover of Co-operative federations, changes in the number and membership of these federations from 1928 to 1931, the commercial activity of central Organisations, Co-operative Banks and Central Co-operative Credit Societies, Co-operative Insurance Societies and Central Mutual Insurance Funds.

As in earlier editions, more detailed figures are given for all the more important Central Co-operative Organisations in the second section, while the first section contains a list of 1,044 Co-operative federations or Central Organisations with their addresses, the date of foundation, the names of the chief Officials, their official organs, etc. The International Directory of Co-operative organisations may thus be said to be a valuable Instrument in developing Inter-Co-operative relations in the moral and economic spheres.

Annual Report of the Registrar on the working of Co-operative Societies.

THE UNITED PROVINCES OF AGRA & OUDH FOR 1931-32

There were some official changes. Mr. P. M. Kharegat, who was Registrar for five years and whose reports were so lively and full of frank and penetrating statements, was appointed as Secretary to the Government and the senior Deputy Registrar acted till Mr. R. L. Chaturvedi, the present Registrar took charge.

The present Registrar, we are glad to note, is keeping up the tradition of his predecessor and hence the present report is also an extremely interesting document.

One important feature in the matter of recruiting trained workers is, that the training now given is not confined exclusively to Co-operation, but include other useful things that would make the officer useful as pracharak or village up-lift worker.

The Province still labours under the disability of having no Provincial Bank. So, many Central Banks have been brought into existence with different degrees of efficiency and the financing of the movement is entirely in their hands. One experiment tried by one of the Central Banks may, perhaps, be repeated in other places where conditions are favourable.

"During the year, the two Banks in the Moradabad district encouraged Members to make repayments in kind. The agriculturists took the grain to neighbouring centres where the local Arhtias appointed by the Bank purchased their stock at rates slightly higher than those prevailing in the market. Kanth made nominal profits, but Moradabad made nearly Rs. 2,000. The Bank paid bonus on supplies and this filtered through to the individual members. As a result, the producers got a fair price, and collections from societies rose from 20 to 40.3 per cent. The system is one which deserves adoption on a much wider scale."

The Registrar remarked that the distribution of dividends in the face of heavy arrears and apprehended bad debts involves the dissipation of working capital. Much the sounder policy would be to strengthen the reserves; this will be echoed by all lovers of the movement.

They have started Land Mortgage Society and, as is to be expected they are proceeding as cautiously as possible. Fourteen applications amounting to Rs. 15,400 were received but loans to the extent of Rs. 4,000 were advanced. We are glad to note that the Registrar has not got a panicky frame of mind, but allows fresh registration under proper safeguards.

"Fresh organisations are allowed only in cases where (a) the area is both congenial and compact, (b) member or local secretaries are available, (c) the movement has not come into disrepute or where there are no extra hostile influences to counteract, and (d) facilities for proper supervision exist. To make sure if Co-operative principles have struck root, credit work is, wherever possible, allowed to be preceded by better living activities which involve no financial responsibility."

The increase of overdues is not altogether due to economic depression, but is due to the inability of Panchayats to enforce payment themselves being defaulters. This is a phenomenon not new to United Provinces but to be found in other Provinces as a whole.

Rectification and consolidation requires overhauling of the existing machinery. There is an institution of group secretary in United Provinces, that is, one man in charge of a number of societies and the present attempt is to have an elder member made secretary for every Primary Society. The process of replacing the Group secretary by a Member Secretary is found to be slow and difficult. The United Provinces is noted for Non-Credit societies of various sorts and there are societies for milk-supply, for eggs, for sale of cotton, supply of agricultural materials, glass makers' societies, glue makers and grain merchants societies and Co-operative stores. The most important society under Non-credit variety is Co-operative sugar factory. The scheme has been tried on a small scale and a large scale factory has been established at Biswan with a nominal share capital of 14 lakhs of rupees. We are glad to be told that the scheme has made considerable head-way and shares to the nominal value of 2½ lakhs have been sold. This experiment will be watched with interest all over India.

A definite attempt is being made to enlarge the activities of village societies so as to embrace all aspects of village welfare and not merely of supplying cheap credit. The system of expanding rural societies into new rural reconstruction centres is better than running a few costly centres in the province as a whole. Our readers would be very glad to note that in a better living Society for a particular community, a resolution was passed about the curtailment of expenditure on marriages and as a result of it, there was saving effected to not less than Rs. 94,650.

So also as a result of activities of thrift Societies 7,000 members have been enrolled as Members to practice thrift and the amount saved by them comes to Rs. 40,000.

The following account given of what happened at a Women's gathering is full of significance and other provinces will do well to tackle the problem of thrift and better-living by enlisting the sympathies of men and women.

"A group conference was held at Lodipur Rajput (Moradabad) and attended by the collector and several directors of the Bank. The Ladies patronised the show and turned up in large numbers. During the discussion, it was pointed out that it was no easy thing to reduce the expenditure on ornaments. Women had a fancy for them and once there was retrenchment, members would run the risk of remaining unmarried or lose their wives thereafter. The ladies report was prompt and effective. They threw off the purdah and told the surprised gathering that they had never suspected that their ornaments were responsible for the financial troubles of their husbands. They had far greater love for them than for the ornaments they wear. They would discard them in future and urge those present to adopt the resolution. The proposition was carried amid acclamation, the clapping of ladies being the loudest."

Over and above the annual conference, which was presided by Mr. V. Ramadas Pantulu, there were a number of group conferences as a whole.

The Registrar sums up the achievement of the movement as follows :—

The cultural achievements of the movement are as important as any. Through group conference we have been able to stimulate expression on the part of shy and silent panchayats.

"Co-operation has not worked any miracle, but it has come to stay as a potent constructive force. We have no reasons to feel unduly pessimistic or gloomy. It is enough if it has given the villager cause to think that there are means open to him to improve his lot in life. Enough if he has begun to travel a little beyond his self or look beyond his nose."

The General impression one gathers from the report is that, in spite of very bad days, the movement has a wise and sympathetic guide in the Registrar.

S. K. Y.

THE REPORT ON THE WORKING OF THE CO-OPERATIVE SOCIETIES IN MYSORE

For the Year 1931-1932.

The report on the working of the Co-operative Societies in Mysore or the year 1931-1932 is as usual a very interesting document. The enthusiasm of the Registrar makes even the dull matter interesting.

Mysore with the rest of the world experienced the general economic depression and therefore, the report is somewhat gloomy and records no specific progress worth mentioning.

It is a matter for Congratulation that Societies have not deteriorated as far as they could have. The general progress is indicated by the table given below :—

		Year ending.	Year ending.
		1930-1931	1931-1932
Number of Societies ...	...	2,213	2,181
		Rs.	Rs.
Number of Members ...	...	1,37,615	1,42,715
Working Capital ...	...	1,89,32,129	2,03,77,661
Reserve Fund ...	...	22,78,352	24,40,164
Net Profits ...	...	5,25,454	4,92,786

The most alarming feature is the increasing overdues on which the Government in their review comment as follows:—

Mysore shares with the rest of the Province the curious phenomenon of inflow of Deposits even at low rates of interest and yet loans disbursed by Central Banks and Primaries to Members have shrunk from last year's amount. The Committee appointed at a previous conference to make suggestions for better co-ordination of the loaning institutions and improvement in the working of Central Banks has not yet submitted their report and, therefore, the Central Banks still remain a very weak link in the Co-operative chain.

We are sorry to note that owing to a mistaken notion of economy, much money has not been spent on propaganda. Propaganda being educative should be looked upon as investment and Central Banks and Government must encourage the Central Co-operative Institute to undertake an effective propaganda and training of workers. We are glad to note that the movement is getting popular amongst Ladies and Students, and we hope when these young Hopefuls become grown-up citizens, they will carry into effect the useful lesson learnt in a very practical way by running their own school stores. The general impression left is one of strenuous attempt to ward off disastrous land-slides and keep things going on as satisfactory as possible.

S. K. Y.

REPORT ON THE WORKING OF CO-OPERATIVE SOCIETIES IN BIHAR AND ORISSA FOR 1931.

Mr. E. C. Ansorge continued to be in charge of the department and his report is as usual a very interesting document. The general progress of the movement is shown in the table given below :—

General Progress for 1931.

