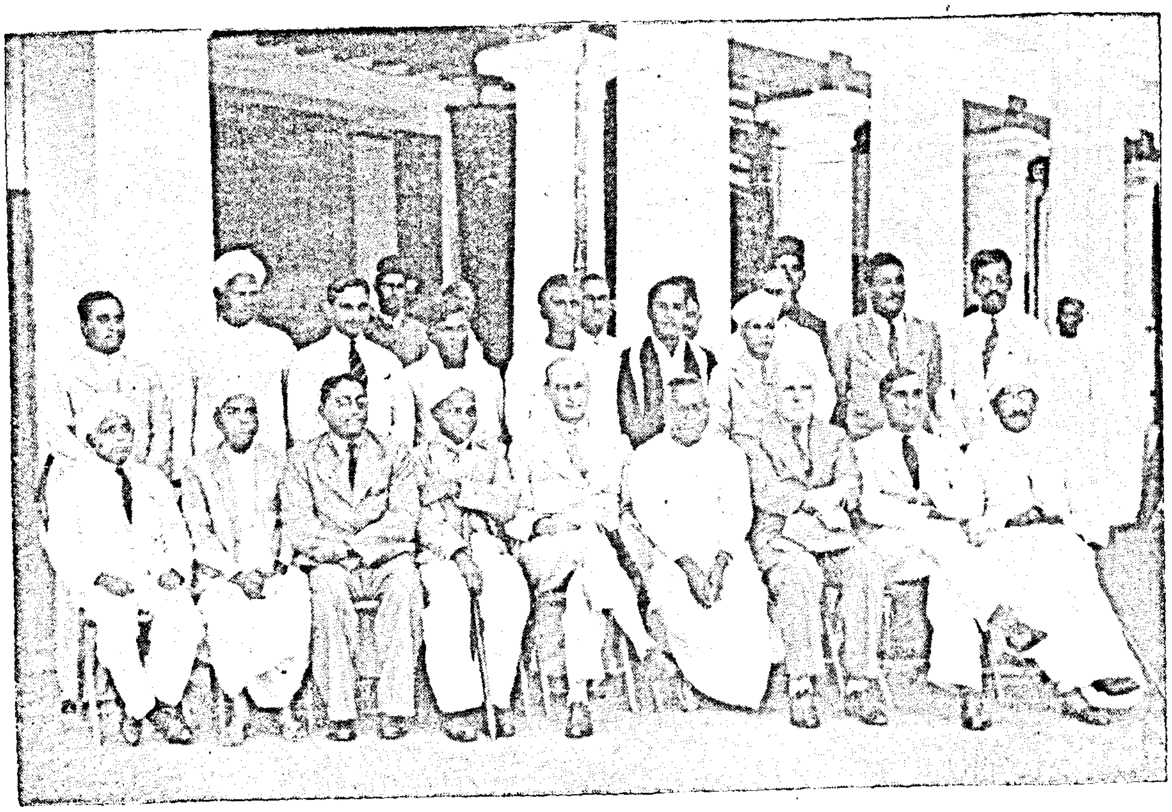
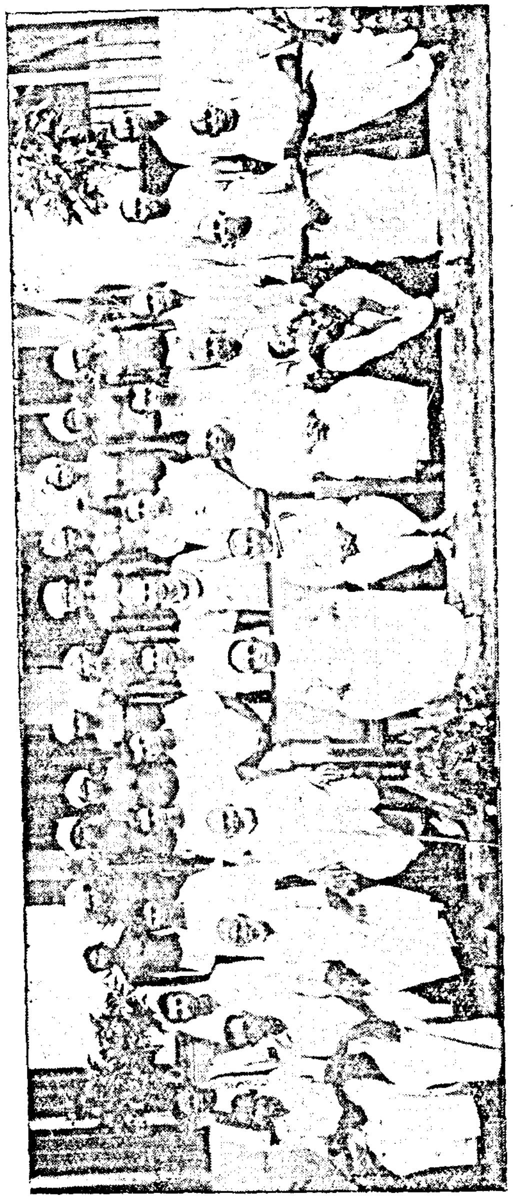


Conference of Representatives of Land Mortgage Banks
held on January 4, 1941.



GROUP PHOTO TAKEN ON THE OCCASION OF THE TRAINING CLASSES FOR PANCHAYATDARS AND MEMBERS OF SOCIETIES BY THE MOOLANGUDI CO-OPERATIVE SOCIETY, LTD., TANJORE DISTRICT.

CONTENTS

JL XN 20, 1941 M 32, 9

THE

Madras Journal of Co-operation

VOL. XXXII.] FEBRUARY 1941. [No. 8

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

Editorial Notes.

Handloom Industry.

The terms of reference of the Fact Finding Committee have been announced and the Committee has begun its work in right earnest. Though in the past various measures have been adopted to assist the handloom industry, no effort has been made to put it upon a sound basis. The Committee is required to carry out a survey with the assistance of the governments of States and provinces to ascertain among other things the extent of the industry, the number of persons engaged in it, the nature of the finished products, the existing marketing facilities and the nature and extent of competition with the mill industry. The question how far statutory prohibition of mills using yarns of low counts would be helpful in rehabilitating the handloom industry is also a matter for investigation. That there is unequal competition in actual fact between the handloom industry and the cotton mills is recognised by all unprejudiced observers. To what extent and how such competition can be minimised without adversely affecting the mill industry can be ascertained only by detailed investigation. It is reported a preliminary questionnaire has been issued by the Committee. The investigation will be watched with great interest by all interested in the development of handloom industry. The Government of Madras announce that the question of safeguarding the interests of the handloom industry has been engaging their attention for a long time. They were ably represented by the Registrar of Co-operative Societies and the Director of Industries and Commerce at the Conference convened by the Government of India to consider the question of the possible adjustment of the interests of the handloom and the mill industries.

Meanwhile, the Provincial Handloom Weavers' Society is attempting to rehabilitate the handloom industry run on co-operative lines. Various measures have been suggested to achieve this purpose. While the principles on which aid is proposed for primary weavers' societies seem to be on the whole unexpectionable, we doubt very much if proposals relating to the staff are necessary to the extent suggested. The creation of eight Marketing Officers at Rs. 100 per mensem with a fixed travelling allowance of Rs. 20 we fear is not likely to improve the sales. The primary weavers' societies need help, guidance, supervision and control in all stages of production. The Marketing Officers are not likely to provide these as most of their time will be taken up in trying to market the finished products. We feel the abolition of the Supervising Officers is not a step in the right direction. Their retention, if necessary increasing their number with such additions to their duties to increase marketing, would have been of greater assistance. While we agree designing is an important part of the industry, it is not known why such a large number of designers with a Standardisation Assistant in addition is necessary at all. One or two really capable designers located at Madras should amply meet the needs of the situation. Wherever necessary a designer may be appointed to assist one or more societies which are engaged in preparing goods with designs. We venture to caution the Provincial Society to ponder deeply before creating these new offices and satisfy themselves that they are absolutely necessary and the benefit derived would be commensurate with the cost involved. Such experiments as are proposed have been tried elsewhere and the results were not encouraging. Even the Provincial Society had at one time a highly paid Marketing Officer and the post had to be abolished. It is far better to give a fillip to the industry by a system of liberal grants-in-aid spending minimum amount on overhead charges. The problem of creating and sustaining enthusiasm for running the handloom industry on co-operative lines requires constant attention and it is doubtful if the Deputy Registrars of Co-operative Societies and their assistants with

their multifarious duties, can find the time and energy even to exercise supervision and control. In view of the importance of the industry next only to agriculture, we would suggest to Government that a special staff, preferably technically qualified, under the Co-operative Department may be employed mainly to organise, supervise, control weavers' societies and provide marketing facilities for the handloom products. The cost involved can be easily met out of the proceeds of the Sale of Cloth Act, the balance being placed at the disposal of the Provincial Society for making grants-in-aid. Without a separate technically qualified staff under the Registrar of Co-operative Societies, he will not be in a position to afford all the assistance he would like to offer.

Absentee Landlordism.

In a statement issued to the Press, the Premier of Burma observed "that history proves that in a predominantly agricultural country, the possession of large areas of land by absentee landlords, is attended by a grave risk to internal disorder, a risk which is enhanced as in the case of Burma, large areas of land are held by persons who are not only non-agriculturists, but whose permanent residence is outside the country." Those who are interested in agricultural economy cannot but congratulate the Government of Burma for being alive to the gravity of the situation created by absentee landlordism though agrarian disorders were the immediate cause of the realisation of this abnormal state of things. The recent agricultural depression has only worsened the situation and if the tendency is not checked the social and economic consequences resulting therefrom will spell disaster to the prosperity of any country. It may be interesting to know that the Committee on Co-operation discussed this topic at some length and expressed the view, though in a minority, "that the passing of the land from cultivating to non-cultivating land-holders has lately become rather common and that this may lead to serious economic and social consequences. The fact that land is passing largely to other land-holders is no consolation seeing that most of these landholders do not cultivate the land themselves. It is clear from the Census Reports and recent village surveys that a landless proletariat is growing." The recent economic resurvey of South Indian villages has also confirmed this growing tendency. Those who have bestowed some attention on this question are certain that the coming census will disclose a very bad state of affairs. The land is not only passing into the hands of non-cultivating landholders but also to absentee landlords and non-agriculturists who mostly belong to professional classes whose main interest is safe and profitable investment. Is it not time for our Provincial Government to wake up and take steps such as those the Government of Burma propose? The State should purchase at a fair price land from absentee landlords and distribute it to landless labourers on a system of gradual repayment of the cost with interest at a low rate, the repayment being spread over a long period. Acquisition of land by non-agriculturists should also be prohibited. When it is realised that absentee landlordism should be checked in the interests of agricultural industry especially as the need for increasing food supplies and raw materials to maintain the growing population is becoming insistent and such land as is available is not fit for cultivation or the return will be hardly commensurate with the initial investment of capital, let alone recurring expenditure, no one can take exception to the measures of the kind proposed even if some get unnecessarily alarmed at the prospect of what is wrongly called 'expropriation.'

Closely allied to this subject is the question of land-owning by landholders of large size which they are not able to cultivate themselves or with the help of hired labour. When as a result of irrigation projects, dry land is converted into wet, the difficulties for cultivation will increase enormously as the cost of cultivation will be many times and many landholders may not be in a position to invest so much money. Therefore, it is necessary that some arrangements should be made to buy up the land not brought under cultivation after a period of years and parcel out such acquired land in convenient plots to landless *bona-fide* cultivators collecting the cost in easy instalments spread over a period of years. The Famine Code Revision Committee has recommended this procedure in regard to the Ceded Districts. We heartily commend the suggestion for the consideration of all interested in the agricultural economy of the country.

Economic Betterment.

The wide terms of reference prescribed for the Famine Code Revision Committee enabled it to deal with many problems for the economic betterment of the areas usually liable to failure of seasons. We have published elsewhere the decisions of the Government on the various recommendations. We shall not be considered as indulging in carping criticism if we venture to state that the orders of

Government are halting and lacking in decisive action. The Government try to make out that the problems raised by the Committee have already been engaging their attention. If so, we would respectfully ask them how long it would take to arrive at decisions and then give effect to these decisions. Many matters seem to be too long under the consideration of Government. Moreover, such special measures as have been suggested to meet the special needs of tracts liable to frequent failure of seasons have been dismissed as unnecessary. What alternative suggestions have the Government to suggest? Is it again a case of following the policy of 'wait and see'? Have we not waited too long? We would earnestly appeal to Government to act and that too quickly before the tracts again get into the grip of another famine. The economic waste involved by the recurrence of famines has been enormous. We earnestly trust the appointment of the Economic Development Board for co-ordinating the work of all departments in the task of planning the prosperity of the Ceded Districts would lead to some tangible results, and the Board will not like such other bodies created in the past, become a body to registrar merely its consent to decisions already taken by others. The Board should be alive body, active and vigilant. We would venture to state that the choice of the personnel of the Board should result in inspiring confidence and hope. Association of experts with knowledge and experience from outside the Ceded Districts will be of considerable value in tackling problems peculiar to these tracts.

We are pleased to note the Government have accepted the recommendation of the Committee to revise the objective of famine relief operations by stating that the object of State intervention is not only to save life but also maintain people in good health and prevent physical deterioration and dispiritedness among them. This conception of State relief is in accordance with modern ideas of the duties of the State towards its citizens.

Relief of Indebtedness.

From a press note recently issued, it is observed that during the 34 months ending with December, 1940, the Debt Relief Act has been in force, 1,53,000 applications under various sections of the Act involving Rs. 5,78,80,883-13-6 have been disposed of and the percentage of reduction to the amount originally due was 47.3. It was estimated by Mr. Sathianathan the total agricultural debt was nearly Rs. 210 crores and so the relief afforded by the Act is practically insignificant especially if it is remembered that the tendency in the past has always been for growth in indebtedness. That the Debt Relief Act is also a source of litigation is seen from the large number of appeals disposed of by the High Court and reported in the Law Journals. The ruling of the Full Bench of the Madras High Court in *Nagappa* v. *Annapoorani* is a daring instance demanding quick motion on the part of Government to set at rest all doubts and remove anamolies. The working of the Debt Conciliation Act has also disclosed serious defects which should be immediately rectified if the purpose for which legislation was undertaken is to be achieved and litigation involving heavy costs is to be saved. Recently the Government have announced some changes in the rules governing the grant of loans for relief of indebtedness and have promised to look into other defects. The sooner this is done the better for all concerned. A thorough examination of both the Acts and the rules framed under these Acts has become necessary. The Committee on Co-operation has indicated the directions in which these legislative measures should be amended. In the interests of agricultural economy of the province, quick decisions are necessary.

Uninformed Criticism.

The report on the working of the Co-operative Societies of the Madras Province for the co-operative year ended 30th June, 1940, is full of interesting facts and figures supplemented by maps and graphs which enable any student interested in the study of the movement to gain a clear idea of the progress achieved during the year. The personal touch which the Registrar has chosen to give has only enhanced the value of the report. Some of the observations made by him have already been misinterpreted as we see from comments on the report passed in certain quarters, comparing the observations contained in the report for 1939. The Registrar has been accused, to use a strong word, of change of front with the change in Government. While we do not hold any brief either for the Registrar or the Government under whom he works, we shall not be misunderstood if we point out that the so-called inconsistencies noted by prejudiced critics are not so palpable as to require pointed attention. All of us live and learn and if we find the necessity to change our ideas or alter the course of action necessitated by changing circumstances, it is the part of wisdom to alter the views instead of sticking to those once expressed or followed on the ground of consistency. Even the worst critic of the Department cannot help recognising that during

the past year the Registrar and his assistants with the co-operation of non-officials have laboured hard to purge the Movement of the prevailing evils and placing it on a strong and sound basis. There have also been extension of co-operative activities in other fields such as stores and milk-supply. If it is remembered that miracles cannot be wrought in a day and that the effect of attempted reform can only be slow especially when the causes of deterioration are deep-rooted, such progress as has been achieved cannot be considered unsatisfactory. It is also best to realise that for such defects as are observed in the movement both officials and non-officials are equally responsible. It does no good to blame the officials when we ourselves do not seriously attempt to take part in the Movement for reformation but are merely content to play the role of carping critics.