	1930.	1931.
	Rs.	Rs.
Number actually working at the end of the year ...	9,404	9,309
Membership at the end of the year.	2,66,536	274,033
Working Capital at the end of the year ...	5,88,89,304	5,88,90,430
Reserve fund at the end of the year.	48,23,004	51,76,599
Profit and loss for the year.	11,55,203	9,16,289
Deposits held at the end of the year.	2,44,54,069	2,33,63,937

The Registrar's remark on mal-practices would be read with interest as this ugly feature is becoming more common in other parts of India. "As I pointed out last year, the only permanent cure for the disease is the better recognition by the members of their rights and interests and far greater care than is exercised at present to exclude undesirables from membership; but if these mal-practices were invariably condemned by public opinion, a great improvement could be effected. It is often difficult to persuade the banks to prosecute offenders, partly no doubt because of their natural desire to obtain restriction rather than retribution, but largely I fear, from reluctance to take any drastic action."

"One society offered a good example of how Co-operation can be misused. It enrolled several Mahajans along with their debtors as its Members and recorded the amount of the debts as loans to the debtor-members and as deposits by the Mahajan-members, thus attempting to secure the latter's dues by the unlimited liability of the remaining members. This peculiar kind of mal-practice is new to me."

As in other provinces, the need is felt for a separate organisation to deal with the long term credit and until that new organisation is brought into existence, the Provincial Bank is thinking of running long term loan department. It is interesting to note that when the need is felt for a new Central Bank, the question is seriously discussed whether a fresh Central Bank can be started or whether it is not better for the Provincial Bank to establish a branch in that area.

In the light of the fact that separate arrangements are being made to disburse long term loans, all the existing loans are re-examined and re-classified, so that, loans taken for debt redemption and other long term purposes may be put on a sound basis when sufficient long term capital is available in the movement. Co-operative movement in the

province seems to be taking much interest in Sanitation, Medical Relief, Education and experiments are being made in the matter of starting Rural Reconstruction Centres. Another interesting feature of the Co-operative movement in this province is the existence of a large number of Employees Associations having jurisdiction over the whole Province—the Provincial Civil Service Association, Posts and Telegraphs Co-operative Society, Police Officers Co-operative Society, Education Department Society, Excise Officers Society, Co-operative Department Association are some of them belonging to this class and we are glad to be told that most of these are working satisfactorily.

We are sorry to note that one store committed the mistake of selling on credit to members and finds itself in an unenviable position with heavy outstandings. The fundamentals of Rochdale Principle,—sale at the market price and sale for cash ought not to be departed from.

The training Institute is doing very good work not only in the matter of training candidates but acts as a store-house of Information of Co-operative Movement, and the experiments of students and staff going on a Co-operative tour, learning and teaching is an interesting experiment which might be tried in other provinces also.

The Registrar's report ends with a note of optimism and let us hope it is well-founded.

S. K. Y.

NINTH REPORT ON THE CO-OPERATIVE MOVEMENT IN SIAM.

Like the rest of the world, Siam is experiencing the effects of economic depression. The price of paddy, the main crop, fell by 50 per cent compared with the previous year and hence there was not much of returning of money by the old borrowers and, therefore, there was very little of expansion of the movement. We are glad to be informed that the Government have under contemplation a scheme of Commercial Intelligence to foster the domestic and foreign trade of the country and for the extension of the Co-operative movement.

The number of societies remain the same (128) and the numbers of members showed a little increase (2,156 to 2221). The movement is gaining public confidence as is shown by the inflow of deposits. They have built up a pretty strong reserve fund which is about 28 per cent. of the working capital. On the whole, we may say the movement is progressing satisfactorily.

S. K. Y.

THE 14TH ANNUAL REPORT ON THE WORKING OF THE COCHIN CENTRAL CO-OPERATIVE BANK, LIMITED.

The Bank showed an all round progress in the year under review as the following figures would show :—

	1106	1107
Number of affiliated Societies ...	132	140
Number of shares allotted ...	1,351	1,397
Share Capital Paid-up ...	Rs. 47,363	Rs. 51,023
Deposits from Individuals ...	Rs. 3,72,648	Rs. 4,48,697
Deposits from Societies ...	87,300	1,01,275
Working Capital (in lakhs) ...	6.41	6.95
Total Transactions (in lakhs) ...	29.52	24.85
Net Profit ...	Rs. 13,217	Rs. 11,540
Reserve etc., Funds of the Bank. ...	71,202	76,490

The increase of overdues—the characteristic feature of the Co-operative Movement elsewhere is to be found in the transactions of the Bank also, though not to any alarming extent. It is pleasing to note that the Members of the Managing Board paid 144 visits to 83 Societies and this together with supervision conducted by honorary supervisors and those attached to supervising Unions must have kept the societies in good working order. The allotment made towards propaganda funds is very meagre and the Bank will do well to donate large sums of money under this heading.

It is to be hoped that circumstances will improve and Co-operative Printing Press will be separately established and the Bank would be freed from the task of supplying forms and registers to Co-operative Societies, which task it has been doing for the past 13 years, and more. We would also endorse the recommendation of the Auditors that the Bank will do well to keep separate Bad Debt Reserve Fund.

S. K. Y.

The Madras Provincial Co-operative Union.

EXECUTIVE COMMITTEE MEETING.

A meeting of the Executive Committee of the Madras Provincial Co-operative Union was held at 8-30 A. M., on Sunday the 27th August 1933 Mr. V. Ramadas Pantulu Presiding. All the members of the Committee were present. M.R.Ry. Rao Bahadur K. Deivasikamani Mudaliar Avl., Registrar of Co-operative Societies was present on invitation.

The first item in the agenda was consideration of the Government of India's circular letter regarding the "Arrest and Imprisonment for Debt." The Committee after some discussion adopted the following note of the President on the subject.

Sub : Arrest and Imprisonment for Debt.

"The Madras Provincial Co-operative Union on a consideration of the reasons for and against the change in the law regarding the arrest and imprisonment of judgment-debtors in execution of decrees by Civil Courts have come to the conclusion that there is a strong case for a change in the law by abolishing generally arrest and imprisonment for debt where no contumacy is proved. In any case, the Union is definitely of opinion, that arrest and imprisonment for debt in the case of those who earn salary or wage of Rs. 100 and less per month should be done away with. The Union has already expressed its opinion that attachment of wages and salaries of Rs. 100 and below per month would work hardship and that it should be abolished. If attachment of salaries of people, who earn Rs. 100 and less, works hardship, their arrest and imprisonment for debt will work even greater hardship to their families, for the imprisonment of the earning Member will deprive the family all the necessary support. Moreover, such arrest and imprisonment often result in the debtor being discharged from his employment by the employer and such cessation of employment will work permanent hardship to the family of the debtor. In these circumstances, the Union recommends to the Government of India to abolish arrest and imprisonment for debt in cases where no contumacy is proved or in the alternative to abolish it in all cases where the judgment-debtor earns Rs. 100 and less per month."

The next subject on the agenda, Mr. G. Srinivasaraghavachariar's proposal regarding the reconstitution of the Provincial Co-operative Union, was taken up for consideration and the following resolution was adopted.

THE MADRAS PROVINCIAL CO-OPERATIVE UNION

"In the opinion of the Executive Committee Supervising Unions should continue to be members of the Provincial Co-operative Union apart from their being members of the Language Federations. The Committee favours the suggestion that one subscription or affiliation fees may be prescribed which may be shared between the Provincial Co-operative Union and the Language Federation concerned. A note on the subject which the President is requested to prepare will be placed before the next meeting of the Board."

3. Rao Bahadur A. Rajabadar Mudaliar's note regarding (a) consideration of steps to strengthen societies which admit of rectification and revival, side by side with the process of liquidation, (b) arrangements to be made to ensure satisfactory performance of the work of liquidation and (c) provision for efficient supervision of societies was considered.

In regard to (a) further consideration of the suggestion of Rao Bahadur A. Rajabadar Mudaliar to appoint paid Managers to village societies was postponed after some discussion.

In regard to (b) liquidation, the committee adopted the following resolution:—

"The ordinary procedure should be that the list of societies to be liquidated during the year should be drawn up at a meeting of the representatives of the District Bank, District Federation, if any, Supervising Unions and the Deputy Registrars of the District."

In regard to (c) Supervision, the Committee considered the note of the President for provision of efficient supervision of societies and suggested certain modifications in it and resolved that the President's note as modified should be circulated to the Central Banks, Federations and Unions in the Province for opinion. The note together with the opinion received on the scheme will be placed before the next meeting of the General Body. The note as modified is given from the next page.

The Committee by a resolution appointed Rao Bahadur T. A. Ramalingam Chettiyar as the Representative of the Provincial Co-operative Union to the Board of Directors of the South India Co-operative Insurance Society, Ltd., Madras.

The Committee next discussed other items on the Agenda of a routine nature and concluded at about 10-30 a.m.

A SCHEME FOR SUPERVISION OF SOCIETIES.

By MR. V. RAMADAS PANTULU.

The following scheme is put forward for the consideration of the Madras Provincial Co-operative Union and Central Banks, Unions and Federations where they exist. The scheme is intended for adoption in such areas where generally speaking, many of the Unions are not working properly. If the conditions of a particular district are such that the working of the Unions in it is, on the whole, found to be satisfactory or where the District Bank is satisfied with the existing arrangements and does not feel any need for a change, it is not intended that the proposals contained in the note should necessarily be adopted there. No scheme can be of universal application and even where the scheme suggested below is accepted, it may have to be done with such modifications as local conditions may require. But as in a majority of the districts the local unions are not working properly, according to responsible opinion, the scheme may be examined to see whether it will work well or bring about an improvement in supervision, in the Province as a whole.

1. We have to consider certain areas in which all the Unions are bad (or as I would be personally inclined to put it, where the scheme of supervision through Unions has practically failed). In such areas, I consider that the Unions may be done away with altogether by their wholesale abolition. In one Central Bank area, namely, Aska, Unions were practically done away with and not a single Union has been functioning for the last two years. I say practically, because the paper resolutions of the Central Bank and the Unions are to the effect that the Unions are suspended until further orders. The further orders are not forthcoming. The conditions of the Aska Bank area have improved since the disappearance of the Unions. There may be a few other Banks which may profitably copy the Aska experiment. But I do not advocate either the department or any other outside agency forcing this reform on any area. The Central Bank of the area must convince the Unions of the advantage of the latter giving place to some method of supervision by the Central Bank itself in view of the peculiarly bad conditions of the area.

2. The more general problem, however, is how to improve the Union system along lines of least resistance by weeding out bad

Unions and strengthening others. The following proposals, I consider will achieve this aim.

(a) In the first place, I consider that there are far too many Unions than are necessary or can be maintained efficiently out of the supervision fund available. So, a re-grouping of the societies into larger unions with compact areas of operation and the reduction of the unions by 50 per cent. of their existing number in the whole province is necessary. With the growth of liquidated and defunct societies, and societies which are beyond the possibility of resurrection, the number of societies which really require supervision has, in my opinion, gone down considerably and the reduction in the number of unions by one half is not an extravagant suggestion. Some of the Unions themselves are practically defunct and their liquidation is inevitable in any case.

N. B.—The increase in the number of Unions has resulted in the increase of the size of the Central Banks' Boards. The Townsend Committee favoured a Board of not more than 21 for each Central Bank. This scheme will immediately result in reducing the size of the Central Banks' Boards.

(b) Each Union must have a paid Manager appointed and controlled by the Central Bank. He must also do outdoor work whenever necessary. He must study the diaries of supervisors and collect and furnish to the Central Bank all the information which the Bank wants. He practically does the work of the Governing Body, of course, as its employee and subject to its control. The Manager must be a different Officer from the Supervisor or Inspector if any, appointed by the Bank.

N. B.—This system prevails in Salem District and the results, I consider, are satisfactory. I have given a description of the system in my inspection report of the Salem District Urban Bank and I append to this note an extract from the report.*

(c) I consider that the Governing Bodies of the Unions are unduly bulky. I think three members ought to be enough to form an executive of a small institution like the local Union. If this is considered too small a number, let us fix it at 5 at the most.

N. B.—If the maximum amount to be spent on T. A. of the Governing Body members for attending meetings, as well as inspection and propaganda work is fixed at a small figure, the reduction in the number of members may not be insisted upon.

* See at the end of this note.

3. The director representing a Union must assume responsibility for the proper working of the Union and must effectively represent it on the Bank by posting himself with all the requisite information relating to the working of the Union and the societies in its area. He must help in the deliberations of the Board of the Bank in his capacity not merely as the Union's representative on the Bank, but also as the Bank's representative on the Union. He must function as an honorary officer of the Bank as well as of the Union.

4. The Union Supervisors must be put on a district cadre and their appointment and control must be vested in the Central Bank.

5. The supervision fund must be pooled in the Central Bank and administered by it.

N. B.—(i) Where a District Federation exists and is working in harmony with the Central Bank, items 4 and 5 may be vested in it.

(ii) The financial aspects of the scheme have not been worked out. It is a complicated business. A small committee of 3 may sit at it, if there is any chance of the scheme being accepted.

Extract from the report of inspection of the Salem District Urban Bank, Ltd., Salem by M. R. Ry. V. Ramadas Pantulu Garu President, The Madras Provincial Co-operative Bank, Ltd.

Para (16).—About the year 1928-29, after the District Federation practically ceased to function, Dewan Bahadur R. Ramachandra Rao introduced in the Rasipuram Union area a system by which the District Bank also participated in the supervision of societies, along with the Unions, without impairing the autonomy of the latter. This is locally known as the "Joint Supervision Scheme." The system was later on adopted in the other Union areas as well. Briefly stated, the scheme is as follows:—The District Bank appoints a Manager for the Union, who is the immediate official to look into the work of the field staff working in the Union area. His salary is paid by the Bank, except in the Rasipuram Union where the Union itself pays his salary. There is no Manager for the Hosur Union. There is a Manager in all the other 11 Unions, who is appointed and paid by the District Bank. The District Bank also appoints one or more Inspectors in addition to the Manager to work in each Union area to work just like the Union supervisors under the Union. The societies to be supervised are distributed between the Inspectors of

the Bank and the supervisors of the Unions and there is no overlapping. The Union Manager, who is an employee of the Bank works under the Governing Body of the Union and as such he is an official of the Union as well. He also does field work and is in charge of rectification work. He examines the diaries of the Inspectors and supervisors and places them before the union authorities and are eventually forwarded to the Bank. Generally speaking 10 or 12 societies are allotted to each man. These field men maintain what are called "Note-Book Diaries." The recording of facts in the note-books is generally in a narrative form. When the defects noted at one stage are rectified later, the fact is duly noted. I have read some of these note-book diaries; they are well kept and give useful information about the field staff's work.* The administrative section of the Bank examines the reports from the Unions and draws the attention of the Unions to matters which require further attention.

*Mr. Ramachandra Rao, in his report referred to mentions the following as the duties of these men.

(1) to revive dormant societies; (2) to teach the general bodies of the societies co-operative principles and to elect active panchayat members, (3) to expand transactions wherever circumstances permit, (4) to collect members' overdues, (5) to prepare cases for arbitration and execution, (6) to help in the preparation of forecasts, (7) to stimulate produce loans, (8) to verify disbursement of loans and their application and (9) wherever there is good chance, to instruct the villagers in general particulars, e.g., in the formation of a panchayat, in temperance work, in establishing schools, etc.

Government Orders
GOVERNMENT OF MADRAS.
DEVELOPMENT DEPARTMENT.

G. O. No., M. S. 963 dated 9th August 1933.

Abstract.

Co-operative Societies—Act—Section 35—thrift societies exemption—sanctioned.

Order :—In exercise of the power conferred by section 60 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) the Governor acting with ministers is hereby pleased to exempt all credit societies, whether with limited or with unlimited liability :—

(a) which have for their main object the accumulation of the savings of their members, and

(b) the by-laws of which do not provide either for borrowing from non-members or for lending to its members, from the provision in section 35 of the said Act requiring the carrying of a portion of their net profits to a reserve fund.

(By order of the Government Ministry of Public Works).

C. A. HENDERSON,
Secretary to Government.

R. Dis. B. 4324-33.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES,
Madras, Dated 16th August, 1933.

Copy communicated to all Deputy Registrars, Sub-Deputy Registrars in charge of districts, Training Institutes, District Superintendent of Police, Madura (in duplicate) Madras Provincial Co-operative Union, the Tamil Nadu Federation and Inspector, Kallar Reclamation, Tanjore.