Deposits.

The Registrar laments that comparatively deposits of members do not grow more rapidly. In a country like ours where the main occupation is agriculture which is subject to constant vagaries of the seasons, there is very little or nothing left with a large section of the rural population which can find scope for remunerative investment of any kind. Co-operative organisations must perforce for the present, till the agricultural economy of the country is suitably altered, depend on deposits from (landlords,) professional and other classes. Even an increased rate of interest is not going to alter the present state of things. The fact that the deposits of non-members remain high is a tribute to the strength of the movement which has gained such confidence of the public.

Rate of Interest.

If the Government themselves felt the need to lower the rate of interest charged on loans for the relief of agricultural indebtedness, we do not think that neither the safety of the institutions is sacrificed by lowering the rate of interest, nor the desire to keep the rate of interest as low as possible becomes an impracticable ideal. In fact there is a school of thought which is against favoured treatment accorded to co-operative institutions which engage themselves in activities similar to those followed by others. If co-operation is business, it should be the endeavour of co-operative organisations to take risks involved in business and adopt their business methods to suit the changing conditions. An intimate knowledge of the money market is necessary to assert what rate of interest should prevail at a particular time. From the trend of events prevailing for some time it is observed that the maximum of 6¼ per cent. fixed under the Debt Relief Act is not wholly unreasonable and the co-operative institutions would be well advised not to exceed this rate. We do not share the Registrar's fears regarding the rates of interest.

Supervision.

On the question of control and supervision, the Registrar states the failure of supervising unions has thrown too heavy a burden on the staff of banks, and pleads for ways and means to revive the unions. Though on this question the Committee on Co-operation was sharply divided and in the end it was resolved to leave the decision to the discretion of the Central Banks, it will be conceded that some agency for immediate supervision, if the evils complained of are to be avoided, is necessary. The agency of the Banks has been tried and found wanting. An organisation for supervision whether working directly under or independently of the Central Banks which will effectively discharge its duties and provide at the same time mutual supervision, mutual knowledge and opportunities for associated and responsible action is the immediate need of the hour. It is necessary to arrive at a decision on this vexed question and act on it quickly if further deterioration at least in some of the financing agencies is to be effectively checked. In regard to control and supervision it is desirable to establish a uniform system instead of allowing each financing bank to make its own arrangements.

There are other important topics with which we shall deal in subsequent issues. They are so many and of such absorbing interest that we are not able to deal with them in a single issue.

Welcome.

We heartily welcome the entry of Sri Rao Bahadur M. Giriappa, just retired from service, into the ranks of active non-official co-operators. His wide knowledge, long and intimate touch with the movement, and his great administrative experience are now at the disposal of the movement. We learn with sincere pleasure his election as the President of the Madras District Co-operative Bank, Ltd. Now that the Christian Central Bank has been wound up, the District Bank has to satisfy the financial requirements of the many schedule class societies in the city. Their present condition is far from satisfactory. We have no doubt Sri Giriappa will do his best to improve their condition. In this connection we would draw the attention of all interested in Harijan uplift to an article on the Chinese Industrial Co-operatives reproduced elsewhere.

"Self-help Co-operatives in Los Angeles."

By S. T. Karnik, M.A. LL.B.

Research Assistant, Agricultural Credit Dept., Reserve Bank of India, Bombay.

Heaven helps those who help themselves is an apt saying which has found its practical utility in mitigating the menace of unemployment in the United States. The last depression which swept over the world hardly left any activity untouched, its devastating effect being particularly felt in the industrial sphere. A large number of persons engaged in industrial pursuits found themselves jobless, homeless and penniless. United States, being the foremost industrial country in the world, had to bear the brunt of depression. Millions of workers were thrown off their occupation and the problem of unemployment assumed serious proportions as the depression gained momentum. By the end of 1931 more than 10 million persons were fully unemployed and 10 to 15 millions partly unemployed. The catastrophy came as a bolt from the blue for which the workers were not prepared. They were financially crippled and whatever little saving they had made, was either lost in the depression scramble or otherwise tied up; nor could they turn to Government relief work which had not then started. Being stranded in the cities and left helpless, they were forced to seek out means to eke out a living for themselves. Under the circumstances these unemployed had but two alternatives *viz.*, to fall back on charity or to attempt to do something for themselves. Most of them bowed to charity and by 1934, there were more than 15 million persons on the relief rolls of public and private agencies in the United States. However, a small proportion of the unemployed detested the idea of relying on charities and determined to devise means for making an honourable living. By accident, they hit upon organising themselves to self-help units which undertook to supply the basic needs of their members by assembling idle labour and collectively bartering it for goods and services. In the beginning these units were loosely knit organisations, the first of them being probably the Seattle Unemployed Citizens' League, organised in 1931 which was named as the "Admiral Way Unemployed Citizens' League." The details of the beginnings of other first co-operatives are not known. However, the movement spread and its growth was due not so much to deliberate planning as to the dictates of circumstances. It became so significant that it received the support and sympathies of men in public life, professional men and others including organisations and foundations. It reached the peak of its early development in 1934 when there were 310 self-help organisations serving approximately one million persons.

Los Angeles county in California, where conditions were conductive to the development of these types of co-operatives, developed one of the principal centres of this movement and by 1934 it had nearly 45 per cent. of all the self-help units in the United States, and about one-tenth of the membership. It was, therefore, natural that the self-help co-operatives there should have aroused special interest. Among the reasons that led to the growth of the movement in Los Angeles may be mentioned a few facts *viz.*, that the City had at all times a large surplus of perishable foods, especially fruits and vegetables which the co-operatives could avail of. Further, it had a high proportion of persons of relatively advanced age from which the self help organisations drew most of their members; firstly, because they were discarded by modern industry and being averse to relying on charity turned to self-help co-operatives; and secondly, because they were ineligible for county aid being classed as property owners, as they had invested their saving in small properties which did not yield sufficient return It was made clear that these co-operatives were not charity organisations. Self-reliance and self-respect were their keynotes and they enjoined upon the members not to accept anything except in return for some services rendered. Mutual aid was the guiding principle, therefore only those who were able and willing to work co-operatively were accepted as members. Accordingly, the general rule was, "No work, no eat." Non-discrimination was strictly adhered to and all persons willing to work and contribute to the common good were admitted regardless of other considerations such as race, nationality, economic or social status. The units generally adopted the democratic principle, each member having only one vote.

Another factor which contributed to the growth of the movement in Los Angeles was that the authorities too were sympathetic towards the self-help co-operatives and granted subsidies as they afforded means of cutting down the relief burden. The Californian State Relief Administration estimates that the grant units alone in the entire State saved the people $ 6,70,000 during 1935; while the Federal Emergency Relief Administration estimates that during the

same period, grant co-operatives throughout the United States effected a saving of $ 2,279,396 in relief costs. Besides these direct savings, they also made indirect savings to the community by building up funds of production, goods, materials and other resources.

These societies were started primarily with the object of providing the basic needs of their members by exchanging labour for goods. They resemble greatly the producer co-operatives and are peculiar in several respects, particularly in that they engage mainly in salvaging and bartering activities.' Thus a person may care for the lawn of a physician's home and in return obtain medical aid for the members of the society; or a self-help unit may do a certain amount of road work and in return obtain from the municipality tools and other things. Although founded with the object of helping the members to eke out a living, these co-operatives made a rapid development and became an important factor to be conjured with in the co operative movement of the United States. In the initial stages, they consisted of small groups banded together for the purpose of securing the bare necessities. They carried on very little production or specialization work and they had practically no capital or equipment. There were no formal organisations, no co-ordinating agencies nor any medium for exchanging information, goods and services. However, gradually the activities were systematised and with the increase in the membership, units were formed. During this period of development, constitutions were adopted, officers chosen, directors elected and depots established for the collection and distribution of goods. As time passed, a further systematization of activities occurred when 'point' system was adopted which specified the number of hours of work which each member was required to put in for securing a certain quantity of goods. A collective system for bartering with non-co-operative persons and groups was also established and 'contact men' were appointed to go round to find out work and make barter arrangements. Again, importance of the principle of division of labour was not lost sight of which was gradually adopted, some members being assigned to headquarters work, while others to gathering produce, transporting or sorting out goods collected and so on. The systematization of activities of the self-help co-operatives was followed by specialisation and co-ordination. The various units became more or less speciality centres. Co-ordinating organizations also developed exchanging information, goods and services. A further phase of their development consisted in undertaking production proper which was greatly handicapped in the beginning, for lack of resources when urgency compelled them to undertake anything and everything that came to hand. Besides, subsidies given by the City and County Governments were not enough for carrying on production operations. However, realising that the self-help co-operatives had great potentialities, the Federal Government began to make grants to approved units in 1933 to enable the latter to undertake production proper. This development became more and more marked, until by the close of 1936 a number of units were devoting themselves to specialised production such as farming, canning, baking, sewing, wood-cutting and dairying. Some of them even undertook educational work and set up special classes in vocational training, provided libraries, formed literary clubs, etc., while others arranged dances and picnics. These latter were conducted partly for money making and partly for sheer recreation. But these activities comprised only a small portion of their total operations. By 1936 there was also a gradual diminution in the number of units and membership. This was, however, not a loss for it eliminated the weaker and less productive units and purged the co-operative ranks of persons not really interested in this movement. Those who remained were really interested and formed a stable element who relied on self-help activity for their livelihood. The self-help co-operatives have also contributed to solution of social problems. But for the co-operative, many would have been obliged to turn to private or public relief.

These co-operatives put their members to a number of tasks and though the occupations followed by them prior to joining the co-operatives included among others, common labourers, carpenters, farmers, engineers, clerks, butchers, painters and mechanics, yet they had to be satisfied with farm and garden labour, gathering, transporting, preparing and dispensing food; gathering, making and repairing clothes and furniture, making barter contracts and managing the units on joining the co-operatives. It is apparent from the data collected that the co-operatives were able to place their members at accustomed tasks only to a small degree. Thus, there was occupational displacement which generally showed a downward tendency, that is, a mining engineer or a mechanic became a gardener or a vegetable sorter in the co-operatives. This displacement was quite inevitable in an organisation which was primarily engaged in bartering labour for food and other commodities. "The co-operators though refusing to be beggars could not be choosers too."

However, with the development of production activities, under Federal grant, the position improved considerably giving scope to the skilled workers.

As to the amount of work that each member was required to put in, the units developed a fairly orderly procedure. They required a minimum of 16 hours a week; but the actual average work came to about 21 hours a week. This additional time being put for various reasons e.g. in return for meals, just to keep busy etc. The principal item supplied was food. Besides this, the co-operatives supplied to their members other goods and services, such as natural gas, clothing, housing and barber service. Minor items included shoe repairing, gasoline, coal, oil, medical and dental care, electricity, laundry service, etc. The co-operatives afforded equal opportunities to all and "demanded from each according to his ability and gave to each according to his needs." Thus, a single man received the ration for one person while the man with a family drew ration for himself and members of his family. This seemed to give an advantage to the latter but it was not so. For, while the family person drew out all he earned, the non-family man could accumulate 'point' credits with which he might purchase other articles. Thus there was a balancing of advantage between the two. Occasions for complaints were exceptional as in most co-operatives mutual aid was actually practised and the spirit of mutual helpfulness prevailed.

Besides the "in kind" items, the co-operatives paid out to their members a small amount of cash which was derived from odd jobs which the units did for outsiders. An average for 1,003 members showed that each member received only 7 cents per month which fact emphasises the predominantly barter nature of the self-help co-operatives. Evaluating the various items, which the co-operatives supplied to their members in terms of prices prevailing in 1934, it was found that each member received 11.15 $ per month which was obviously not sufficient for a family, necessitating the balance required for the maintenance to be made up from other sources. Thus, although the co-operatives performed but a secondary function, they gave a sense of security to their members in the matter of bare necessaries and made them self-reliant and respectable. On the whole, the co-operators were in a better health than the general unemployed because they were free from mental worry and anxiety which caused physical sickness and it was precisely in this respect that the self-help organisations may be said to have been a boon to the unemployed.

Most of the self-help co-operatives carry on more than one type of activity. Some sell goods in open market to enable them to purchase tools or materials which they cannot obtain by barter, while others aim at self-sufficiency by producing as many needed commodities as they can. A brief review of the working of a few units would not be out of place as they would give a glimpse into the actual working of these organisations. The units described below are among the more successful ones, if not typical.

Unemployed Citizens' League of Santa Monica:

The League was organised in 1932 and its membership in 1936 was 156. The unit carries on a variety of production or quasi-production activities. Since it is close to the Pacific ocean, one of its chief activities is fish production. A portion of the fish is distributed for immediate consumption and some is sent to be exchanged for vegetable or other goods. The fish which is not needed for immediate consumption is preserved for future use. The unit maintains its own fish plant in which it conducts all these operations. Dairy products, bread, potatoes, etc., are obtained by barter arrangements. It produces limited vegetables on the land lent by a private owner. There is also a permanent arrangement with the University of California by which it cares for the University's experimental citrus fruit orchard and in return receives fruit and wood which the orchard yields. It maintains a clothes cleaning and renovating department which not only serves its members but also makes articles for cash sales. Shoe repair and cabinet repair shop serves only members. Sleeping accommodation is provided for those members without homes. A small library is also run; some 3,000 books and periodicals being received as gifts are available for circulation among the members. The health of the members is cared for through labour exchange with the medical and dental professions. Arrangements are also made for hospitalization. There is an employment bureau which attempts to find steady or part time work for the members who in return give to the unit a part of their earnings. The unit also provides for the recreational needs of the members, tickets to motion pictures being obtained through barter or other arrangements.

Some of the barter activities are large scale or more or less long-term. Besides direct barter, the League also conducts certain cash producing activities, and through its various activities, it has supplied the basic needs of an average of approximately 300 families (about 1,000 persons) during the 4½ years of existence ending with 1936. The unit is a non-grant one.

Huntington Park Unit:

This unit is a grant organisation founded in 1932. Its membership is 70. The majority of members before joining the co-operative were industrial workers, construction labourers and farmers. The unit received a grant of 5,000 from the Federal Government to be used for the purchases of equipment on self-liquidating projects.

"All work is done on the credit point basis, 60 credit points being given for each hour of work and each point carrying the value of one cent. Each active member is required to work a minimum of 64 hours a month or a total of 3,840 points in return for which he receives a good portion of the basic goods and services needed." The unit specialises in the production of bakery goods. In addition, it operates 12 vegetable gardens on land obtained through labour exchange. The surplus vegetables are sold or exchanged with other units. It also conducts a number of production activities. It owns an oil reclamation plant which reclaims old oil, refines it and sells it at profit. The unit supplies labourers for street repairs or construction and part of the income derived from this work goes into the unit's treasury. During the first two years the unit produced and distributed to its members goods or services amounting in retail value to approximately 60,000 $.

Conclusion.

As seen above, the task of the self-help co-operatives was fraught with great difficulties. They had to rely on outside help for land, tools, food and other material. The members were of relatively advanced age, there was occupational displacement and a sort of discontent. Besides, untrained management resulted in inefficiency and over and above politics threatened their very existence. But in spite of these and other difficulties, the self-help co-operatives accomplished some outstanding results. Much of the labour and goods which would otherwise have gone to waste were productively employed. Being freed from the worries of obtaining their basic needs the members were left free to earn extra income by working at odd jobs and thus eke out their living. These organisations have effected considerable savings to the community as well. It cost Government less to subsidize the self-help co-operatives than to give direct relief to unemployed. They have accumulated a fairly substantial fund of capital goods such as machinery, equipment etc. They are fraught with immense possibilities and "may prove to be a very important link in the establishment of the co-operative movement in the country."