(By order)

P. R. SUNDARAM,
Manager.

17-8-33.

Registrar's Circular

B. 4377-33.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES,
Madras, Dated 15th August 1933.

M.R.Ry. Rao Bahadur K. Deivasikhamani Mudaliar Avl.,
Registrar.

CIRCULAR.

Sub :—Co-operative Societies—Removal of defaulting members—enforcement of Rule XVIII.

The attention of all Deputy Registrars and Sub-Deputy Registrars in section charges is invited to rule XVIII of the Rules framed under the Co-operative Societies Act VI of 1932 and published in the Fort St. George Gazetted dated, 1-8-33. A copy of the rule imposing disabilities on defaulting members is furnished below for ready reference.

Rule XVIII. "No society shall appoint any member, who at the time, is in default to the society for a period exceeding three months, to its committee or to the committee of another society or to represent the society in another society and vote; and any member of a society who has been appointed to its committee or to the committee of another society or to represent the society, in in another society and vote, shall cease to hold his appointment as such, if he is in default to the society of which he is a member for a period of three months."

2. All Deputy Registrars and Sub-Deputy Registrars are requested to take necessary steps to enforce the provisions of this rule in all societies in their districts. Auditors should be instructed to examine this point at the time of their inspection of societies and report the result of such investigation in the summary of audit defects. The District Federation and Central Banks are requested to help the Department to carry out this rule and to make known to societies through the issue of circulars in vernaculars.

3. It is needless to observe that to ensure the observance of business methods and to inculcate business habits among members, it is necessary that the office-bearers and the Panchayatdars should themselves set a high standard of business morality and induce members also to follow their example. The trouble all along has been that generally the panchayatdars, having taken unduly big loans and having been themselves defaulters, have

failed to recover loans from members and in a considerable measure contributed to the overdues in societies. It is hoped that through the strict enforcement of the rule there would be a decided improvement in the existing state of affairs. The Registrar trusts that the departmental officers and the non-official Co-operator would unhesitatingly enforce the rule in all societies.

(By order)

P. R. SUNDARAM,
Manager.

**Copy of Paras 1 to 3 of the Deputy Registrar's (Madras)
Memo A. 1810-33, dated 24-8-33.**

Sub:—Concurrent Audit—1933—1934. Arrangements.

It has been ordered by the Registrar that the accounts of all big societies liable to pay audit fees should be audited month after month and that it would suffice if Building Societies and Primary Land Mortgage Banks are audited once in six months. It has further been ordered that the audit of all such big societies should be brought up-to-date before long.

2. The annexed list shows the names of societies which are to be audited monthly and the Inspectors to whom they are allotted for the purpose. Besides the final audit of societies already in their respective groups, the concurrent audit of societies noted against each should be taken up immediately and got through simultaneously.

3. The audit of the accounts for each month should not be delayed beyond the close of the next month. The report of the concurrent audit for July 1933 should reach the Deputy Registrar on or before 7-9-33 without fail, and reports for the subsequent months before the 3rd of the succeeding months.

**LIST OF SOCIETIES WHICH WILL BE AUDITED
MONTHLY.**

List of societies which are to be audited monthly as per Memo No. A. 1810/33 dated 24th August 1933 of the Deputy Registrar, Madras :—

City Audit Group I.

1. Port Trust Co-operative Society.
2. City Constables Co-operative Society.
3. City Police Officials Co-operative Society.
4. Customs Co-operative Society.

City Audit Group II.

1. B. & C. Mills Co-operative Society.
2. High Court Co-operative Society.

City Audit Group III.

1. Corporation Officials Co-operative Society.
2. Government Servants Co-operative Society.
3. Kachaleswarar Dn. Co-operative Society.
4. Central Co-operative Printing Works.

City Audit Group IV.

1. Government Press Employees Co-operative Society.
2. Government Telegraph Employees' Co-operative Society.
3. Civil Accounts Staff Co-operative Society.
4. Secretariat Staff Co-operative Society.

City Audit Group V.

S. I. Special (Madras)

1. Vellala Bank.
2. Postal Audit Co-operative Society.
3. George Town Co-operative Society.

City Audit Group VI.

S. I. Credit.

1. Madras District Co-operative Central Bank.
2. The Madras Central Land Mortgage Bank.
3. Milk Supply Union.

City Audit Group VII.

- S. I. Special (Chingleput).
1. Christian Central Bank.
2. Madras City Bank.
3. Teachers Guild Co-operative Society.
4. Catholic Co-operative Society.

Group A.

1. Purasawalkam Bank.
2. Pudupet Bank.

Group B.

1. Peddunaickenpet Co-operative Society.
2. Washermanpet Co-operative Society.

Group C.

1. Survey Office Co-operative Society.
2. Chintadripet Bank.
3. Corporation Servants Co-operative Society.
4. Mylapore Co-operative Society.
5. Workers Bank.

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MADRAS PROVINCIAL
CO-OPERATIVE UNION, ROYAPETTH,
Madras, 6th September 1933.

From,

V. VENKATASUBBIAH ESQ., B.A.,

Honorary Joint Secretary.

To

CENTRAL BANKS, FEDERATIONS AND SUPERVISING UNIONS.

Dear Sirs,

The Executive Committee of the Madras Provincial Co-operative Union which met on the 27th August 1933, discussed the subject of "provision for the efficient supervision of societies." The President of the Union Mr. V. Ramadas Pantulu prepared a note for the consideration of the Executive Committee, which after some discussion suggested certain modifications in it. The Committee directed that the President's note as modified be circulated to all the Central Banks, Federations and Unions.

Accordingly I am enclosing herewith* the modified note and request you to kindly communicate the opinion of your Institution by the 5th of October 1933 at the latest. The opinions received thereon will be placed before the next meeting of the Executive Committee.

(By Order)

M. DATTATRAYULU,

Manager.

6-9-33.

*Vide pp. 180 to 183 of this Journal for the scheme.

PUBLICATIONS RECEIVED.

In August 1933.

From the Department of Agriculture, Province of British Columbia.

1. Twenty-seventh Annual Report of the Department of Agriculture for the year 1932.
2. Climate of British Columbia, Tables of Rainfall, Snowfall, Sunshine, Temperature and humidity. Report for 1932.
3. Agricultural Statistics Report, year 1932.
4. Certified milk and butter-fat records, 1932.
5. Second list of Dairy sires of the Jersey, Holstein, Guernsey and Ayrshire breeds.
6. Soil Fertility
By Paul C. Black.
7. Use of feathers
By Maxwell, England,

(Govt. Printing Office, Singapore.)

8. Co-operation in India and Europe (1933.)

By L. D. Gammans, Malayan Civil Service,

(Published by K. S. Narayanan Brothers, 1932).

9. A Primer of Rural Co-operative Credit (Tamil),

By K. Srinivasan, M. A.,

10. Annual Report of the Coimbatore Dt. Urban Bank, Ltd., for 1932-1933.
11. First Annual Report of the South India Co-operative Insurance Society.
12. Report of the Scottish Agricultural Organisation Society, Ltd., for 1932.
13. Report of the Irish Agricultural Organisation Societies for 1932.

THE MADRAS AGRICULTURAL JOURNAL.

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MANAGER,

The Madras Agricultural Journal,

Agricultural College & Research Institute,

Lawley Road P. O. Coimbatore.

Our Exchanges.

1. Bombay Co-operative Quarterly. (Issued by the Provincial Co-operative Institute, Bombay).
2. The Co-operative Journal ... (Published by the Fort Co-operative Institute, Bombay).
3. The Bengal Co-operative Journal. (Published by the Bengal Co-operative Organisation Society, Ltd., Calcutta).
4. B. & O. Co-operative Journal ... (Published by B. & O. Co-operative Federation, Patna).
5. Agriculture and Live-Stock in India. (Published for The Imperial Council of Agricultural Research, Delhi).
6. The Madras Agricultural Journal. (Published by the M. A. S. Union Agricultural College and Research Institute, Coimbatore, S. India).
7. The Mysore Economic Journal. (Mysore).
8. Indian Journal of Economics. (Published by G. D. Karwal, Economics Department, University of Allahabad).
9. The Local Government Quarterly. (Published by Mr. K. V. Menon for The Madras Chamber of Local Boards, Panagal Buildings, Saidapet).
10. Triveni ... (Madras).
11. Insurance Herald (Calcutta). (Calcutta).
12. The Indian Insurance ... (Issued by The Indian Insurance Companies Association, 3rd Floor, Jahangir Wadia Building, Esplanade Road, Fort, Bombay).
13. The South Indian Teacher ... (Madras).
14. The Moga Journal for Teachers. (Lahore).
15. The Madras Law Journal ... (Madras).
16. Stri Dharma ... (Madras)
17. Vyayam ... (Saidapet, Madras).
18. The Calcutta Municipal Gazette. (Published by R. Maulik, Esq., Supdt. of Printing at the Corporation Press, 5, Surendranath Banerjee Road, Calcutta).
19. "Kootturavu" (in Tamil) ... (Tamilnadu Co-operative Federation (Coimbatore))
20. Bharathi (in Telugu) ... (Madras)
21. International Labour Review. Published by the International Labour Office, Geneva).

22. Industrial & Labour Informa- (Published by the International Labour
tion. Office, Geneva).
23. The Nation ... (Published at 20, Vesey St. New York.)
24. Northwest Bancorporation Re- (Minneapolis, Minn).
view.
25. 'The Agricultural Gazette of (Sy d n e y)
New South Wales.
26. International News Service (International Co-operative Alliance,
(Economic Section.) ... (14, Great Smith Street, London,
S.W.I.)
27. International Co-operative Al- Do. Do.
liance.
28. Co-operation & Markets News. (Issued by the Co-operation & Markets
Branch, Department of Agriculture,
Regina, Sask, Can.)
29. Bulletin; Agricultural Com- (American Bankers Association)
mission.
30. The Journal of the Jamaica (Published by the Office of the Jamaica
Agricultural Society. Agricultural Society, 11, North
Parade, Kingston.)
31. The Journal of the Ministry of (Published by His Majesty's Statione-
Agriculture. ry Office, London)
32. International Review of Agri- (R o m e)
culture.
33. The U.F.A. ... (Galgary, Alberta)
34. The Manitoba Co-operator ... (Winnipeg)
35. The Co-operative News ... (Sydney).
36. The Canadian Co-operator ... (Brantford, Can.)
37. The Co-operative Review ... (Issued by the Co-operative Union of
Great Britain and Ireland); (Man-
chester 4.)
38. The Co-operative Official ... (Published by the Co-operative Union
Ltd., Holyoake House, Hanover St.,
Manchester, 4.)
39. The Millgate ... (Published by the National Co-opera-
tive Publishing Society, Ltd., 22,
Long Millgate, Manchester, 3)
40. Co-operation ... (Published monthly by the Co-opera-
tive League of the U.S.A., 167,
West 12th St., N.Y.)
41. The Co-operative Educator ... (Published by the Co-operative Union,
Ltd., Holyoake House, Hanover St.,
Manchester.)
42. The Co-operative News ... (Published by the National Co-opera-
tive Publishing Society, Ltd., Long
Millgate, Manchester, 3.)

The Madras Debt Conciliation Bill 1933

FRAMED BY

RAO BAHADUR T. A. RAMALINGAM CHETTIAR, B.A., B.L., M.L.C.

(Proposed to be introduced into the Madras Legislative Council).

OBJECTS AND REASONS.

On account of the unprecedented economic depression prevailing in the Country and the very low level of prices reached, the position of the Agriculturist has become very deplorable. The prices of Agricultural produce and of lands have decreased. The fall in prices is on an average more than 50 per cent of the original value. It is well known that most of the ryots are heavily indebted. They also want money for agricultural operations. The fall in prices makes it impossible for the ryots to discharge their debts which remain at the same old level. The result is the creditors themselves do not get their money and they are forced to go to Courts and sell the lands of the ryots. The present state of things leads to the lands being sold at very low prices in the enforced sales, which even ordinarily do not bring a fair price. The creditor is anxious to get cash while the ryot cannot raise it because of the low prices ruling in the market for his property. In many cases the creditors will be very glad to forego a portion of their claim if they can get cash in lump or in a few instalments. The Land Mortgage Banks which are being organized for the purpose of enabling the ryots to redeem their property are unable to help as the properties have depreciated in value and cannot be sufficient security for discharging all the debts which really, taking into consideration the present prices, have appreciated in value. If there is a moderation of these debts on reasonable lines it will be possible for the Land Mortgage Banks to come in and save a large number of ryots. The ryots may also be able to sell a portion of their property and save the rest or in some other way raise money to discharge the debts as moderated. In view of the present conditions and the large number of sales of Agricultural lands through Courts in the ordinary way and very largely through Official Receivers and in some cases by private sales at very low rates, it is urgent that some measures are adopted to provide for the moderation of the debts and saving the ryots. It is necessary that urgent action should be taken as an emergency measure if even a considerable body of ryots are to be saved and the passing of the lands into the hands of middlemen and professional money-lenders be avoided.

125957.

The Central Provinces Government introduced a Debt Conciliation Bill as a Government measure and it was passed in the Council at the end of 1932 and received the assent of His Excellency the Viceroy in March 1933. That Act applies only to agriculturists whose debts exceed Rs. 150. It provides for the appointment of Debt Conciliation Boards consisting of 3 to 5 members all nominated by the Government. A creditor or a debtor who wants the intercession of the Board may apply to it. Notice is sent to all the creditors and the Debtor and they are brought face to face with one another. The Board persuades the parties to come to an amicable settlement. If the creditors to whom not less than 50 per cent. of the debts are due and the debtor agrees to a settlement that is recorded by the Board and registered, and it has got the same effect as the decree of a Civil Court, then it binds even those creditors who have not agreed. In case there is no settlement, the application is dismissed but the Board may issue a certificate stating who in its opinion is the unreasonable party. In case it is of opinion that a creditor is the unreasonable party, he will not get the costs of his suit when he files one in the ordinary way for the recovery of his money and from the date of such certificate he will get interest only at 6 per cent. per annum.

The jurisdiction of the Board is in the first instance restricted to debtors whose debts aggregate to Rs. 25,000 but it is open to the Government to increase the jurisdiction of any Board in a particular area.

I have framed the Bill on the very same lines and I have adopted mostly the language of the Central Provinces Act. The few changes I have made are shown below.

1. In section 2 (a) and (b) the definitions of 'land holder' and 'tenant' are given as appearing in the Madras Revenue Recovery Act and the Madras Estates Land Act respectively.

2. In section 3 the period of membership of the members of the Debt Conciliation Board is extended to 3 years from 1 year.

3. In section 12 (1) in the C. P. Act, if the creditors to whom not less than 40 per cent. of the total debts agree to a settlement, that will be binding on the rest. I have raised this to 50 per cent.

4. In section 15 (2) I have made it clear, that the interest should be charged on the principal due.

5. I have added a new clause after section 17 as section 17-A. This is to avoid trouble where the settlement has been only partially carried out. Even then the alienations made will have to be saved; otherwise it will not be possible to carry out the settlement arrived at.

An Act to make provision for the setting up of Debt Conciliation Boards to relieve Agriculturists from indebtedness.

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An Act to make provision for the setting up of Debt Conciliation Boards to relieve agriculturists from indebtedness.

Preamble.

Whereas it is expedient to relieve agriculturists from indebtedness by amicable settlement between them and their creditors,

And whereas the previous sanction of the Governor-General required by sub-section (3) of Section 80-A of the Government of India

Act has been obtained to the passing of this Act, it is hereby enacted as follows :—

Short title, Extent
and Commencement.

- I. (1) This Act may be called the Madras Debt Conciliation Act, 1933.
- (2) It extends to the whole of the Madras Presidency.
- (3) It shall come into force on such date as the Local Government may, by notification direct.

2. In this Act, unless there is anything repugnant in the subject or context—

(a) The expression 'Land-holder' as used in this Act shall be taken to comprise the following persons :—

All persons holding under a Sanad-i-Milkiyat-i-istimrar, all other Zamindars, Shortriemders, Jagirdars, Inamdars and all persons farming the Land Revenue under Government. All holders of land under Ryotwari-settlements, or in any way subject to the payment of revenue direct to Government.