The success of the self-help co-operatives in Los Angeles calls for consideration whether similar institutions would not solve the unemployment problem in India at least to some extent. The circumstances in India differ vastly from those in Los Angeles. The conditions that prompted and favoured the formation of self-help co-operatives in Los Angeles were that there were a large number of aged unemployed who had to supplement their meagre resources with whatever little that was possible even to maintain themselves. The reduction of the burden on the state was a factor which favoured the formation and fostered the societies. Do similar conditions exist in India? Though perhaps the unemployment problem is not the outstanding question requiring immediate solution yet it cannot be denied that it is assuming grave proportions and has been engaging the attention of some of the Provincial Governments for some time past. The Punjab and U. P. Unemployment Committees have made some very useful suggestions for tackling the problem. The example of the self-help co-operatives might in a measure suggest the way. Though there are some difficulties in adopting similar methods here, we commend them to the consideration of the people interested in the problem.

In the Long Run.

John Bright once declared of his party, "we shall win in the long run." And they did. It is the win in the long run that is life's best win.

The runner who wins the first lap is a good runner, but he who stays on and keeps at his running and wins the last is the best runner. The boxer who wins the fight is he who wins in the long run.

A chapter in a life may be tragic, but if the end is happy, what does it matter? It is the end that counts.

Report of the Committee on Co-operation

By Dr. E. S. Ramasubbu,

President, Madura Co-operative Urban Bank.

New order prevails in every aspect of human activity. Old and age-long ideas are set at nought, and probably this may be the beginning of evolution of a new materialistic age. Unlike the previous committees on co-operation the present one headed by Sir T. Vijayaraghavachariar consisted of people actually labouring in the field of co-operation and experiencing the defects and deficiencies in the movement. It was because of this that the public was anxiously looking forward to its report. Though it would have been better for the Committee to ascertain the views of other prominent co-operators in person, and collect their evidence, yet, the present committee, whose procedure was already outlined by the Government evidently with a view to save time and money, has taken lot of pains and presented us with a report surveying in detail the Co-operative activity in our presidency. Thus their recommendations cannot be lightly brushed aside; they demand our earnest study and consideration.

Now coming to the actual report, I should say that on the credit side it is a valuable document. The serious problem of rural indebtedness and the depression affecting the villagers have been considered by the Committee in detail tracing the same from genesis. Though some of the recommendations may appear to be very stringent and not toned down, yet, one who has actually dived deep into the question cannot but agree, with their recommendations. The Co-operative movement as a whole can be said to have successfully tided over the effects of economic depression. This has impressed the agriculturist very much. An awakening in the villages has set in. The several primary land mortgage banks with their apex in Madras are honestly trying to solve the question of rural indebtedness. The suggestions of the Committee, if adopted, would surely be the beginning of a new era in co-operation. Irregularities and defects in the running of societies are only matters of detail and they would soon vanish when proper persons come forward to work them, attracted by the benefits arising out of the movement. Now-a-days, as in the urban areas so also in villages. opportunities for waste are increasing. Even a pure agriculturist with no extra income through any small cottage industry falls a victim to the ever-increasing temptations. He soon gets involved in debts more than what he could reasonably burden himself. Special legislation provided with a good motive is being mis-applied and misused, though indirectly. Legislation should be wide enough to bestow benefits on honest men and at the same time penalise the wrongdoers. Leniency and laxity, if provided under the legislation, for debtors would surely affect the credit facilities afforded both by individuals and societies. This will inevitably lead to more economic depression. Approaching the subject thus I am strongly of opinion that the easiest and the best way of solving the economic crisis is to ensure, through legislation, easy collection facilities to the creditors instead of affording protection facilities to the debtors. There would then be free flow of money. Cases of insolvency would fall in number. This will, I am sure, indirectly help a great way in the matter of enforcing thrift habit in the villages.

With regard to societies affording credit to scheduled classes, hill and aboriginal tribes, the committee has recommended that their societies should be separate with a proviso allowing discretion to join other existing general credit societies if they so desire. This is as it should be and cannot be otherwise. For purposes other than credit, they may be allowed to enrol themselves in other societies. Necessity for efficient supervision is emphasised in view of the reluctance of Central Banks to finance these special societies, especially much more so, after the liquidation of the Madras Christian Central Bank and that the Government must undertake the work. I am of opinion that these societies may once again be transferred to the charge of the Commissioner of Labour. Institution of pawn shops, loan disbursement in the shape of provisions and other necessities, propaganda and education among them are some of the recommendations which can be immediately attended to. Persuasion and propaganda not to waste their money in drink should be carried on. Affording credit and other facilities to the hill and aboriginal tribes, should be left to the discretion and control of the Forest department. Suitable subsidiary occupations may be suggested by them, so that they can improve their status and scale down their present indebtedness.

Regarding Urbancredit, stimulation and enforcement of thrift among the town-dwellers are highly necessary, especially in view of the temptations surrounding them in all spheres of life. I fully endorse the observations of the committee with regard to Government

servants and other employees and I am inclined to say that generally all town-dwellers approach that level. I quite appreciate the recommendation of the committee for extending loans against gold and silver to people living within a radius of 5 miles around the area of normal jurisdiction of an Urban bank thus duly respecting an age-long practice. Would it not be better for Urban banks to be a financing agency to societies consisting of artisans and craftsmen than to afford relief to individuals directly? This would indirectly infuse co-operative spirit among the labouring classes and would also place the financing Urban banks on a stable basis. Recommendation of the committee to enact legislation making it obligatory on the part of employers of industrial labour to start and run co-operative societies for their workers is quiet wholesome. Such a thing is a present day necessity. Heads of departments who happen to be pay disbursing officers should be permitted and even compelled to deduct instalment dues towards any co-operative society. This would indirectly promote thrift and savings and also be a dis-couraging factor for other private money-lenders to accommodate them. Enforcement of compulsary savings, and compulsary life insurance are welcome. Modification of the model bye-laws regarding conduct of chits in urban banks is absolutely essential. The joint liability and responsibility thrown on all the members of the chit fund stand in the way of co-operators subscribing towards the same. Chits, hitherto conducted by several urban banks, ceased automatically. This subject requires practical study by the department.

Like the human vertebrae the several central banks in the Presidency constitute and form the financial back-bone of the co-operative movement. Its head in the Provincial Bank serves to balance, co-ordinate and direct co-operative finance, thus securing uniformity of banking policy among its constituents—central banks. It is but correct that the committee have reported that central banks should continue as independant financing banks. Retention of individual share-holders and inclusion of depositors in the constitution of management of central banks are questions to be reconsidered seriously. On these questions the committee was not unanimous. It has advised the central banks to encourage deposits for one to three years so as to enable them to be in possession of adequate medium-term capital. They are also advised to maintain self-reliance regarding return of deposits on the due dates. In order to follow the advice, is it not necessary to induce and infuse confidence in the urban populace who constitute the major portion of depositors in banks? The question of co-optation of some persons with experience in co-operation and banking into the Board of Management of the Central Bank may be considered if individual share-holders are not allowed to be in the Board. I highly appreciate the significance of the recommendation with regard to the maintenance of Bad Debts Reserve. I am in entire agreement with the recommendations of the committee regarding the nature of business, and conduct of central banks. Certainly it is beyond the jurisdiction of central banks to think of issuing long term loans. The question of bifurcation of the apex Provincial Bank may safely be delayed until the question concerning the Provinces is decided.

The recommendations of the Committee to rename the existing loan and sale societies as marketing societies, to standardise the grades in several commodities, dissemination oi market intelligence through rural broadcasting, expansion of marketing societies' activities even into firkas, regulation and reduction of railway freight and organisation of a separate and special marketing department are all questions which demand immediate attention of the Government. It is but proper that the Government is expected to give a lending hand in the matter of supporting and maintenance of marketing societies initially by way of subsidy and lending the services of marketing inspectors. These societies should be exclusive for the producers and others should have no place. Construction of godowns and issue of negotiable warehouse receipts are certainly worth attempting. I am sure that provision of such facilities by the co-operative department with the assistance of the Government will certainly bring home to the rural populace the advantages accruing from "Co-operation". Any amount of theoretical platform lectures or pamphlet propaganda will not be as convincing and effective as practical demonstration.

Differential treatment between products of the power loom and handloom is not desirable. I quite see the difficulty in the matter of pushing up handloom industry. All type of production of the handloom cannot at all be manufactured through power looms. No doubt I agree to the levy of adequate cess on foreign mill products. Indian Mill products and articles of hand loom manufacture should stand on equal level. Import of foreign goods, should be discouraged and even controlled through prohibiting the import of foreign yarn. Supervision and inspection of weavers' society by officers lent by the Government should be

continued for at least 10 more years to come, so that all the primary production societies can be made self-sufficient and self-reliant. The help and the service of the Co-operative stores may be sought for marketing these goods. The Provincial Handloom Weavers' society should not grudge to finance the primaries especially of those places, whose products have already earned a reputation. The primaries should not be left all alone to seek the help and be at the mercy of the central Bank which may not be, in some cases, able to appreciate the productive capacity and the latent value of the primaries. The existing Central banks cannot be expected to finance for long, societies whose activities are of the industrial type. If these societies as well as societies which are to be formed for the development of cottage industries are to function well, there will be necessity to start industrial banks separately to finance them. Already the necessity has arisen, as I think, and the further progress of the existing handloom and other primaries now functioning in the Presidency do suffer for want of adequate funds. I have visited some primaries and was surprised to see that their initial enthusiasm has waned. My inquiry elicited the expected answer—inadequacy in the supply of funds.

Women are not given due place in the movement. Within recent years women are taking active interest in socio-political matters. As such it will not be a difficult matter to secure their services and co-operation for the work of organising and conducting societies started solely for the purpose of utilising their peculiar talents in several pursuits necessary for life as rice hulling, hand spinning, milk and curd supply, embroidery and such other activities. These should be left entirely to be monopolised by them. Paid co-operative inspectresses or organisers may be recruited to work under non-official women agencies. Women are equal to any task if only they are entrusted with it.

The recommendations of the Committee in general with regard to co-operation and rural reconstruction are worthy of appreciation. It is doubtful how far the Government would take them up and put them all into practice. They sound very well theoretically. The present agricultural credit societies if well managed are likely to yield good results. To rectify bad agricultural societies and reform them and also to consolidate other societies there should be frequent supervision by the central bank's authorities through the several unions. Just as I feel the necessity for individual directors either by election or by nomination in central banks I favour the nomination of one or two individuals to the governing body of unions. It is but right that the committee insists on the maintenance of statutory responsibility of the Registrar in the matter of audit. Suggestions regarding the auditing of societies are quite feasible and may be given a trial.

Co-operative Adult Education

THE SCHEME OF ADULT EDUCATION AT WORK IN MADURA DISTRICT.

(Contributed).

INTRODUCTORY.

In the District Officers' Conference held in December, 1939 with the Collector of the District as President, it was resolved to carry out a scheme of Adult Education with the aid of funds provided by the Madura-Ramnad Central Co-operative Bank, Ltd., Madura, out of its common good fund and with the help of local co-operative societies and the officers of the Education department. The resolution was subsequently accepted by the Bank authorities as provision of facilities for adult education formed an integral part of a scheme of Rural Reconstruction undertaken by the Bank, as an experimental measure, in twenty selected villages both in Madura and Ramnad Districts. All Government departments have been invited to assist in the working of the rural reconstruction scheme.

2. In pursuance of this resolution the bank with the advice of the Deputy Registrar of Co-operative Societies, Madura, decided to select 10 villages for the experiment in adult education. The classes in these villages are to be tagged on to local co-operative societies in each centre and maintained with the assistance of teachers selected from local Board or Aided schools by the District Educational Officer for carrying on the work. The 10 centres are :—1. Sathangudy, 2. Manickampatti, 3. Ganguwarpatti, 4. Pattiveeranpatti, 5. Panjampatti, 6. Ayakudi, 7. Royappanpatti, 8. Kamayagoundanpatti, 9. Poombarai and 10. Mannavanoor. The Secretary of the local co-operative society in each centre is to be the local manager and to assist in the regular organisation of the classes. With a view to making the experiment successful the District Educational Officer, Madura, was asked to undertake the organisation and supervision of the classes in the Madura district as quickly as possible. The permission of the Director of Public Instruction was also obtained by the District Educational Officer for the inspection of the classes, by himself once in a quarter and by the Deputy Inspector of the range concerned once in a month. The Bank authorities have provided a petromax light for each centre and kerosine therefor, besides supplying books and charts recommended by the District Educational Officer. A comprehensive scheme of work chalked out by the District Educational Officer is being followed in the several centres.

Substance of the Scheme.

The scheme was initially intended to follow the Laubach method and it was considered that by placarding the Tamil alphabets on enamelled boards in selected villages in the Madura District, adults would be induced to take literacy education themselves. Since this aid was thought unworkable

by the Sub-Committee of the District Officers' Conference and the Conference itself, the starting of experimental centres in several villages was decided on and take them up in right earnest, as a practical solution of the problem. According to this altered opinion, the aim of adult education is taken to be, to enable very adult educated in these classes to become acquainted not only with the alphabets of the Tamil language and to learn enough number work for practical use in daily life but also to make them understand intelligently their environmental changes and progress; in a word, to make them take an intelligent part in the uplift programmes of their own villages when external assistance is voluntarily provided.

Under this scheme adults are to be divided into 2 groups. Stage 1: those with absolutely no previous knowledge of alphabet. Stage 2: adults with some previous knowledge.

Work for stage 1 is concentrated on language teaching mainly during the first 3 months and language and simple number work for the next 3 months. (6 months in all);

For the second stage, reading, writing, dictation and arithmetic are dealt with for one hour every day for 4 days in the week. Literacy and number work are thus done intensively for 4 days in the week one day being made a holiday, one day used for lectures on general knowledge subjects and one for physical activities, handwork that would help the villagers to secure training and skill for a subsidiary occupation. Under this scheme each adult passing through the Adult Education class should have proficiency in Tamil language by concentrated study and a thorough grounding in practical mathemetics including problems touching on fractions and decimals, percentages and averages, practical work regarding square measure, surveys of land, houses, sites and garden land etc. Some general knowledge of dry and wet cultivation seasonal crops, rotational crops, use of improved appliances, manure, seeds and improved strain of cattle, rural co-operation and how to utilise it, are also included. Provision is also made for general lectures on subjects like administration, diseases, how to prevent them, rural sanitation and hygiene, public places and public gardens and their use, important festivals and their significance, the human body, its care and its functions, activities of other nations in the world, connection between trade and war and indigenous manufacture of necessaries of, life such as cloth, building of houses and subsidiary industries. Bhajanas and lantern shows, indigenous games, and indigenous cottage occupations also form part of the scheme. This part of the scheme has been designed to be dealt with by expert staff both official by previous arrangements.

Provision is also made for study in a small library containing story books in bold type, short stories and study of simple and easy monthlies and one Tamil daily in a reading room attached to the Co-operative Society to the Adult Education class. The Library will also contain books on civics, hygiene, history, travel, general science, use of leisure, music, cinema, radio, gramaphone, electricity in daily life, photography, famous men and women, health and sanitation. The adults in each stage will be impressed with the importance of continuation work after they finish course of instruction in the adult education class. Fluency in reading and practice in silent reading, and understanding will be the main aim of the library work. Each adult interested in library work will be provided with a page in a library register when books are taken by him and watch of his study will be kept on so as to direct him in useful channels of study. The registers will show what reading matter interests different adults in different stages. For entering this information separate parts of issue registers will be set apart as follows:

1. Stories.
2. Puranic Stories.
3. Historic Stories.
4. Short Novels.
5. Biographic Stories.
6. Places of interest.

School activities contributing to the regular attendance.

Very often adults stay away after prolonged holidays. During seasons of over-work and inclement weather, epidemics, house-hold and temple festivals, the attendance is thin. For some months, the student himself takes a holiday after the school holiday for sight-seeing and thamasha. A few cases will be noticed where the parents of elderly students show extreme indifference to adult education and even obstruct their regular attendance. In cases like this, the pupils and parents will be personally appealed to by all means possible for regular attendance at school. These will be kept in regular touch with the school by opportunities being afforded for games, other social contacts such as entertainments, distribution of pansupari, sundal, plantain fruits, simple farces or dramas. Other attractions such as the institution of a Savings Bank and offering of prices for proficiency in (1) Mastering of a primer, (2) Distinction in class progress (3) Regular Attendance (4) Good use of the Library, (5) Lesiuretime handicrafts, (6) Display of histrionic talents and (7) Excellence in sports. Though every one of these attractions is not absolutely fruitful, the work is to be carried on with the feeling that the supreme duty is being discharged in the education of our ignorant brethren so as to fit them out for shouldering the responsibilities of practical life with more grit, efficiency and courage. The sole aim of the entire programme is thus to make men to feel not very proud of their achievement but to make take an honest pride in village life which is their own natural heritage, of simple life, plain living, and high thinking and also to infuse faith in their own capacity and in God.