(b) The expression 'Tenant' means a ryot having a permanent right of occupancy in his holding and includes a Kanamdar in Malabar and a 'Mulgeni' tenant in South Kanara.

(c) The expression 'Agriculture' shall include Horticulture.

(d) 'Board' means a Debt Conciliation Board established under sub-section (1) of section 3 ;

(e) 'Creditor' means a person to whom a debt is owing and includes a Co-operative Society ;

(f) 'Debt' means all liabilities owing to a creditor, in cash or kind, secured or unsecured, payable under a decree or order of a Civil Court or otherwise, whether due or not due, but shall not include arrears of wages, land revenue or anything recoverable as an arrear of Land Revenue or any money for the recovery of which a suit is barred by limitation ;

(g) 'Debtor' means a person who earns his livelihood mainly by agriculture and who is an occupancy tenant or landholder, whose debts exceed Rs. 150 ;

(h) 'Prescribed' means prescribed by rules made under this Act.

3. (1) The Local Government may establish a Debt Conciliation Board for any district or part of a District. Such Board shall consist of a Chairman and two or more members, not exceeding five, including the chairman, to be appointed by the Local Government which may for reasons to be recorded in writing cancel any appointment and dissolve any Board.

Establishment of
Debt Conciliation
Board.

(2) The Chairman and every member of a Board so established shall be appointed for a term not exceeding three years. Such chairman or member may, on the expiration of the period for which he has been appointed, be again appointed for a further term not exceeding three years.

(3) A Board shall have quorum as may be prescribed.

(4) Where the Chairman and Members of a Board are unable to agree, the opinion of the majority shall prevail. Where the Board is equally divided, the Chairman shall have a casting vote.

4. (1) A debtor or any of his creditors may apply to the Board appointed for the area in which any holding, land or village of the debtor, or any part thereof, is situate, to effect a settlement between the debtor and his creditors :

Application for settlement between Debtor and his Creditors.

Provided that no application shall be made if the debtor's debts exceed twenty five thousand rupees or such larger amount as may be prescribed for each area.

(2) No debtor or creditor shall simultaneously make more than one application, and where applications have been made by the debtor and any of his creditors, the applications made by the creditors shall be merged in the application made by the debtor.

5. Every application to the Board shall be in writing and shall be signed and verified in the manner prescribed by the Code of Civil Procedure, 1908, for signing and verifying plaints.

Verification of application.

6. (1) Every application presented by a debtor to a Board shall contain the following particulars, namely ;

(a) a statement that the debtor is unable to pay his debts.

(b) the place where he resides ;

(c) The amount and particulars of all claims against him together with the names and residences of his creditors so far as they are known to, or can by the exercise of reasonable care and diligence be ascertained by him ; and

(d) The amount and particulars of all his property, including claims due to him together with a specification of the value of such property not consisting of money, and the place or places at which any such property is to be found.

(2) Every application presented by a creditor shall contain the following particulars, namely :—

(a) The place where the debtor resides ; and

(b) The amount and particulars of his claim against such debtor.

7. (1) On receipt of an application under section 4, the Board shall pass an order fixing a date and place for hearing the application: C. P. Act Sec. 7.

Provided that the Board may at any time dismiss the application if for reasons to be stated in writing, it does not consider it desirable to attempt to effect a settlement between the debtor and his creditors.

(2) Notice of the order under Sub-section (1) shall be sent by registered post to the debtor or creditors, as the case may be.

8. (1) If, after examining the debtor, it is, in the opinion of the Board, desirable to attempt to effect a settlement between him and his creditors, a notice shall be issued and served or published in the manner prescribed, calling upon every creditor of the debtor to submit a statement of debts owed to such creditor by the debtor. Such statement shall be submitted to the Board in writing within two months from the date of service or publication of the notice as the case may be; provided that, if the Board is satisfied that any creditor was, for good and sufficient cause unable to comply with such directions, it may extend the period for the submission of his statement of the debt owed to him. C. P. Act Sec. 8.

(2) Every debt of which a statement is not submitted to the Board in compliance with the provisions of sub-section (1) shall be deemed for all purposes and all occasions to have been duly discharged.

Provided that, if a creditor proves to the satisfaction of the Board or a Civil Court that the notice was not served on him and that he has no knowledge of its publication, the Board or Court may revive the debt.

9. (1) Every creditor submitting a statement of the debts owed to him in compliance with a notice issued under sub-section (1) of section 8 shall furnish, along with such statement full particulars of all such debts and shall at the same time produce all documents, including entries in books of account on which he relies to support his claims, together with a true copy of every such document. C. P. Act Sec. 9.

(2) The Board shall, after marking for the purpose of identification every original document so produced and verifying the correctness of the copy, retain the copy and return the original to the creditor.

(3) If any document, which is in the possession or under the control of the creditor, is not produced by him as required by Sub-section (1), the document shall not be admissible in evidence against the debtor in any suit brought by the creditor or by any person claiming under him.

10. The Board shall call upon the debtor and each creditor respectively to explain his case regarding each debt and shall endeavour to induce them to arrive at an amicable settlement.

11. (1) Subject to the provisions of sections 132 and 133 of the Code of Civil Procedure, 1908, and to rules made under section 25, a Board shall have power to summon any person whose attendance it considers necessary either to be examined as a party or to give evidence as a witness or to produce any document for the purposes of any inquiry under this Act. Power of Board to require attendance of persons and production of documents and to receive evidence.

(2) Any person present may be required by a Board to give evidence or to produce any document then and there in his possession or power.

12. (1) If the creditors, to whom not less than fifty per cent of the total amount of the debtors debts are owing come to an amicable settlement with the debtor, such settlement shall forthwith be reduced to writing in the form of an agreement recording the amounts payable to such creditors and the manner in which and the times at which they are to be paid. Such agreement shall be read out and explained to the parties concerned, and shall be signed or otherwise authenticated by the Board and the parties. Agreement of amicable settlement, its registration and effect.

Provided that, when a Co-operative Society is one of such creditors no settlement, in so far as it affects the debts owing to such Society, shall be valid without the previous approval in writing of the Registrar of Co-operative Societies.

(2) An agreement thus made shall, within 14 days from the date of its making, be registered under the Indian Registration Act, 1908, by the Chairman of the Board in such manner as may be prescribed and it shall then take effect as if it were a decree of a Civil Court.

(3) For the purpose of the registration of an agreement under sub-section (2) the Chairman of the Board shall be deemed to be an Officer of the Government empowered to execute such agreement within the meaning of section 88 of the Indian Registration Act, 1908.

13. (1) If a debtor defaults in paying any amount due in accordance with the terms of an agreement registered under sub-section (2) of section 12, such amount shall be recoverable as an arrear of land revenue on the application of the creditor made within ninety days from the date of default.

(2) Where the collector fails to recover as an arrear of and revenue any part of such amount, he shall certify that it is irrecoverable and thereupon the agreement shall cease to subsist.

(3) Where an agreement ceases to subsist any amount which was payable under such agreement but has not been paid shall be recoverable as if a decree of a Civil Court had then been passed for its payment.

14. If no amicable settlement is arrived at under sub-section (1) of section 12, the Board shall dismiss the application.
Power of Board to dismiss application. C. P. Act Sec. 14.

15. (1) Where, during the hearing of any application made under section 4, any creditor refuses to agree to an amicable settlement, the Board may, if it is of opinion that the debtor has made such creditor fair offer which the creditor ought to reasonably accept, grant the debtor a certificate, in such form as may be prescribed, in respect of the debts owed by him to such creditor.
Grant of certificate in respect of certain debts. C. P. Act Sec. 15.

(2) Where any creditor sues in a Civil Court for the recovery of a debt in respect of which a certificate has been granted under sub-section (1), the court shall, notwithstanding the provisions of any law for the time being in force, not allow the plaintiff any costs in such suit, or any interest on the debt after the date of such certificate in excess of simple interest at six per cent. per annum on the principal amount due on the date of such certificate.
Power of Court to disallow costs of interest.