Working of the classes started in 8 centres during February and March 1940:—

There is a total enrollment of 269 adults of stage 1 and 69 of stage 2, *i.e.*, in all 338. The average attendance as on 31-3-'40 was 178 and 54 of

stage 1 and 2 respectively. Within 2 months after starting the work, more 60 per cent. of the adults have taken keen interest in learning the alphabet and in 5 out of 8 centres they completed learning the Tamil alphabet fully. The number work has been going slow and talks on general knowledge subjects have been given only in 3 centres. The work thus started is encouraging notably in Sathangudi, Manickampatti, Ganguwarpatti, Royappanpatti, and Kamayagoundanpatti centres. In the Manickampatti centre adolescents and adults of middle age have also been participating in regular physical activities such as volly-ball, Chedugudu, and one or two more indigenous games Proposals for providing the nucleus of a village library in each centre at an initial cost of Rs. 25 have also been made separately to the Secretary of the Madura-Ramnad Central Co-operative Bank, Ltd., Madura. The supply of monthly journals and one Tamil daily for each co-operative society to be placed at the disposal of the adults education class will assist the work of the centres greatly.

Finance.

Each centre has so far been supplied with initial equipment by way of books, charts maps, etc., costing Rs. 30 a petromax light costing Rs. 15 and the bank has undertaken to supply kerosene oil in tins, each tin costing Rs 4, being used for 2 hours per day for 2 months. Allowing for contingencies at Rs. 6 per centre, the total expenditure per centre has come upto Rs. 56 or about Rs. 60. Thus the bank has incurred a total expenditure of about Rs. 480 as initial outlay. The remaining two more centres will be opened shortly one at Poombarai and another at Mannavanoor in Kodaikanal Taluk, and it is presumed that the initial equipment petromax light and one time of kerosine oil has also been provided in these centres. The total expenditure incurred so far 10 centres may thus be taken at Rs. 480 plus Rs. 120—Rs. 600 in all. The scheme also provides for the payment of a remuneration of Rs. 25 per teacher on the basis of results and on the recommendations of the District Educational Officer. The recurring expenditure for the 10 centres in future years will be library books Rs. 25 initially and recurring Rs. 15, contingencies Rs. 25 per centre per annum, kerosene oil (5 tins) for 10 months Rs. 20, or roughly Rs. 75 per annum per centre. Considering the number of adults that have been enrolled for purposes of education and the average attendance seen so far the out-lay of Rs. 600, in the first year and Rs. 900 plus Rs. 250 remuneration for teachers, *i.e.*, Rs. 1,150 for 1200 at Rs. 100 per centre per annum in all cannot be considered extravagant. It is hoped that as time goes on, it will be possible to reduce the recurring cost as adults who pass out as literates from these adults education classes can be enrolled as honorary teachers and assist in the furtherance of the programme. No doubt the programme and the aim of the scheme are ambitious but they have been so framed as to achieve the maximum results possible out of a minimum of investment.

Village Health Societies.

VISVA BHARATI'S SUCCESSFUL EXPERIMENTS.

By Dr. J. Chakravarty,

Medical Officer, Sriniketan.

Village reconstruction work was first undertaken by Visva Bharati in 1921. This branch of the work of Visva-Bharati was later entrusted to the Institute of Rural Reconstruction at Sriniketan from 1922. All questions concerning village reconstruction really centred round the health of the villagers. The vitality of the people of the West Bengal, particularly of the District of Birbhum, was being undermined by the scourge of malaria. Medical work, therefore, formed an integral part of the village welfare department. A central dispensary was started in 1924 at Sriniketan around which were organised fourteen Rural Reconstruction and Health Societies in the neighbouring villages. The central dispensary supplied medicine and the service of the doctor at a concession rate to the members of the Health Societies. The influence of the medical service has always helped in creating a spirit of co-operation amongst the villagers in solving their various problems. The village people have ungrudgingly co-operated in cleaning the jungles, filling up the pits, cleaning the tanks and in opening the drains. In addition to these sanitary measures, they have also constructed some roads, re-excavated tanks for irrigation, and have organised "Dharmagolas" (Paddy-stores) as insurance against famine. They are also maintaining a number of primary schools.

In 1932, the Medical Officer prepared a scheme for self-supporting dispensaries in these villages. Members of the Co-operative Health Societies supplied money for dispensaries and raised funds amongst themselves for medicine and other recurring expenditure within two years of their establishment. The members succeeded in starting three dispensaries at Ballabhpur, Bandgora and Goalpara. Each of these dispensaries was managed by a committee elected by the members themselves. The scheme soon turned out to be a success and attracted the attention of the people of neighbouring villages. At that time four such Health Societies were maintaining six dispensaries.

The Health Scheme is worked on the following basis:—

1. Three or four villages with a minimum of 250 families form a unit which maintains a self-supporting Health Society.

2. Members of the Society elect their own Working Committee and office-bearers.

3. Each member pays a subscription of 12 annas per year in cash and a contribution of Rs. 3-4 either in cash or in kind *e.g.* paddy etc.

4. Members get the medicine from these dispensaries at cost price, but non-members are required to pay according to the bazaar rate.

5. Members receive medical advice at the dispensary free of charge. They are, however, required to pay a very small fee of four annas per call for service of the doctor in their homes.

6. Besides the subscriptions and contributions of the members, all fees, realised by the doctor for his services to members and non-members, are credited to the funds of the Society.

7. The doctor also takes steps for prevention of malaria and other epidemics, and for general sanitary improvement of the area served by the Health Society.

Working on the above scheme since 1932, it has now been found that at least one of the Health Societies has become self-supporting for all practical purposes, and others are steadily on the way. The idea behind starting such Societies was firstly, to take curative measures against diseases at minimum cost, and secondly, by preventive measures to improve the general health of the villages. The annual membership subscription of annas twelve per family is utilised towards preventive activities. It was observed that malaria was the main scourge to be fought against; and the activities of the Societies were naturally directed towards adopting such measures as were necessary to remove that evil.

Systematic work in the above direction led to satisfactory results. It is to be noted that in April the spleen generally attains its maximum enlargement. The index for that month, however, shows the lowest figure. The conclusion is apparent. The decrease in the number of malaria patients is not the only feature of the beneficial effect of the scheme. The general sanitary condition of the villages has considerably improved.

In addition to the benefits conferred on the villages by the Societies, the co-operative method of work is responsible for another remarkable improvement from the economic stand-point. The curative expenses incurred by a family have been considerably reduced, much to the relief of the poor villagers.

The organisers of the Health Societies apprehend that the success of the Societies in arresting the spread of malaria in the villages to a certain extent, might make the villagers feel that they do not any longer need such organisations in their villages. As a matter of fact, some though but few at present, are so optimistic that they might even go the length of discontinuing their membership in future. This is a problem which has to be faced, sooner or later.

Hindusthan Standard—29-12-40.

Insurance for Agriculturists.

I

In his memorandum on " Measures of a national or international character for raising the standard of living " submitted to the Economic Committee of the League of Nations, Mr. Hall, Professor of Political Economy in the London School of Economics, mentions that, on the basis of census returns and of estimates for those countries for which no census returns are available, it may be estimated that in the world population in 1938 of over 2,000 millions nearly 900 millions are gainfully occupied and of these nearly 550 millions are estimated to be in agriculture: over half of these are found in Asia. Of the total, subsisting on agriculture, nearly 200 millions alone are in India. It is desirable that, in a world of uncertainties and complexities, the lot of those 200 millions needs to be studied a little critically, and to find, as far as possible, measures to lift those 200 millions from those complexities.

During the past century, scientific discoveries, technical improvements and the development of transport have brought about far-reaching changes in every field of economic activity. This process has been particularly notable in the field of agriculture. In former times, farmers everywhere lived in almost complete isolation, dwelling in remote corners far away from cities, with no knowledge of their resources or their needs being generally content to produce enough for their domestic consumption and only if there happened to be any surplus, did they care to sell it in the nearest local market. This, however, ceased to be so, when the towns with their steadily growing population found that they could not live without larger and larger quantities of products fetched from farmers in more distant areas. And now it is a matter of common knowledge that the majority of farmers in the West have to change their methods of production, intensify their cultivation and specialise in production to meet the growing demand for food. This change in the methods and the quantity of production is largely noticeable since and after the Great War, and more during the last ten years, when the yield on capital invested in agriculture is bringing a diminishing return. The farmer, as we know, does not fix the price of his produce; it is imposed upon him, with the result that his profits, if any, are limited and not unusually do we find him suffering a loss. If, therefore, it is desired to systematise the life of a farmer in modern times, some measures, such as credit and insurance facilities, must be evolved, whereby the poor tiller may have some basis to calculate his earnings, before his produce is harvested or destroyed due to natural calamities and other agencies, over which he has no control.

Measures of the kind mentioned above are elaborately discussed by M. Louis Tardy, Honorary Director of the Caisse Nationale de Creditagricole (Paris), and we propose to discuss them here for the benefit of our readers.

Before we actually study the various credit institutions, let us first understand what we mean by the connotation " Agricultural Credit Institution". It means, as it is generally understood in the West, an institution, which aims at providing farmers with working capital and enabling them to pay their working expenses, and in some cases at helping them to settle down in the first place. These institutions are called upon to grant short term loans, according to the character of the agricultural undertakings in need of assistance. These credit institutions are subdivided into three main categories : viz- (*a*) Short term credit institutions: (*b*) Medium term credit institutions; and (*c*) Long term credit institutions. Farmers have, therefore, to apply to these different credit institutions, according to their needs, whether they require loan for a short duration, say, for a year; or a little longer extending over a period of 5 to 10 years, or for a still longer period primarily intended to set up agricultural co-operative associations, to be paid after a number of years. It is thus clear that the clientele of the credit organisation vary from occupation to occupation and from person to person. Coming now to discuss the methods of providing loans, it may be said that they too are different. Occupational or rural credit institutions have a long history, which can be traced back to the days of Louis XIV and Napolean I. These institutions mainly function to provide the need of rural people, and loan is granted to the needy on personal security, or on the security crops to be harvested.

Security required in cases when loans are granted on medium and long term credit differs according to the length of period for which such loans are granted. Mortgage is the best form of security for medium and long term credits. It is, however, found from experience that mortgages invariably involve lengthy processes and a recent tendency is seen towards a system of land tenure, because in many cases the borrower's title is not always sound. The main point in describing these various forms is to show that in India, Co-operative Credit Institutions mainly serve the rural needs, which grant loans for a short time, while the needs of the farmers are for medium and long term types. We have, therefore, yet to develop the latter two types, in order that our farmers can settle themselves down to a normal life. The late Sir Lallubhai Samaldas endeavoured to initiate a beginning in organising credit institutions of the latter type, but they do not seem to attract the attention of the people to the extent and magnitude that they deserve. Even the Agricultural Credit Department of the Reserve Bank of India does not seem to realise where the actual credit need is. In the abnormal times, that we are passing through these days, it may not be possible to organise extensively such systems, but surely, under normal conditions, things ought to get a fillip.

Dr. Louis Tardy, who has made a deep study of the question of agricultural credits, holds very strong views on the question of indebtedness of the farmers. In the course of his memorandum he observes :—

"Since the prosperity of agriculture is a fundamental pre-requisite for the general prosperity of the country, agriculture has to be assisted. It is for this reason that many countries find themselves obliged to take action in order to mitigate the burden of rural indebtedness and improve the position of the farmers. If a system of agricultural credit, firmly based and fully suited to its purpose, existed in every country, one very considerable advantage would be that there would be no further need for exceptional measures such as have been taken in almost every country, particularly during the period of economic depression."

Concluding his observations, the author holds a plea that

(i) A well-organised agricultural credit system, provided with adequate funds, in the hands of institutions, the directors of which have received special training and had actual banking experience, is a necessity in every country, if farmers are to remain on the land and agriculture is to prosper: and

(ii) Agricultural credit institutions should preferably cater for the agricultural community exclusively, and in their simplest form, should be constituted according to co-operative and mutual principles, in order that the loans granted may correspond to the real needs for farmers and be guaranteed, to a greater or less extent, by the borrowers as a whole.

II

INSURANCE AGAINST AGRICULTURAL RISK.

The above lines describe, in short, the credit system as it works in some countries of the West. We pointed out therein, the gaps which are conspicuously, visible in the credit system of our country. We next propose to examine the insurance scheme against agricultural risk.

Before actually discussing this scheme it may be stated that agricultural insurance is not designed to guarantee farmers against losses due to disasters to their movable or immovable property and the fruits of their labour. It however, presumes to safeguard the farmer's material interests by compensating them for their losses and thus insure their securities offered by the agriculturists for the repayment of their loans. Agricultural insurance also applies to insurance policies on the lives of cattle and against hail. There are, however, certain risks, against which

it is difficult to insure, such as those resulting from large scale floods or from cryptogamic diseases and parasites of all kinds. We give below the various schemes of agricultural insurance :—

(i) Fire Insurance in respect of immovable property, furniture, plant, live-stock and crops.

(ii) Life insurance for cattle.

(iii) Insurance of crops against hail.

(iv) Insurance of agricultural workers against industrial accidents.

It is only in a few countries that farmers are required by law to insure against the risks inherent in their calling.

Generally speaking, the property of farmers and particularly such property as is capable of being mortgaged or pledged, can be insured against the chief risks without difficulty. As regards death of live-stock, however, insurance can usually only be obtained for cattle, horses, asses and mules. Sheep, pigs and goats are only insurable in exceptional cases or else cannot be insured at all on account of the difficulty of accurately identifying such animals and the very high losses in which insurers might be involved in case of epidemics. As regards the amount of compensation, it may be mentioned that it is based on the damage actually sustained. As a rule, however, and particularly in mutual Insurance organisations of the co-operative type a certain proportion, representing the part or share contributed by the individual farmer is deducted, each member being regarded to that extent, as his own insurer.

Agricultural risk may be insured either by specialised private companies or societies of a commercial or mutual character, or by state organizations. These different institutions frequently exist side by side in the same country. As a rule, the ordinary commercial insurance companies do not specialise in the insurance of agricultural risks, which represent only a small fraction of their business; moreover their offices are generally situated in towns and it is not easy for them to assess the risks for the insurance of which farmers make proposals. In a great many countries, mutual insurance societies, based on principles of mutuality and co-operation have been founded in addition to the commercial companies. They are really speaking co-operative insurance societies and are required to comply with the general legislation on a co-operative organisation, where such exists as well as with the insurance legislation.

One can see the advance that the system of insurance has made in the west. Not only that men get insured against accidents, but the system has extended itself to the region of animals and plants. Figures available for life insurance of men show that the amount employed in life insurance in India per head is only Rs. 5.5, while that in New Zealand is Rs. 984.5, Australia Rs. 750, Sweden Rs. 563.7, Italy Rs. 418, Norway Rs. 376.7 and Netherlands Rs. 338.2. Indeed it is regrettable that an industry that sustains the life of nearly 73 per cent. of the population should have nothing to feel assured for the darker days.

—Journal of the Indian Merchants' Chamber.

Chinese Industrial Co-operatives.

By Hubert S. Liang.

(Hubert S. Liang, a member of the C. I. C. Shanghai Planning Committee in 1938, is the Director of the Promotion Department of the Central C. I. C. Adminstration in Chungking.)

The Chinese Industrial Co-operatives is a Movement which has already stirred the imagination of the world. Before telling you in what direction or along what path this Movement is to go perhaps it will be well to review briefly how the Movement was started, how it has been developed and what its present situation is.

With a three-fold objective of strengthening China's military and economic resistance to Japanese aggression, of helping in the national reconstruction and of hastening the full realization of Dr. Sun Yat-sen's Principle of People's Livelihood, the Movement was launched in the fall of 1938 in Hankow under the chief sponsorship of Dr. H. H. Kung, President of the Executive Yuan and concurrently Minister of Finance. Upon the recommendation of Dr. Kung the National Government appropriated N. C. $ 5,000,000 as initial capital and in addition a current monthly budget of $ 50,000 which was later increased to $ 100,000 for administrative and promotional express.

The development of the C. I. C. can be divided into three stages, namely, the planning stage, the big offensive and consolidation. During the spring of 1938 when the Japanese big guns and incendiary bombs succeeded in the destruction of at least 80 per cent. of Chinese industries in and around Shanghai, when hundreds and thousands of destitute and homeless people, among whom a large number of skilled workers were compelled to lie idle in refugee camps, the idea of an industrial co-operatives movement dawned upon a group of Chinese and foreign enthusiasts. Through such a movement, they reasoned, not only the skilled Chinese workers then idling in the refugee camps can be prevented from working for the Japanese but can be induced to move into China's hinterland to become self-conscious, self-supporting and productive citizens who will man the new economic bulwark against the Japanese invasion. Through such a movement tools and machinery of production can be moved into the rear. But of most far-reaching and profound significance of all, such a movement can do much to lay the foundation of a new industrial democracy for China both during and after the war, thus hastening the complete realization of Dr. Sun's great Principle of People's Livelihood. Motivated by these far-seeing objectives this small group in Shanghai laboured hard and long and as a result of their thinking and consulting together a comprehensive plan was born which was presented to and accepted by the National Government.

The plan which has been followed has been the establishment of three Zones of industry. (1) In the rear the heavier industries which cannot be mobile and should be as for as possible from the battle line. (2) A middle Zone stretching from Kansu in the Northwest in a huge area round the fighting line to Fukien in South China. Here there is no immediate danger of any region becoming a battle ground, but danger of bombing means that industry should be as decentralized as possible. (3) A Zone of "guerrilla industry" in the fighting area, and even behind Japanese lines.

In accordance with this plan a "big offensvie" was launched and in the period of less than a year more than 1,000 industrial co-operative societies were organized. The outstanding characteristic of this stage of development was speed, speed in rescuing machinery and other tools of production from areas threatened with immediate invasion and speed in giving refugees, particularly skilled workers, productive emloyment, thus not only helping the Government to solve one of the most pressing social problems of the war but also assisting in the production of daily necessities to meet both military and civilian needs. For instance in the early part of 1939 Madame Chiang Kai-shek wanted to have $ 200,000 worth of winter clothes made for the soldiers at the front and wanted the order filled quickly. The C. I. C. accepted the order and had the entire job from spinning the yarn to putting on the buttons in less than a month. It is doubtful whether any other manufacturing establishment under these war conditions in China could have done the work on such a quick order.

The C. I. C. Movement will soon enter its third year of service. What in fairly concrete terms have been some of its accomplishments? Perhaps the best way to answer this question is to give you the following figures: The total number of industrial co-operatives now organized has gone beyond the figure of 2,000 with a total membership of about 30,000. If the apprentices, hired workers and outside helpers are included those who participate directly or indirectly in the C. I. C. production must number 150,000 pepole. One hundred and fourteen kinds of goods are being produced by the C. I. C. to meet the military and civilian needs of wartime China. The total value of monthly production is now about $ 12,000,000.

The total capitalization of the co-operatives (C. I. C.) to date is estimated to be N. C. $10,000,000. Of this sum about 35% are loaned capital from Government with the rest mainly supplied by the Chinese banks, the total amount of bank loans being estimated to be $ 5,000,000. Recently another $ 5,000,000 has been granted to the C. I. C. by the Government as capital for marketing and supply. Also a $ 2,000,000 credit loan arrangement has been concluded with the Bank of China. Other negotiations for additional credit loans are being carried on with the Central

Bank, Bank of Communications, Kincheng Bank, Kwangtung Provincial Bank and other leading Chinese Banks. Farseeing bankers realize that the best investment in China now is in small, decentralized industries organised on a co-operative basis. As the business of the Chinese Industrial Co-operatives further expands foreign investment will be invited and welcomed.

One of the most impressive features of the C. I. C. Movement is the international interest it has aroused. This interest is crystalized in the formation of Promotion Committees in Hong Kong, Manila, London, Melbourne, New York, Washington and London. Contributions and loans from abroad are being received by the International Committee in Hong Kong. Even more importantly this interest is manifested in the technical advice and assistance rendered to the C. I. C. by advisors of different nationalities such as Mr. Rewi Alley, and Professors J. B. Tayler, Lewis S. C. Smythe and Charles H. Riggs.

But the facts and figures as mentioned above admittedly constitute only a small beginning of a very great and far-reaching Movement. What is to be, will be vastly more important than what it has been. The pertinent question then is: From this point on what will be the direction in which the C. I. C. is to move? While it's difficult to predict its exact course of development the experiences of the past two years foreshadow certain trends and tendencies and these trends and tendencies can be captioned by the following words: *Consolidation, Expansion, Education, Standardization and Rationalization.*

(1) *Consolidation.*—That the expansion during the last year or so has not been as rapid as the first several months is due to a deliberate policy of consolidation which is believed to be necessary before another big advance is made. During this stage of consolidation many co-operatives have been reorganized or combined so that they can better meet the standards of a sound and promising co-operative while in not a few cases co-operatives have dissolved if they are found too much below par. The one point to be noted is that while the number of co-operatives in a given locality may be reduced the size and quality of the membership and productive efficiency of these co-operatives is improved by this process of consolidation. In Paoki, Shensis for example there were 104 co-operatives with a total membership of 1,076. This was before consolidation. But after certain co-operatives were amalgamated with others completely weeded out the number of co-operatives was reduced to 63. The size of total membership on the other hand has been increased to 1,496, the total capital share increased from $ 56,770 to $ 89,212 and the total value of monthly out put has been increased from $ 245,000 to $ 548,000. Thus consolidation does not mean stagnation; on the contrary it is realized sound consolidation must necessarily go hand in hand with well-planned expansion. And this is the policy of the C.I.C.

(2) *Expansion.*—While consolidation will be continued that consolidation will be accompanied by well-planned expansion especially expansion into front-line areas, where not only is there a great demand for small and mobile industries to fill the daily needs of the army and the civilian population but where objective conditions are even more suitable for co-operative methods of production than in the rear. Despite the difficulties, uncertainties and physical dangers with which the front-line work is necessarily involved, it is most essential and worthwhile when viewed in terms of armed and economic resistance. The Government is paying serious attention to this aspect of the work and with its co-operation and support the C.I.C. has formulated comprehensive plans and are taking steps towards setting up a system of co-operatives of various types in the several strategic front areas.

(3) *Education*:—Better and greater emphasis will be placed upon education among members. Financial success is not the only criterion of a good co-operative. The most important function of a co-operative is not just to make money but to develop all-rounded personalities and to foster a spirit of fellowship and co-operation among the members. Far from being automaton of production the co-operative members are trained to be self-reliant and efficient workers having individually as well as collectively a strength all their own. Thus every C.I.C. depot sponsors programmes of popular education, most of them have schemes for medical care of workers, and some of them have recreation centres, schools and nurseries for the children of the workers. Technical training is also given to refugees preparatory to setting them up in co-operative workshops. Due emphasis is also placed on research and training. For the improvement of techniques and introduction of simple modern methods, the C. I. C. itself undertakes research into textiles at Chengtu and in chemical industries at centres in the Northwest and Southeast. And for the strengthening of the organization and fuller understanding of democratic methods by the societies, training courses for organizers and co-operative members are run constantly in every region; and for the improvement of business methods the training of accountants on a large scale has been undertaken. An institute for the training of higher staff is also being set up.

(4) *Standardization.*—Standardization and betterment of means of production are also important parts of C. I. C.'s plans for the future. Simple and standardized tools and machines, tools and machines thoroughly adaptable to local conditions will be devised, experimented upon and perfected for the use in the co-operatives in different parts of the country.

(5) *Rationalization.*—While C.I.C. is a product of the war it looks beyond the war period however long it may be. The Co-operatives that

are already and are to be started will not terminate with the war, but will continue to be an important part of the new economic structure of the New China. It is well realised that certain factors favourable to small and decentralized industries during the war such as difficulty of transportation, the high tariff and the inordinate demand for goods in China's interior may be removed with the end of the war. With this realization steps are already being taken to "rationalize" the C.I.C. industries. The 114 types of industries as mentioned above were started to meet the immediate needs of the respective local communities, and it is foreseen that some of these industries will at best be of a temporary nature. But other industries such as textile, tannery, paper-making and alcohol-making should, with further and continued improvement in the technique of the processes in their production, will be able to stand future competition. Thus every effort is being and will continue to be made in solidifying the foundation and broadening the basis of these industries, so that they will become even after the war the mainstay of the C.I.C. industries around which a number of other auxiliary industries will be built up.

Whatever else the last two years of experience may reveal, the one dominant revelation is that the C.I.C. movement is meeting an urgent need of the age and is a natural product of the objective conditions of this epoch-making period of China's national development. In terms of production the result achieved during the last two years may not be as large as has been expected, but the potentialities as shown are at once challenging and tremendous. For a new reliance in themselves.' For some communities in which industrial co-operatives are organised C.I.C. has meant a new vitality, and the basis of a new economic and social order. Difficulties and problems there have been and are plenty, problems of training personnel, of organisation and of fighting against old ideas and old ways of doing things; but these are problems and difficulties not alone facing the C.I.C., but any and all constructive and progressive enterprises. But the remarkable fact is that despite these difficulties and problems, it has achieved so much as it has during the past two years. Given proper encouragement and support by friends and well-wishers both in this country and abroad, especially by friends and well-wishers in the United States, the C.I.C. has all the possibilities of becoming one of the most important and significant movements that the world has ever seen.—*Indusco News, January 1, 1941.*

We should all acquire the habit of thinking. Think deeply, think regularly. Think on "whatsoever things are true, honest, just, pure lovely and of good report" and all these things will come into our lives.

Extracts from Recent Utterances.

JOINT SESSION OF THE STANDING COMMITTEES OF THE INDIAN PROVINCIAL CO-OPERATIVE BANKS' AND INSTITUTES' ASSOCIATIONS.

ADDRESS

By Hon'ble V. Ramadas Pantulu, *President.*

On an occasion like this, our first thoughts naturally go to those co-operators of the world who have been deprived of their freedom and right to carry on their co-operative activities by forces of brutal aggression; and to them we convey our sympathy. Let us also declare to the world our conviction that "Co-operation" provides the best basis for ensuring universal peace, freedom, security and social justice.

* * *

Effects of War on the Co-operative Movement.

At the thirteenth Conference of Registrars of Co-operative Societies held in Delhi in December 1939, it was taken for granted by the official as well as non-official delegates from almost every province that the prices of agricultural products were bound to soar up and that the peasant would suddenly find himself in an opulent position due to windfall of extra income and indulge in extravagance unless a campaign of thrift was promptly started and the surplus of income of the members was tapped by co-operative societies and banks. It was also feared that credit would unduly expand in the wake of rise in prices of land and its products. At the conference I expressed my view that the anticipation about any sudden or great rise in prices was premature. Since then surveys were made by experts of the price level trends and it has been found that the primary producer has not been benefited by what may be called a war boom in regard to prices of agricultural products. In fact, the Indian agriculturist has lost some of his export markets and the general feeling in this country is that the State has not done as much as it should have to explore the possibilities of expanding India's export trade with the Empire and non-Empire countries. It remains to be seen how far the efforts of the Eastern Groups Conference and the Roger Mission will result in improving the position of the industrialist and primary producer in this country, and to find greater scope for utilisation of our raw materials by industrialists in the country.

We, as co-operators, primarily interested in the welfare of the agricultural community, should impress on our Governments two aspects of the question in regard to price levels. One is that while the price control policy of the Government may well be directed towards preventing profiteering by middlemen, nothing should be done to check the rise of agricultural prices to the detriment of the primary producer; the other is the problem of the surplus stocks of agricultural staples whose accumulation exercises a depressing influence on prices. We are vitally interested in these questions and must watch carefully the price control polices of the Government so as to ensure that the agriculturist in general, and the members of the rural societies in particular, do not suffer by such policies. The rise in prices will result in real economic benefit to the cultivators. I have often said in the past and wish to repeat on this occasion that I do not subscribe to the theory that rise in prices generally tempts the ryot to extravagance or adds to his indebtedness. This may be true of a few, particularly the bigger agriculturists, but not of the small peasant or the bulk of the agriculturists. Poverty is much more the cause of indebtedness than its result. The ryot has been unable for years to raise sufficient produce from his holding to meet even the cost of cultivation. The State in India cannot claim to have done anything to relieve him from the effects of the depression, the end of which we have not yet seen. So, let no artificial impediment be placed on the rise of prices in due course.

Problem of Indebtedness and Provincial Legislation.

Among the many activities of Provincial Governments in the last decade, more particularly since the inauguration of Provincial Autonomy in the Provinces, which deserve special mention is legislation dealing with the problem of indebtedness in general and of agricultural indebtedness in particular. It is well known that the crushing effects of rural indebtedness became evident to the Central and Provincial Governments and those who had the welfare of the agricultural population at heart, when there was a catastrophic fall in prices of agricultural commodities. The inevitable consequence of such a fall was a substantial reduction in the income of agriculturists computed in money while the burden of their obligations to their creditors in terms of money remained undiminished. Along with moneylenders and other creditors of the agriculturists, the co-operative societies and banks also found that the repaying capacity of the members had diminished and that they were unable to meet their obligations to their institutions. So, co-operators are naturally interested in assessing the effects of the measures passed for the amelioration of the condition of the indebted agriculturists. We have not so far made any earnest attempt to study these measures in detail and critically or to make our own contribution to the shaping of these measures. It is desirable to constitute a legislative Sub-Committee of the All-India Co-operative Institutes' Association to study provincial debt legislation and to formulate the views of the Association on the measures with due regard to local conditions and the needs of each Province. The pages of *the Indian Co-operative Review* will be thrown open for contributions on the subject from each province. Accounts of the working and results of the legislation for debt relief and control and regulation of moneylending and suggestions to further improve or modify such legislation are invited.

The Research Department of the Federation of Indian Chambers of Commerce and Industry has published an excellent monograph on provincial debt legislation in relation to rural credit. The monograph makes a comprehensive survey of the several debt relief measures passed by the various provincial legislatures. The Federation makes its own review of the legislation and offers its own comments on them. The treatment of the subject is on the whole sympathetic to the cultivator and friendly to the Co-operative Movement. But we may not be and cannot be in agreement with some of the conclusions and opinions expressed by the Federation on certain matters. The problem is one with which we must grapple on our own peculiar lines and suggest to the several Provincial Governments and Legislatures the lines on which these measures should be modified or re-enacted.

Coming to our role in the system of rural credit, we as co-operators cannot agree with the following assertion of the Federation of Indian Chambers: "It should be clearly recognised that in spite of vigorous efforts to create a regulated rural credit system, the money-lender will continue to be the main source of credit to our rural population for a long time to come." I believe that the ideal of co-operators undoubtedly is to replace individual moneylending by a regulated machinery—provision for credit dispensed through recognised institutions. I for one do not feel that the replacement of the present system of moneylending by a sound system of rural finance through co-operative organisations, which will form an integral part of an organised banking structure, is beyond the region of practical politics. To an assemblage of co-operators like this, it is needless to point out the relative spheres of service to the community by joint stock banks and co-operative credit organisations. Each has its own distinctive functions to discharge. The joint stock banks, generally speaking, do not handle rural credit which involves cutting up the resources of a bank into hundreds or thousands of small loans and collecting them in instalments so fixed as to suit the repaying capacity of the borrower and to make due provision for the vicissitudes of the seasons and other risks associated with agricultural industry. It is true that at the marketing end joint stock banks do come in. But even there they cannot adequately or properly serve the requirements of the agriculturists. Linking up marketing of produce, raised by agriculturists through productive effort organised on a co-operative basis, is a better and more rational solution of the problem. In a sound system of rural credit short and intermediate credit for production and marketing and long term credit for discharge of prior debts and acquisition and reclamation or improvement of agricultural land and the like should be distinguished, while all parts of the rural credit system should be placed on a correlated co-operative basis.