(3) Where after the registration of an agreement under sub-section (2) of section 12, any unsecured creditor sues for the recovery of debt, other than a debt incurred subsequent to such agreement, in respect of which a certificate has been granted under sub-section (1) or any creditor sues for the recovery of a debt incurred after the date of such registration, any decree passed in such suit shall, notwithstanding anything contained in the Code of Civil Procedure, 1908, not be executed until amounts recorded as payable under such agreement have been paid or such agreement has ceased to subsist.

Bar of civil suits. 16. No Civil Court shall entertain —
 (a) Any suit in respect of
 (1) any matter pending before a Board or

(2) the validity of any procedure or the legality of any agreement made under this act, or C. P. Act Sec. 16.

(3) the recovery of any debt recorded as wholly or partly payable under an agreement registered under sub-section (2) of section 12 from any person who, as a debtor, was party to such agreement, whether such agreement is subsisting or not or

(4) the recovery of any debt which has been deemed to have been duly discharged under sub-section (2) of section 8, except a debt which is revived under the proviso to that sub-section;

(b) any application to execute a decree, the execution of which is suspended under sub-section (3) of section 15.

17. Every transfer of property made, with intent to defeat or delay the creditors of the debtor, after an application has been made to a Board under Section 4 and until the agreement registered in respect of such application has ceased to subsist, shall be voidable at the option of any creditor so defeated or delayed.
Avoidance of certain transfers of debtor's property. C. P. Act Sec. 17.

17-A. Any alienation of Land made in pursuance of or to carry out the agreement mentioned in section 12 shall not be considered as fraudulent preference under the Presidency Insolvency Act and the Provincial Insolvency Act nor shall be voidable under section 54 of the Transfer of Property Act. (New)

18. No appeal or application for revision shall lie against any order passed by a Board.
Bar of appeal or revision. C. P. Act Sec. 18.

19. A Board, may on application from any person interested made within ninety days of the passing of an order, review any order passed by it and pass such order in reference thereto as it things fit.
Power of Board to review its order. C. P. Act Sec. 19.

Provided that no order shall be varied or reversed unless notice has been given to the persons interested to appear and heard in support of such order.

20. In any proceedings before a Board any party may be permitted to appear by an agent authorised in writing, but not by a legal practitioner.
Appearance of party before Board by Agent but not by legal practitioner. C. P. Act Sec. 20.

21. When an application has been made to a Board under section 4, any suit or other proceedings then pending before a Civil Court in respect of any debt for the settlement of which application has been made, shall be suspended until the Board has dismissed the application or an agreement registered under sub-section (2) of section 12 has ceased to subsist.
Suspension of pending application or suit. C. P. Act Sec. 21.

22. Where in the course of an enquiry into an application made under section 4 a Board finds that there is any sum owing to Government on account of loans advanced under the Agriculturists Loans Act, 1884, or the Land Improvement Loans Act, 1883, or otherwise, the Board shall report this fact to the Collector.

C. P. Act
Sec. 22.

23. In calculating the period of limitation for any suit filed in, or proceeding before a Civil Court for the recovery of a debt which was the subject of any proceedings under this Act, the time during which such proceedings had continued shall be excluded.

C. P. Act
Sec. 23.

24. The members of a Board shall be deemed to be public servants within the meaning of the Indian Penal Code.

C. P. Act
Sec. 24.

25. In addition to any power specially conferred by this Act, the Local Government may make rules.

C. P. Act
Sec. 25.

(a) prescribing the quorum for, and regulating the procedure before a Board;

(b) prescribing the manner in which notices shall be issued and served or published under sub-section (1) of section 8;

(c) prescribing the charges to be made by a Board for anything done under this act and the persons by whom and the manner in which such charges shall be paid;

(d) prescribing the records to be kept and the returns to be made by a Board;

(e) prescribing the allowances, if any, to be paid to the chairman and members of a Board;

(f) regulating the power of a Board to summon parties and witnesses under section 11 and the grant of expenses to witnesses;

(g) prescribing the place at which and the manner in which an agreement shall be registered under sub-section (2) of section 12.

(h) prescribing the form of certificate to be granted under sub-section (1) of section 15 and

(i) generally, for the purpose of carrying into effect the provisions of this Act.

26. (1) All rules, for which provision is made in this Act, shall be made by the Local Government and shall be consistent with this Act.

C. P. Act
Sec. 26.

(2) All rules shall be subject to the condition of previous publication.

(3) In making any rule, the Local Government may direct that a branch thereof shall be punishable with fine which may extend to fifty rupees, and, where the breach is a continuing one, with further fine which may extend to ten rupees for every day after the first during which the breach has been persisted in.

Perundurai Rural Reconstruction Centre (COIMBATORE DISTRICT URBAN BANK)

Review of First Year's Work.

The Perundurai Rural Reconstruction Centre is working out a comprehensive programme of welfare activities in select Primary Co-operative Societies affiliated to the Unions of Perundurai Kumbuliyampatti and Appichimar Mutt. The Non-Official Committee which manages the centre is the connecting link; and it is co-ordinating the activities of the Local Boards and the nation-building Departments.

Leadership for Rural Service.

As the Indian Villager "lacks leadership," the main object is to select and train the youth of India to shoulder the responsibilities of public life in the new era. *An intensive course of rural study and service was arranged at Perundurai during the last Christmas Week with the help of competent official and non-official leaders.* The response has been quite encouraging and warrants the continuance of this training system.

Study Circle.—Interest in the study of literature on rural reconstruction is stimulated and sustained by the study circle classes at Perundurai. Only a sum of Rupees Fifty was available to purchase books for the library.

New Light for the Villager.

By way of "enlivening" the villager, five Adult Schools for men are being conducted along with an evening Classes for Mothers which is housed in the Perundurai Child Welfare Centre. The experiment of simple school for Mothers has been commended both by the Director of Public Health, Madras and the Registrar of Co-operative Societies, Madras, during their recent visit to Perundurai.

The publications of the Tamil Nadu Co-operative Federation and the Sathiyamangalam Centre's Tamil book: "Light on life" serve as text books. The Secretary of the Perundurai Rural Reconstruction Centre is contributing a series of articles on his impressions of

the Rural Centre all over India, in the pages of the Tamil Co-operative Journal, "Kootturavu" and he is also developing a publicity project to print and broad-cast new tracts. There is indeed as much scope for visual instruction as resources in money and material would permit.

A Youth League in this area is cherishing the ambition to instal a Radio-set in its own Bhajana hall.

Key to Rural Reconstruction.

Co-operation helps as a key to Rural Reconstruction. Side by side with strengthening existing Co-operative Credit Societies with a view to enable them to earn more common good fund, a society for weavers and another for market gardeners are in the process of formation.

Eri-culture, as a cottage industry, has been introduced in some of the villages of this area; and the Coimbatore District Urban Bank is taking active steps to market the Eri-Yarn to the best advantage.

The Coimbatore District Co-operative Labour Society at Perundurai is now functioning under auspices of the Perundurai Rural Centre, and bids fair to enlarge its scope of work by getting more contracts from the District Board and elsewhere.

Co-ordinated Health Work.

By the endeavour of the Committee of the Rural Centre, nearly half a dozen village Panchayats are about to come into existence and, as those villages have already a good record of corporate life, promise to work in a smooth and useful manner. The health work done through the Perundurai centre has evoked the appreciation of Miss Mary Beard, Associate Director of the Rockefeller Foundation, (International Health Board) as a result of her gracious visit to this centre.

The Rural Re-construction Secretary's paper on "Standards of Rural Uplift" read before the Health Officers' Conference at Coimbatore indicated lines of effective co-ordination; and the Director of Public Health, Madras, who visited Perundurai on 3-6-1933 with a group of thirty Health Officers, was pleased to note the first fruits of Co-ordination.

The Registrar's Review.

Mr. D. N. Strathie, I.C.S., Registrar of Co-operative Societies, Madras, spent two days at the Perundurai Rural Centre. In his reply to the Welcome Address, the Registrar expressed his agreeable surprise at the tangible but silent activities led by the Presi-

Rao Bahadur Mr. T. A. Ramalingam Chettiar, M.L.C., and members of the Perundurai Rural Re-construction Committee. The Registrar wrote in the Visitors book on 14-6-'33 as follows:—

"I was glad to have an opportunity of looking into the work of this Rural Re-construction Centre. It is certainly good and deserves the continued support of the District Co-operative Bank. The Co-operative Societies in this area, especially the Land Mortgage Bank, are being well managed. The three Depressed Class Settlements are beautifully kept and must have a real influence in inculcating ideals of health and cleanliness and the desire for a fuller life. The Labour Society is of course only in its infancy. Efforts should be made to enlist more labourers as members and account should be kept of the work done by labourers.

I wish all the workers here continued success and the satisfaction of seeing results from their unselfish efforts."

C. VARADARAJAN,
Secretary.

The Rural Reconstruction Centre, Satyamangalam (COIMBATORE DISTRICT URBAN BANK.)

Subject:—Summary of the work done for the year ending 30—6—'33.

The work of the Satyamangalam Rural Reconstruction Centre carried on in Satyamangalam and in surrounding villages may be conveniently divided into four main heads.

- (1) Rectification of the existing societies and improving through them the financial condition of the villagers.
- (2) Establishment of Panchayats which will look after the Educational, Sanitary and Hygienic conditions of the villages.
- (3) Adult Education—By starting Night Schools, delivering Magic Lantern lectures and by conducting general propaganda.
- (4) Social Service.

Co-operative Societies.

Intensive propaganda was done in the villages about the usefulness of the produce and Short Term loans. Two societies were ready for lending money on the members' produce but owing to the fact that the prices of commodities were at a low figure, much business could not be done in this direction. Only one society was able to issue loans to the extent of Rs. 2,000 on its members' produces.

As the rectification and the expansion of the activities of the societies were the main plans of the Rural Reconstruction Centre, during the last two months, the centre devoted all its time for the collection of overdues. I may mention here that our work was attended with success and only three societies are overdue to the District Bank and the overdue loan was about Rs. 3,750 only. Compared to the previous year, the number of defaulting societies and the number of loans overdue were reduced 50 per cent. this year. Bad societies which were once thought to be beyond redemption such as (1) Karithodampalayam (2) Maranur and (3) Akkari Koduveri were thoroughly overhauled and working in full swing. These societies were in default for the last two years.

Village Panchayats.

In working the Panchayats, we are fighting against great odds and vested interests. The Government allow only those Panchayats in which the elections are held to draw the allotted amounts and spend them for various village improvements. So the rich Panchayat like Periya-Koduveri having an income of more than Rs. 1,500 is not able to utilise its money for the improvements of the village.

I have requested many times the Taluk Board President to conduct elections and he would not do so. So we have to wait till the Government is pleased to interfere.

During the period under report, 16 new Panchayats were registered by the Inspector of Local Boards in Nambiyur area.

Schools.

Though these schools were started during the previous year, we have to struggle hard for the recognition of the schools. The Government before granting recognition want that the schools must have their own buildings and must be fully equipped with tables, chairs and benches and all other necessities. And as the Panchayats were not allowed to utilise their own funds as the elections are not taken place, they have to do this by raising subscriptions in the villages, which naturally entails delay.

Still I am glad to say that three villages (1) Periyur, (2) Maranur and (3) Kothamangalam have built their own School-buildings at the cost of nearly Rs. 500 each. Seven Panchayats have ordered Rs. 500 worth of furniture this year with great difficulty.

Wells.

The Inspector of Local Boards was kind enough to sanction this year half grants for 5 Panchayats for digging wells in their respective areas, and unfortunately only two Panchayats namely Periya-Koduveri and Maranur have begun the work. We have sent new estimates for 5 wells to the District Board Engineer and it is pending with him for sanction from last month.

The centre hopes that much more constructive work will be easily done when new Panchayats begin to function their legitimate activities.

We organised a Panchayat Conference for the Gobi Taluk, at which Mr. V. C. Vellingiri Gounder, the District Board President, kindly presided. The Conference was well attended by the Special Officers of the Village Panchayat as well as the Public and it was a success in every way. A report of the Rural Reconstruction work was submitted to the Conference and a copy of the resolutions passed in the Conference is herewith enclosed.

Adult Education.

Night Schools are conducted in seven villages and they are very popular.

The Magic lantern lectures are delivered on all festival occasions in the villages. During the Mariamman festivals of Bennari and Periyur and during the cattle show at Tirupur, the magic lanterns were shown to the public.

The centre possesses a library and in the last month nearly hundred Rupees worth of books and furniture were bought. It already possesses books worth Rs. 250. It gets the following daily and weekly editions:

- (1) "The Hindu" Daily and Weekly.
- (2) "The Swadesamitran" Daily and Weekly.

The library books are much in demand by the Satyamangalam and surrounding village-people.

Social.

During the last Quarter of the year, much Harijan work was done by us. Three Special Night Schools for Harijans were started and many meetings were held in "charities" and lectures were delivered to Harijan Brothers about cleanliness, temperance and the other virtues. At one of the meetings, Dr. Swaminatha Sastry of Trichinopoly presided.

Flood-Relief

Out of the sum of Rs. 2,750 received last year from the centre and Local Flood Relief committees, the centre has completed the work entrusted this year by constructing new Harijan colonies and digging new wells at Periya-Koduveri, Sathamugai, Kondamuthanur and Kallipatti.

General.

Satyamangalam has been selected as a centre for the expansion of cotton cultivation area by the Bombay Cotton Committee. It is proposed to give to ryots in Satyamangalam and surrounding villages pure cotton seeds by the above committee on the ryots agreeing to hand over the produce at the end of the harvest.

It is also proposed to advance through the Co-operative Societies Rs. 20 per acre for cultivation expenses. The agricultural demonstrator has already secured about 500 acres here and it is expected that the villages around will give agreement for 500 more acres. This means that the Societies during this season, if this scheme is properly worked out, will borrow Short-Term loans to the extent of Rs. 15,000. Last month myself and the demonstrator, a representative of the Cotton Committee, toured in the villages and did intensive propaganda in this direction.

In conclusion, I wish to say that much work has still to be done. The registered Panchayats are all new and they have to be guided in their proper working. Many wells and roads, for which estimates have been sent, remain not sanctioned.

The centre thanks the institutions and individuals who have been generous enough to render financial help.

SATYAMANGALAM,)

2-8-'33.)

S. A. NARAYANA SASTRI.

Asst. Superintendent,
Rural Reconstruction Centre,
Satyamangalam.

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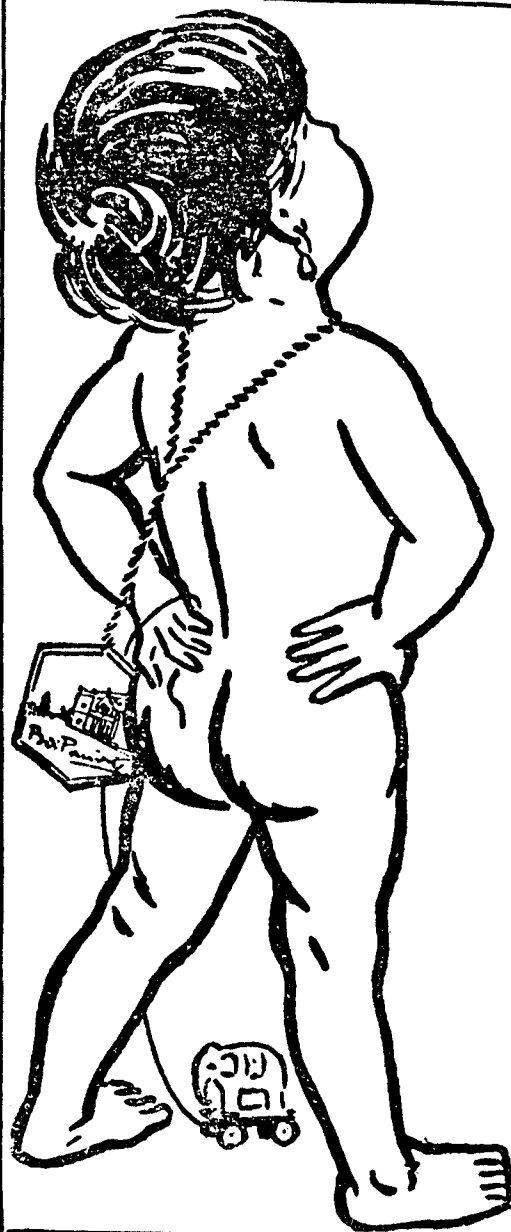
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