An apprehension is entertained in some quarters that legislative measures for regulation of moneylending and relief of indebtedness may result in curtailment or shrinkage of credit to agriculturists which may in its turn lead to denial of necessary credit facilities to carry on agricultural operations. But if co-operative credit societies are properly organised there is no reason why they should not be able to supply the short term productive credit of the cultivators. Having regard to the trend of events in many of the provinces, this hope of reorganising the co-operative credit societies so as to cater to as many economic needs of the agriculturists as possible, however, seems yet to be remote. It it for us to put forward concrete measures and strenuous effort to co-operatise as rapidly as possible the rural credit system of the country.

In order, however, to make the co-operative credit system an integral part of the banking system of the country, we need, not only the sympathy but suitable action on the part of, the Central and Provincial Governments as well as the Central Banking Institution of the country—the Reserve Bank of India. It is a matter for regret that so far the Reserve Bank has not given any practical proof of its sympthy with the Co-operative Movement, except by way of advice to reform the movement through the bulletins of its Agricultural Credit Department. It has so interpreted the provisions of section 17 of the Reserve Bank of India Act as to make it practically impossible for co-operative banks to derive any financial assistance from it for the production, movement or marketing of staple or commercial crops. Its latest deal to the co-operative societies is the withdrawal, with effect from 1st October last, of the remittance transfer facilities which the societies have been enjoying almost since the inception of the movement in 1904. It has not extended to the Provincial Co-operative Banks, their branches and affiliated central banks even the facilities which are given to the scheduled banks. Under the revised scheme promulgated by the Reserve Bank we are practically placed in the category of indigenous bankers. Before withdrawing the facilities, the Reserve Bank had not even the courtesy to consult the Provincial Co-operative Banks of India, which have a defined place in the scheme of the Reserve Bank Act. I hope the Reserve Bank will give due weight to the resolutions of this meeting and so revise its scheme as to extend to Provincial Co-operative Banks, their branches and affiliated central banks at least the same facilities as are now given to the scheduled banks.

The Government of India have now agreed to treat co-operative banks as companies for the purpose of levying supertax and not associations of individuals as hitherto. This has resulted in substantial relief to co-operative banks and societies in regard to payment of supertax from 1940-41. Hereafter we pay a flat rate of one anna in the rupee for incomes over Rs. 25,000. But this relief is given by means of a provision in the Finance Act of 1940 and this provision, to be effective, must be reenacted every year. We must continue to press for the relief being placed on a satisfactory statutory basis by a suitable amendment to the Incometax Act. The Government of India

have further notified that the interest earned by a co-operative society on the deposits made by it in another co-operative society will be exempt from incometax. I hope that interest earned on investment by a co-operative society in the debentures of a co operative land mortgage bank will be treated as a deposit with another co-operative society for purpose of exemption from incometax. This will afford facilities for investment of long term funds in land mortgage banks to the advantage of agriculturists. We are greatful for the concessions mentioned above.

I must, however, state that what we may gain by the concessions referred to may be lost by the surcharge on incometax announced by the Finance Member when introducing the supplementary Finance Bill in November last and by the Excess Profits Tax. I hope the Government of India will examine with sympathy the question of exempting Provincial Co-operative Banks from the Excess Profits Tax.

Schemes for the Rehabilitation of the Movement.

At the joint session of the Standing Committees held in Madras just over an year ago we discussed at some length schemes for the rehabilitation of the movement in Bihar, Berar and Bengal. Much progress does not seem to have been made since then. Investigations still seem to be proceeding in all these provinces, though the respective Provincial Governments are said to have come to some conclusions regarding the lines on which the Movement should be helped for its reconstruction. It is needless to say that it will become more and more difficult to resuscitate the movement if the process of investigation and the implementing of the Government's decisions are delayed much longer.

Bengal, however, has been more in the public eye of late than the other two provinces mentioned above. Pending the reconstruction of central banks and rural societies, a large number of new societies have been formed there for dispensing what are called crop loans for seasonal operations This seems to have put some fresh life into the movement in that province. While the rehabilitation programme drawn up by the Registrar is still undergoing examination, there has been keen controversy over the new Bengal Co-operative Societies Bill, 1938 which had a somewhat stormy passage through both houses of the Bengal Legislature in the closing months of 1940. The controversy over the bill has unfortunately assumed an acrimonious character. I have dealt with the measure and the controversy over it in the issue of the *Indian Co-operative Review* just published and which would perhaps have been in your hands before you had left your homes for the meeting. I do not wish to cover the same ground here. I hope the co-operators of Bengal who seem to be sharply divided on this legislative measure, will join hands in making the scheme for the rehabilitation of the movement and resuscitating the central banks and societies a success. No Registrar can administer the movement in his Province merely on the basis of the drastic plenary powers given him under the Co-operative Societies Act. Many of these powers are bound to remain on the Statute Book as harmless weapons in his armoury whatever may be the reasons for installing them there. It is a Movement which can only be carried on by the people themselves, with such assistance and guidance as the Registrar and his department may be able to give as friends, philosophers and guides of the Movement.

The Madras Committee on Co-operation.

Some of you must have by this time perused the Report of the Madras Committee on Co-operation recently published. The Report is frankly one which aims at stabilising the existing co-operative structure in the province and improving it in directions which are likely to enhance the utility of the Movement to the people of the Province. The key to the recommendations of the Report will, in my opinion, be found in the chapter dealing with "Co-operation and Rural Reconstruction" The refrain of the Committee's song may be said to be "Give unto Ceaser the things that are Caeser's", the Ceaser being the villager. This is not surprising because the bearings of Co-operation on rural life are receiving increasing attention at the hands of all those who are interested in co-operation and the promotion of prosperity in rural areas. It is generally now realised that unless greater attention is paid to rural problems and something tangible is done to transform rural economy, which is now a deficit economy into a surplus economy, and to redress the balance between the town and the country, we cannot make genuine progress politically, socially and economically. The expressions, "agricultural organisation" and "rural reconstruction" now express more fully the nature and scope of the Co-operative Movement, "the modern conception of which," as the Royal Commission on Agriculture point out, "differs markedly from that at the close of the last century." Wherever agriculture is a predominant industry, Co-operation has come to be regarded as the normal basis of rural economic development. It is particularly true of India. If the Report of the Madras Committee is more valuable for one reason than any other, it is the recognition of this principle and the formulation of proposals intended to carry it out.

So much for the key to the interpretation of the Report of the Committee. The central recommendation of the Committee is that relating to a simultaneous pursuit of a comprehensive plan of revival and reconstruction of societies together with a five, seven or ten year plan of expansion of village credit societies and their organisation on a wider basis, the aim being to bring every village within the area of operation of such a society. The recommendations of the Committee on this matter are not unanimous. The principles on which the new societies envisaged by the Committee are to be constructed are considered to be heterodox by some of the dissenting members, who seem to think that the proposed organisation of village societies on a wider basis with limited liability will do violence to

principles of proximity and corporate life which are believed to be the basic principles of the Raiffeisen type of village societies.

All shades of opinion on this important problem as well as on other aspects of the Report are being collected and published in the *Indian Co-operative Review.* I await the considered opinion of co-operators after they examine critically the differing view points. In this connection I may point out that the multi-purpose society of the type originally recommended by the Agricultural Credit Department of the Reserve Bank of India and which received wide publicity has not commended itself to the Committee, which, however, recommended that facilities may be afforded for the formation of that type of society and the results of its working watched. Informed opinion, both of co-operators and economists, is accumulating in favour of the view that the primary credit society would not gain much by being transformed into a multi-purpose society of the type suggested by the Reserve Bank of India.

The Future of the Movement.

I am oppressed by a feeling that the Movement has no genuine future before it and that its contribution to our national life will be little if it has to be carried on within the limits set to it by the Co-operative Societies Acts in force in the various provinces and States and under the daily increasing control of the Departments of Co-operation as at present constituted. The modern conception of Co-operation to which I have already referred and its potentialities as a factor in the reconstruction of the economic life of the people have not so far penetrated the theory and practice of Co-operation as understood and administered by the State Departments of Co-operation in India. In the new world order that is contemplated in India as elsewhere stress is laid on a more equitable distribution of wealth and better and equal opportunities of life for the rich and the poor. This is the gospel of Mahathma Gandhi. This is not a mere dream but the immediate objective of Mahathma Gandhi's constructive programme. To express it in his own words as nearly as possible, "Swaraj does not mean mere transference of power; it should mean complete deliverance of toiling yet starving millions from the dreadful evil of economic serfdom." What is the contribution which Co-operation has made for the propagation of this message or for the attainment of this aim? Changes in economic conceptions and adjustments in social order all the world over are taking place with bewildering rapidity and opinions of to-day are heresies of to-morrow. But Co-operation in India takes little or no notice of these new currents of national life in the spheres of production and distribution and in the field of industry, commerce, trade and finance all over the civilised world. Nor does our State-controlled and State-administered Movement take note of the fact that old forms of administrative machinery in all progressive countries are crumbling and are replaced by those which are better suited to the changing conditions of the people's life. Many departments of the State even in India are also being reorganised or remodelled so as to make them serve the people more effectively and in accordance with modern requirements. Nevertheless, the Co-operative Departments in the Provinces and States still remain steeped in old and out of date traditions, and their activities have not kept pace with the developing needs of the people. Officers of the Co-operative Department still hug to their bosom theories and practices of foreign origin, some of which have become obsolete even in the countries of their birth. They have not yet established real contacts with the people and deal more with files and papers than with men and women. They rely more on their statutory powers of control than on the efficacy of their ministrant services.

A perusal of the annual administration reports published by Registrars makes very painful reading. They invariably unfold a tale of woe and attribute the failure of the Movement to want of character and capacity in our rural and urban folk from whom we draw our members and who look for guidance and help to the officers of the departments. It is neither a fair nor a true picture in my opinion. The one patent remedy of the department of co-operative ills is the broadening, deepening and lengthening of those powers of statutory control. Such tightening up of the law has nowhere led to an improvement in the Movement. The Movement is indeed faring better in areas where official control is lighter.

I have many friends among the Registrars, past and present. Some of them have genuine sympathy for the people and are men with vision and some have a flare for work among the people. But they are merely the instruments of a wooden and anti-deluvian system which allows them little scope for exercise of their talents and facilities to render real and effective service to the people in accordance with the present day trends of national life. I feel that unless and until we build anew the whole structure of the Co-operative Movement and transform the Registrars into real "friends, philosophers and guides" of the people we shall not be able to achieve the aims and objects with which the Movement was started. Nor will the Movement show any more progress or confer any larger benefits on the people than it has done in these four decades.

I do love
My country's good with a
respect more tender,
More holy and profound,
than mine own life—Shakespeare.

A Good Society.

The Moolangudi Co-operative Credit Society organised on unlimited basis in 1921, has been doing very good work since then. In the area of operations of the society there are a number of hamlets whose total population would be about 3,000. The society is affiliated to Mannargudi Union in Tanjore district.

There were 221 members on 30-6-1940 consisting of 41 Brahmins, 118 Non-brahmins, 43 Adi-dravidas and 19 others with a paid-up share capital of Rs. 4,504.

Though a primary society on unlimited liability basis, it is having all kinds of deposits both from members and non-members. Issue of small loans below Rs. 50 to deserving members has been the policy adopted by the management. Many agriculturists and landless labourers who have no tangible assets but who are honest and punctual in repayments have been helped by the society. Small loans number 93 out of 135 issued during the year. We are glad to note that this policy has enabled 50 to 60 families to improve their economic condition. Rs. 25,234 were issued as loans to members and Rs. 28,551 collected during the year. Overdues from members were very negligible, in as much as Rs. 514 under principal and Rs. 15 under interest were overdue out of a total demand of Rs. 28 884 and Rs. 2,038 under principal and interest respectively. The society has built up a good reserve of Rs. 5,239. The common good fund of the society is being utilised every year in the purchase of journals and newspapers, for the use of members. The society has a building of its own built at a cost of Rs. 2,450. The report says the whole success of the society is due to the untiring and selfless work of its President Mr. K. Gopalakrishna Iyer, a rich and influential Mirasdar who has been the President since the inception of the society.

A rural dispensary, an elementary school run by the Panchayat Board, an unregistered stores, an agricultural demonstration society and a panchayat board, are some of the amenities provided for the people due to the influence of the society. The net profit earned by the society for the year was Rs. 272.

It is one of the best societies working on unlimited liability basis and we trust that opponents of unlimited liability will, after reading the report of the society, realise that unlimited liability is not as hopeless as they make us believe it to be. Everything depends on the personnel for the working of either limited or unlimited co-operative societies.

The society can very well be proud of its good work all these years. We heartily commend its example to other societies.

Reviews.

The Fourth Annual Report of the Madras Provincial Co-operative Marketing Society, Ltd., for the year 1939–40.

The progress of the transactions from the starting of the society as given below will show in unmistakable terms a great scope for development of non-credit co-operative activities.

	1936–37 Rs.	1937–38 Rs.	1938–39 Rs.	1939–40 Rs.
Non-perishable ...	6,918	31,975	50,589	1,08,324
Perishables F.D. ...	2,220	41,137	91,454	92,013
Potatoes ...	,,	12,163	28,409	closed
Total ...	9,138	85,775	1,70,452	2,00,337

The drive given by the Department in recent years to non-credit activities has made it possible for the society to turn out such a large volume of business within 4 years. The membership and share capital of the society rose from 139 and Rs. 6,000 to 172 and Rs. 6,860 respectively. The society got a subsidy from Government of Rs. 2,811-14-0 which was used along with the commission earned on the sale of articles to meet the cost of establishment. The society had to raise the commission on the sale of non-perishables from 3 pies in the rupee, and as regards the share of commission to be retained in regard to Kodur oranges from 3 pies to 6 pies. The total commission earned for the year was Rs. 5,958-11-0. During the year the society dealt with goods worth Rs. 2,10,267 including the stock of the previous year. Sales were effected to the extent of Rs 2,01,236. The Reserve Fund to the credit of the society at the end of the year was Rs. 3,030-12-0.

It is gratifying to note that there is a great demand for the goods supplied by the society in Madras, but the society seems to be handicapped on account of irregular supply from affiliated societies. We trust that by a well co-ordinated policy this handicap will soon be removed and the society will be able to cater to the needs of one and all. A good number of co-operative institutions in the City have availed themselves of the indent system introduced by the society. The society issues a bulletin, and as the report says, that "as a result of this publication, many of the stores and societies and other big hostels and institutions are purchasing articles from this society". The important articles dealt with by the society are Sathukudi oranges from Kodur, ghee from Rasipuram, hand pounded and milled rice from Mypad and Ramachandrapuram. The Board of Directors consists of eminent and self-less workers and they have achieved great success during this short period of four years. We wish the society all success in the years to come. We have no doubt the Government will continue the subsidy for a few years more and enable the society to put its business on a stable basis. The society is attempting to forge a link between the producer and consumer societies. In this difficult task it needs all encouragement and support.

N.R.

The Madras Provincial Co-operative Stationery Stores, Ltd.

This is a new type of society recently started. It has just begun to make its existence felt. During the two years of its working the number of members rose from 34 to 107 and the paid up share capital from Rs. 170 to

Rs. 560. The society obtained a cash credit of Rs. 4,565-7-0 from the Madras District Central Bank against which Rs. 1,881-8-0 was repaid leaving a balance of Rs. 2,683-13-0 at the end of the year. Articles to the value of Rs. 7,034-7-0 were purchased and sold to the extent of Rs. 5,394 leaving a stock valued at Rs. 1,031-3-0.

Though the Society earned a gross profit of Rs. 211-9-0, it worked at a loss. We perused the circular issued by the Committee to its members and representatives of educational institutions in Madras to discuss ways and means of providing their common requirements for the next academic year in the most satisfactory way and on the most favourable terms. We are in full agreement with the views expressed by the Committee in the circular and trust that at the conference held on the 2nd February a suitable working arrangement has been arrived at by which it would be possible for the society to carry on its business on a larger scale. The Board of Directors consists of eminent educationists and well-tried co-operators and we are full of hope that under their able guidance and paternal care the society will have a bright future.

N.R.

The Progressive Co-operator.

This journal vouchsafes that it owes no allegiance to any party or vested interests in the field of co-operation, but shall offer comments in regard to policies and activities of co-operators, both official and non-official, without fear or favour with the one single object of making the co-operative plant take firm root in our soil and flourish. We wish the new journal all success. In its Editor, Sri V. M. Ghatikachalam, it has a great enthusiast for co-operation.

N. R.

The Annual Report on the working of Co-operative Societies in the Madras Province for 1939–40—A Critique.

In the method of treatment and arrangement the interesting report of the Registrar shows much originality. He gives an impartial, and correct account of the exact position of the various kinds of societies. The five maps and the eight graphs, which he has added, show at a glance the progress of the movement in various directions.

The various activities of the department and the movement are described in his general review of the policy, events, development etc., in the early part of the report. The Provincial credit co-operative institutions, the Provincial Co-operative Bank and the Central Land Mortgage Bank which have already established a name throughout India continued to maintain it. The Provincial co-operative non-credit institutions, the Marketing society and the Handloom weavers, are reported to be progressing well, though they do not seem to have passed the experimental stage yet. The Agricultural credit societies seem to be going down, while the Urban and non-agricultural societies maintain their good name. The great increase in the number of milk supply societies is reported to be mainly due to the strong departmental drive. Similarly, experiments are made in the rural stores movement and wholesales in the Madura district.

The Registrar observes :—" No useful purpose will be served by giving assistance to an institution which cannot survive, when once that help is withdrawn, and it will be a waste of public money and energy to prop it up.

Co-operative institutions are essentially business organizations; if they cannot be run on business lines, they can have no claim for existence much less for special treatment."

He might have added that the motto of a co-operative society is self-help. This is the correct policy that should be adopted. The department should register only such societies as can satisfy this ideal. There should be a probationary period of 2 to 3 or 4 years, according to the nature of the business, upto which alone indulgence should be shown. It is mistaken kindness to extend it further. If they do not begin to live up to the ideals within this period, they should be immediately closed, so that there may be no unnecessary loss to innocent people and discredit to the movement. We may profitably take a lesson from birds and animals, teaching their young ones self-reliance. Measures should also be devised to punish the individual members of committee, for wilful mischief and causing loss to societies. Similarly, ways should be found to bring home to the individual members that the election of a bad set of panchayat may cause the withdrawal of some concessions.

The following disquieting features are found in the report :—

1. A total sum of 9.36 lakhs of rupees has been written off in this year.

	Rs.	
	6.93	lakhs by liquidators
	1.21	lakhs in agricultural societies.
	1.22	lakhs by central banks
Total ...	9.36	lakhs

If such large sums of money have to be written off year after year there must be something wrong somewhere. The end for this does not seem to have been reached yet. For, in another place the Registrar reports that "the progress of rectification has revealed hopeless insolvency in more societies than can be wound up at one time." He further states that bad debts amount to Rs. 22.61 lakhs still, and ill-secured loans Rs. 34.70 lakhs. It may be stated here that the department has been engaged in this "rectification and consolidation" for the past 18 years i.e. from 1922-23 when these words appeared in the report for the first time. Certainly, every loss and every bad debt mentioned above, cannot be traced to pre-rectification period. Some of them should refer to this period of 18 years. Therefore, there must be something seriously wrong in supervision and control.

2. From one of the maps we see that the agricultural credit societies, which form the main part of the movement, have not made any progress in the past 10 years. Normal conditions do not seem to have been reached yet. It is very doubtful whether the recent committee's recommendations will help them. The rot is inside. We have no Raifeisens even after 35 years of the starting of the movement. In the early years India was extolled to the skies as the best field for co-operation. The Government and the Legislature have never grudged to give whatever the Registrar, who was the guide, asked for.

3. Unlimited liability has been enforced to recover 0.93 lakhs of rupees. This is most heartrending. Most of the victims would have been

only innocent people. Prompter action might have saved many of these from the hardship and ruin.

4. There were only 307 A class societies, while 1,717 were in the B class, 8 388 in C class, and 1,600 in D class. This is a very sad state of affairs indeed. Even in this 307, it is doubtful that all the demands of all the members are being satisfied regularly.

5. The overdues in employees' societies amounted to Rs. 12.47 lakhs. There is absolutely no reason why there should be heavy overdues in this class, where repayments are generally made by automatic deductions from salaries. The department would do well to locate the bad ones and deal with them soon, before it is too late. If they do not mend they should be ended so that there may be no further losses.

6. The overdues in Land Mortgage banks (Primary) amounted to Rs. 1,25,078, which represents 13.04 per cent. of the demand. Overdues ought not to be allowed in them. Land credit movement is bound to fail if this is allowed. Severe steps should be taken.

7. Loss societies *i.e.*, societies that worked at a loss.

		Rs.
Agricultural societies	...	20.33 lakhs
Non-agricultural societies	...	1.22 lakhs
Scheduled class societies	...	2.05 lakhs
Kallar societies	...	3.17 lakhs
Fishermen societies	...	0.40 lakhs
Stores	...	0.16 lakhs
Weavers societies	...	0.34 lakhs

These loss societies require the immediate special attention of the authorities. It is a pity that the necessity to start liquidation proceedings, as soon as the balance sheet shows a deficit, is not realised in our country yet. This is the proper time to save unnecessary losses in the above societies. The German Law has fixed a penalty to the committee members if they fail to convene a general meeting and take vote to close or to continue. In the latter case the members must make good the losses by additional share contributions. That seems to be the secret for there being no serious losses in societies there. Another bad effect is that A, B and C class societies, go one grade lower. The terror of unlimited liability can also be traced to this dereliction of duty.

Supervision.

	Staff.		Expenditure.
Unions	424	Societies	Rs. 4.54 lakhs
Government		Government	Rs. 10.375 lakhs
Senior Inspectors ...	69		
Junior Inspectors ...	710	Total	Rs. 14.915 lakhs
Total	1,203	No. of societies	14,170

Including the Government staff, about 1,400 persons are supervising the 14,170 societies, spending every year nearly rupees 15 lakhs. In addition to these a large number of sincere honorary workers also give their time and service free. With all that, a careful analysis shows, that owing to the deliberate mischief of a few, the movement suffers. The department seems to be helpless. Mr. D. N. Strathie refers to them in the following words: "The men who are running the societies to-day do not lack education or co-operative knowledge. No uneducated man can commit misappropriation, pass bogus resolutions, and fudge account books. No, these men must be got out of the movement in the near future, if the movement is to be saved and you cannot do that within our life time by propaganda among the villagers. These traitors to the movement have usually immense power locally. They cannot be displaced." (Vide his lecture under the auspices of the University, page 545 *Madras Journal of Co-operation* 1933, April.) Were any serious attempts made in that direction ? The dirt is still accumulating. Something radical must be done to save the movement, and many from ruin. In Germany, any director working wilfully against the interests of the society is liable for penalty. Also members of committee who neglect their obligations are liable for any loss. Even in the United States there is penalty for such wilful mischief in land banks. Some such thing should be done soon.

Ultimately, publicity of transactions is the only basis on which we have to depend to improve purity in public life. By a suitable rule or otherwise give every member of every unlimited society a complete list of all the outstanding loans, with their securities etc. This is not difficult. Every one must concede that he has a right to get such a copy, in as much as he has to share the loss. Even now, he is supposed to learn it, just as every one of us is expected to know all the laws of the land. Similarly, give to every member of a limited liability society once in six months a list of overdues only. This is enough in his case. He need not worry so long as loans are regularly repaid. This is the best sort of co-operative education. All frauds, misappropriations and mismanagements will disappear. It is in the interests of the office-bearers to keep things secret to do mischief and we have to take action to counteract it in the other direction.

All are caring for external supervision, but none for the necessary internal supervision. A council of supervision is necessary. Its importance may be seen from the legal obligation to have one in European laws. If we cannot have more, have two for the committee, and three for the council. These are the minima in German law. Such a council is a natural evolution in institutions. For are not the boards of directors, *de facto* councils of supervision in Central Banks and Urban Banks in which there are executive committees? They perform the duties, inefficiently because of defective rules. The board has now to encroach on the powers of the executive committee and incur its odium if they criticise. Whereas, if it is prescribed in the by-laws, that the Board should scrutinize periodically the work of the executive committee, this work of supervision and—rectification too,—will be performed much better than at present.

Any how introduction of such councils is not going to make the situation worse. Then why not try. Wolff was mad after them and Nicholson did want them A mere reading of the loan ledger in their presence is thousand times better than our expert outside audit. For, after all it is the real worth of the borrower, that counts in money lending. However intelligent and conscientious an outside auditor may be, it is next to impossible for him to find the real worth of every member. One other advantage of such a council is that it will help a sincere panchayat to get over the difficulty of

Dakshanyam தாக்ஷண்யம் in villages. We, who are not in the villages may preach sermons, to be strict and impartial without fear or favour and so on. But the panchayatdars have to live in the village till the end of their lives. Slight transgressions will be rectified by the councils in their own way.

Land Mortgage Banks. One cannot understand the sanctity in the figure 20 in the period of debentures. Why not issue debentures for 5, 10, 15, 20 and 25 years? The redemptions have to be arranged only according to expected repayments. In page 51, 'Federal Farm loan system' by Quereshi you find "These bonds are prepared by the United States Treasury in denominations of 25, 50, 100, 500 and 1000 dollars and run from a period of 5 to a maximum of 40 years."

The Registrar refers to the creation of a sinking fund with annual equated payments to get the issue amount at the end of the period. Here I venture to submit, that two important factors have been forgotten. *Firstly,* our debenture issue is more akin to the notes issue by the Reserve Bank and not like the issue against wasting assets in a company. *Secondly,* to get a required sum at the end of 20 years it is enough if you carry about 1/25th of the sum. But according to section 4 of the L. M. B. Act every repayment of principal may have to go to the sinking fund. The defect will be patent if you presume for argument's sake, that all borrowers repay in advance, the full amounts of their loans, for which they are entitled. Can the remaining 24/25th be utilised as the bank pleases ?

The South India Co-operative Insurance Society. We are glad to note that this institution is progressing well. We do not know whether the Superintendent of Insurance has seen the society. The co-operators will be still more glad to hear from him, a technical man, his good opinion. When there is a government expert, why not we take advantage of his services?

Inspectors. The territorial jurisdiction of inspectors, which is under trial, must be welcome to co-operators. The Maclaghan Committee were unwilling "to let loose another set of officials in villages." Now we have more than half a dozen sub-departments in the co-operative department itself. This is too much to supervise a *people's* movement. An inspector, if he continues in one taluk for a long time, begins to take some personal interest in the movement as a whole which is sadly wanting now.

Penal interest. The Registrar suggests the reintroduction of a penal interest of 1/4 pie extra. The old 1/2 a pie is not much, and will ensure more punctuality. But to get the full educational value, I would suggest, that it should be shown separately in the receipts, ledgers and all accounts. A separate column in the loan ledger well help the calculations and also checks and audits. The punctuality of the society and its members may be seen at a glance. A member can see for himself how much he has paid extra. It will, to a certain extent, put down the mischief of some unscrupulous secretaries also.

Liquidation. In one place the Registrar has stated that insolvency exists in more societies than can be wound up at a time. This policy of delaying liquidation causes greater hardship than the Registrar is aware of. The Registrar may try non-officials too if his staff is not sufficient. We cannot find a better liquidator than the rich member of the society. Of course, his orders may have to be previously approved by the Registrar.

Will it not be better to have some legal knowledge among the liquidators of the department? In as much as the doors of courts are closed to the members, it behoves the department to attempt to do things more in accordance with laws. Every case of injustice and hardship will keep, the right minded person, who wants to help the movement, aloof.

Dividends. There should be no place for profiteering in co-operation. But at the same time, a reasonable rate of interest, the share capital is *entitled to.* When 10 lakhs of rupees are being written off every year, the limitation of dividends in central banks and urban banks to 5 and 6 1/4 per cent does not seem to be quite justifiable. A step in the wrong direction in this way, may drive away many helpers to the movement. We want their hearts more than their money and we cannot afford to drive them away. It is by such inconsiderate action the rich people in the movement have been driven away. Considering the risk, the original rate cannot amount to profiteering. It is only when profiteering is high, that such an action by Government is justifiable.

V. S. R.

News and Notes

Rural Development.

Matters of general importance relating to the welfare and administration of the districts were discussed at the District Periodical Conferences in all the districts. As usual, the Government of India grant for rural development together with local contributions, was spent on the improvement of rural water-supply, rural sanitation and village communications and on the encouragement and development of co-operative loan and sale societies and societies for consolidation of holdings. A sum of Rs. 880 was sanctioned to the Beltangadi Co-operative Society in South Kanara for the construction of a godown. Till the end of September, 1940, subsidies have been granted for the construction of 52 godowns of which 25 were completed. The Nangawaram Co-operative Society in Trichinopoly district consolidated 83 plots of land into 36. Consolidation was in progress in East Godavari and Chingleput. On this item Rs. 1,379 was spent for the special staff. Altogether a sum of Rs. 10,40,952 was spent from the Government of India grant and local contributions, on schemes of rural uplift till the end of September 1940.

Labour Standards.

Sir A. Ramaswami Mudaliar, Commerce Member, in his opening address at the Second Labour Ministers' Conference held at Delhi last week dwelt upon the need for the improved industrial and social legislation in India, especially as after the War a new social order is expected to be inaugurated in the world. He also pleaded for uniform standards in respect of labour legislation in India which subject has been receiving considerable attention since the publication of the Whitley Commission Report. The case for co-ordinated labour legislation is the *sine qua non* of the natural development of industries in different parts of the country. There have been diversities in labour laws in India since the inauguration of the new constitution, but as regards the bringing about a uniform legislation, the Commerce Member pointed out that the Central Legislature and the Central Government would be invoked to bring about on agreed lines uniform legislation in the provinces. It is said that from a constitutional standpoint the Government of India cannot exert any influence upon the Indian States beyond that of moral persuasion. To obviate this difficulty the proposal of the Whitley Commission of starting an Industrial Council, consisting of representatives of Central and Provincial and Indian States and of employers and workers, may be tried. The Commerce Member seems to be of the opinion that the time has not yet come for setting up such an Industrial Council, but, however, the proposal of the Whitley Commission deserves serious consideration in view of the tremendous problems facing labour in India and elsewhere due to the expansion of industries.

Co-operative Tea Canteens.

It is said that a cup of liquid tea served to labourers in the middle of their work removes fatigue, which is the cause of physical strain, decreased efficiency, boredom, absent-mindedness etc., all of which tend to have an adverse effect on industrial output and the general morale of the labour force. Some of the industrial concerns which have introduced the supply of free tea admit of the beneficial effects it had on the health and efficiency of their staff. The benefits, they are convinced, derived by this practice in the shape of greater efficiency and increased output more than compensate the cost they incur. In many of the industrial concerns private tea vendors hold stalls by paying prohibitive rent. They sell inferior stuff to the labourers on credit and charge exhorbitant price. The tea vendor is able to make a good living after meeting out all charges. To give the best to work men and free them from the clutchs of middlemen co-operative tea canteens have been designed with the object of eradicating this evil and ensuring the workmen only to pay what is absolutely necessary for their refreshment. The only expense to the management by this scheme is the provision of free premises for the Tea Canteens and the necessary equipment for the preparation and serving of liquid tea. The wages of the staff and the cost of the tea and other things will be covered by the sale of liquid tea. The canteen will be able to make a profit which can be utilised in the welfare work amongst the employees or retained by the management towards depreciation on the equipment which they have provided. The proposal seems to be good and if really the tea is a mild and good stimulant as is said, we commend the proposal of starting Tea Canteens on co-operative basis in all industrial concerns of this country. As a measure of counter attraction, it seems to have proved helpful in Prohibition areas.

We are no apologists for tea-drinking habit. But we will any day prefer tea to any strong drink. And if tea is to be served, let the Canteens be run on Co-operative lines.

Rural Exhibition at Karjan, Baroda State:

Mr. R. G. Allan, Commissioner of Agriculture Baroda, in his presidential address at the first Rural Exhibition held under the auspices of the Rural Reconstruction Centre, Baroda State, while appreciating the good work done by the centre in a period of 15 months since its starting remarked that the Karjan has become a centre of co-operative activities in as much as different types of institutions are there to satisfy the requirements of the cultivators. He pleaded for unity and co-operation in all matters agricultural and social. Mr. T. M. Desai, Registrar of Co-operative Societies, Baroda, who presided on the second day programme of variety entertainment also appreciated the good work done by the centre on Co-operative lines and complimented the village leaders for their splendid co-operation. The Exhibition contained stalls on (1) Improved tanning, (2) Co-operation, (3) Cottage Industries, (4) Canning and preservation of fruits, (5) Improved Poultry, (6) Different types of grains and food stuffs (7) Improved vegetables and flowers and (8) Village Sanitation.

Demonstrations and working of improved implements and manufacture of compost and urine-earth were arranged for the benefit of those who attended the exhibition. Cinema shows and lectures also formed important items in the programme of the exhibition. The exhibition was a great success as was evident from the large number of people that attended it.

A Co-operative Restaurant Movement.

Of late co-operative effort is being introduced in all walks of life. In Madras co-operative restaurants are being run in big Government and other offices without their being registered as co-operative institutions under the Act. Mr. K. M. Augustine of Palai, in his note on "A Co-operative Restaurant Movement" says that it being a consumers' movement should consist of the intelligentsia with cosmopolitan out-look and that apart from catering it has got many manifold functions to perform, viz., the development of the intellectual requirements of the members by having a members' room with a well equipped library attached to. it wherein periodicals and co-operative journals might be made available to the members and also afford lodging facilities for those who might require them. There is certainly great scope for close collaboration among the members. The middlemen, hotel keepers

are eliminated if co-operative restaurants come into existence. Co-operative Restaurant Movement can play the same part as the coffee houses of England did in the 18th century. The author visualises that co-operative restaurant would be the nursery of politicians, journalists, literary men and social workers. 'Over a cup of tea' the members of different communities of either sex could very well discuss day to day problems that face them, and by this method both men and women may also shake of their sex complex. The co-operative restaurant would become a place of public opinion and if properly worked its influence on the public life of the country would be great. The Co-operators believe that the present evils could be solved only through the reorganisation of world relations on the basis of economic co-operation.

Working of the Debt Relief Act.

The Government of Madras have issued the following Press Note on the working of the Debt Relief Act.

The following statement shows the working of the Madras Agriculturists Relief Act, 1938, during the quarter ending with December 1940 and during the thirty-four months ending with December 1940.

For the quarter ending with December 1940 : Amount involved in applications disposed of under sections 8, 9, 13, 18, (1), 19 and 21 during the period Rs. 30,03,179-14-11 ; amount as scaled down during the period Rs. 16,62,881-12-9 ; amount of reduction by scaling down and its percentage to the amount originally due Rs. 13,40,298-2-2 and 44.6 ; number of cases disposed of during the period 7,104 ; number of cases pending at the close of the period Rs. 6,100.

For 34 months ending with December 1940: Amount involved in applications disposed of under sections 8, 9, 13, 18 (1), 19 and 21 during the period Rs. 5,78,80,883-13-6 ; amount as scaled down during the period Rs. 3,04,83,335-9-7 ; amount of reduction by scaling down and its percentage to the amount originally due Rs. 2,73,97,548-3-11 and 47.3 ; number of cases disposed of during the period 1,53,000 ; number of cases pending at the close of the period 6,100.

Cases voluntarily settled by parties without going to court are not covered by this statement.

Manufacture of Fish Liver Oils.

Modern research has shown that oil taken from shark and saw fish found in Indian seas is a good substitute for cod liver oil as it contains richer vitamin A. This oil was being manfactured in considerable quantities some 80 years ago on the West coast. Due to unequal competition, the industry suffered and practically ceased to exist. Now strenuous efforts are being made in Travancore and British Malabar to revive this old and once flourshing industry. It is understood that in Bombay and Bengal efforts in this direction are also being made by the Government.

Loans to Tobacco Growers.

At a conference of Tobacco growers held at Guntur, a resolution urging the Government to give representation to ryots on the tobacco marketing committee was passed. It was also urged that the marketing committee should give loans to ryots on tobacco stocks.

Five year plan to remove illiteracy—Hyderabad (Deccan).

Addressing the annual Teachers' Conference, Warangal, the Director of Public Instruction Hyderabad State described a plan for the removal of illiteracy in the State. The proposed plan would provide at least one school for every village with a population of 1000 and more. He also said that legislation would be introduced in the State with regard to compulsory primary education.

Propaganda by exhibition vans.

While recording the administration report of the Veterinary Department for the year 1930 40, the Government of Madras among other things note with satisfaction that the propaganda work done by the exhibition vans is being much appreciated by the ryots.

Voluntary labour to build roads.

In opening the Indian Road Conference at New Delhi, Sir Andrew Clow, Communications Member, Government of India, said that if officials, businessmen, doctors, journalists and school masters voluntarily give a few days of their labour, then it might provide a solution of the problem of rural transport and it would bring quicker results than hand spinning.

Rural Development in Cochin.

As a further step towards rural development, the Minister for Rural Education, Cochin, has sanctioned a scheme by which a plot of land, about five acres in extent is to be given to a group of four or five youths, preferably those who have had some training in agricultural or industrial pursuits. Each of these will be given a definite responsibility for improving an acre of land. The cost of seeds, tools and other expenses required in the process of cultivation, is to be provided. The Government have decided to give a free grant of Rs. 10? and a loan of Rs. 100 to each of these young men No further free grants will be made. But a loan not exceeding Rs. 200 will be given for industrial purposes according to the Government scheme of work. The land will ultimately become theirs on payment of the present value of the land, the amount to be paid in instalments during the fourth and fifth years after the commencement of work.

Beauty of Handmade Articles

At the first anniversary of the Gudur Cottage Industries Co-operative Society and the Gudur Mahila Sangham, Mr. Galetti, I. C. S., pointed out that handmade articles are better than the machine-made ones. There is a special beauty in handmade articles because of the amount of care bestowed in making them. There are certain things, he added, which cannot be made in the same way in factories, for example embroidery, and said the ladies who have skilled fingers should make use of their ability.

New Societies.

A weavers' co-operative society was formed at Ambasamudram and in opening the society, Mr. S. Krishnaswamy Iyengar, Senior Inspector of Co-operative Societies, spoke about the utility of such societies in all weaving centres in South India.

A new co-operative stationery stores was opened for the benefit of members of the Junior Red Cross, group of the Municipal Boy's School, Anandagiri by Mrs. Peachey, President of the Kodaikanal Branch of the Indian Red Cross Society.

Importance of Audit.

Rao Bahadur M. Giriappa, Retired Joint Registrar of Co-operative societies, in inaugurating the refresher course for Inspectors of Co-operative Societies organised by the Deputy Registrar of Co-operative societies,

Mangalore, said that Audit was the sheet-anchor of the co-operative movement and on the efficiency of the audit alone depended the reputation of the Department and advised the Inspectors to be careful in their work and not to take anything on trust. He advised the Inspectors to establish harmonious relations with the supervisors and non-official workers. He also urged loan and sale societies to pay more attention to marketing.

Labour Legislation.

It is stated that six official bills dealing with labour problems will be introduced in the autumn session of the Central Assembly to implement Labour Conference's decisions. They are as follows:— Prohibition of strikes and lockouts during the period of conciliation; (2) holiday with pay; (3) weekly holidays in commercial establishments and shops; (4) amendment of the Factories Act so as to declare all establishments using power and employing 10 or more persons as factories; (5) recognition of trade unions and the extension of maternity benefit legislation to women employed in coal mines; (6) problems relating to sickness insurance.

Co-operative Marketing of Paddy.

At the inauguration of the Co-operative Paddy Marketing Federation for the granary of South India *viz.*, Tanjore and Trichy Districts, at Tiruvarur, the Registrar of Co-operative Societies, while expressing gratitude for the old co-operators for their valuable services, said that they should welcome younger members who should be entrusted with positions of responsibility in the co-operative movement. He deprecated the tendency on the part of some of the veteran co-operators to stick to their jobs longer than was necessary and pleaded that they should give place to more enthusiastic and energetic younger workers in the field.

The Newly started Co-operative Paddy Marketing Federation at Tiruvarur, consists of eminent men of the district in its Board and at the time of the inauguration of the society by the Registrar, it was announced that towards 1 lakh of share capital of the Federation Rs. 37 000 had already been subscribed and Rs. 12,500 promised on the spot and that orders for 10,700 bags of paddy had been received from co-operative institutions in Madura and Coimbatore Districts.

A Request.

At a ryots conference held at Periapudur village, Avanashi Taluk, under the presidency of Mr. V. G. Vellingiri Gounder a resolution was passed to request the Registrar of Co-operative Societies to open a Land Mortgage Bank in Avanashi Taluk and a sales co-operative society in one of the important places of the taluk.

Cottage Industries in Indore.

The Government of His Highness the Maharaja Holkar have taken steps to revive some of the cottage industries in the State. One such industry is tanning. With a view to train some persons in tanning and the scientific disposal of the carcases, the Chairman of the Rural Development Board recommended to the Government the grant of special scholarships to selected candidates. The proposal has been accepted by the Government and four students will be given scholarships—two at Rs. 25 and two at Rs. 20. each.

Co-operation in Bihar.

It is stated that the Bihar Government have submitted a scheme for the rehabilitation of the co-operative Movement in the Province to the Government of India for its examination and approval. The scheme, it is understood, recommends that the co-operative banks of the province be classified on the basis of their assets and liabilities and subsidised accordingly. It is expected to cost about Rs. 40 lakhs and is believed to have been prepared on the basis of recommendations of the Co-operative Rehabilitation Expert Enquiry Committee appointed by the Congress Ministry.

Dearness Allowance to Railway Employees.

The grant of a monthly allowance of Rs. 3 per head to the employees whose earnings do not exceed the subsistence lever for their areas is recommended by the Court of Enquiry constituted by the Government of India in August 1940 to investigate into the question of dearness allowance for railway employees with particular reference to G. I. P. Railway. In order to make the relief more equitable to those on the margin, the Court proposed that to all adult employees whose earnings exceed the subsistence level for that area by less than Rs. 3 an allowance enough to make the difference equal to Rs. 3 should be granted. Employees below 17 years of age are recommended half the above rates. The Court feel that there need be no discrimination between employees who entered service before and those who entered service after the outbreak of war for the grant of these allowances. It is also recommended that the allowance be granted with effect from October 1940, being payable as an addition to the employees pay for September 1940 and succeeding months. The recommendations are under the consideration of the Government of India.

Relief of Indebtedness.

As a result of the investigation into the working of the scheme for the grant of loans for the relief of indebtedness the Government have ordered that propaganda should be carried on by touring officers and leaflets should be distributed to popularise the scheme. They have also decided to effect certain amendments to the rules for the grant of these loans, the chief among them being (i) reduction in the rate of interest, raising the maximum of loan from Rs. 1000 to Rs. 2000 to a single applicant, scaling down the debts by the Loan Officer with the consent of the creditor in cases where he has executed only a single mortgage instead of applying to the Debt Conciliation Board, etc. Suggestions to improve the working of the Debt conciliation Boards which are intimately connected with the scheme for the grant of loans for the relief of indebtedness are also being examined by the Government.

Visual Education.

His Excellency the Governor of Central Provinces in a speech at the annual general meeting of the Red Cross Society said that his Government will follow the lead given by the Bombay Government in the introduction of visual education. In this connection the Principal of the Agricultural College and the Chief Secretary to Government will pay a visit to Bombay to study the details of the scheme.

Paddy Cultivation in Mysore.

The scheme for improving the cultivation of paddy in Mysore state prepared by the Director of Agriculture has been sanctioned by the Government of Mysore and according to the scheme, the import of paddy is to be

gradually decreased according to a five year programme and the use of improved varieties of paddy is to be extended in 20 taluks in the State for which a sum of Rs. 20,000 will be provided every year for a period of five years.

'Bevin Boys'

The first contingent of 50 'Bevin Boys' described as the "Ambassadors of Industrial India" were given a reception by the representatives of employers and labour when they were treated to a Tea Party by the Government of India. Many officials and non-officials attended the function. Every one spoke in high terms about the boys and wanted them to acquit themselves worthily. One of the Bevin boys in replying said that they fully realised their responsibility and the circumstances in which they would have to live on England and assured them that they would live up to their expectations.

Lalgudi Agricultural Conference.

Sri T. A. Ramalingam Chettiyar in his presidential address at the 12th District Agricultural Conference held at Lalgudi observed that there should be more frequent contact between the mirasdars of the adjoining districts and it was only in recent years that the Government and the leaders had directed their attention to remedying the grievances of the agriculturists. He pleaded for a sustained effort throughout the year and referred to the importance of co-operative effort on the part of the villagers to improve their economic condition. He asked them to work for the improvement of the economic condition of the villages as a whole by their honest and persistent endeavours. The constitution of an Advisory Board for the District, the levying of import duty on broken rice and paddy and the cancellation of the export duty on Indian rice were some of the subjects specially urged at the conference.

Bengal Co-operative Societies Bill.

At a meeting of the General Council of the Bengal Co-operative Societies Federation held on the 27th January 1941 under the presidentship of Mr. Santosh Kumar Bose, Ex-Mayor of Calcutta, it was decided that an appeal be made to His Excellency the Governor of Bengal to withhold his assent to the Bengal Co-operative Amendment Bill 1940 which they consider is extremely re-actionary. The Council also decided that arrangements be made for celebrating the death anniversary of Sir Daniel Hamilton the Pioneer of Co-operative workers.

Correction.

Sri S. C. Venkatappa Chettiar, B.A., B.L., M.L.A., attended the Board of Management Meeting of the Provincial Co-operative Union held on 21-12-1940. Omission in the proceedings published in our January issue is regretted.

Orders and Circulars.

FAMINE CODE REVISION COMMITTEE.

It may be remembered, in 1938. the Government appointed a Committee to consider the revision of the Famine Code. In doing so, the Government desired that the Committee should investigate and suggest measures designed to prevent and mitigate famines and to protect the population of those areas of the Presidency which are at present liable to frequent failures of monsoons. The orders of Government dealing with the recommendations relating to this aspect are of general interest, though some of them are specifically applicable to the Ceded Districts. These orders are reproduced for the information of readers. Orders dealing with the provisions of the Famine Code are omitted.

Orders on Section I of the Report.

2. In Section I of its Report, the Committee has made certain valuable suggestions for the economic uplift of the districts liable to famine. It is observed that most of these suggestions were already under the consideration of Government. The Committee's recommendations for economic development are not of the type on which final orders can be passed at the present stage but the Government desire to state for general information the position in respect of each of the Committee's suggestions.

(*i*) *Mining Survey.*

The Committee recommends a thorough survey of the mining possibilities of the Ceded Districts with special reference to manganese, iron, barytes, steatite, gold and asbestos, and the grant of special facilities for the formation of companies and the establishment of industries to utilize the products wherever possible.

The exploitation of the mineral resources of the Province has been engaging the attention of Government for some time. The employment of a Mining Geologist to survey the mineral deposits of the Province was considered as a Part II Scheme for 1940-41. The proposal was dropped as the Geological Survey Department of the Government of India undertook to survey all the important mineral deposits in the Province in their field season programme for 1939-40. A Geologist was accordingly deputed and he has surveyed the asbestos deposits of the Cuddapah District and the slate deposits of the Kurnool District. The investigation of hæmatite ore of the Bellary and Kurnool districts has been included in the field season programme for 1940-41. The Madras Government have requested the Government of India to depute three geological survey parties to this province. It is intended that the parties should be deputed for a period of five years to begin with and that one of them should survey the mineral resources of the Ceded districts. Further action on the Committee's proposals in this regard will depend on the results of the survey.

(*ii*) *Cottage industries.*

The Committee advocates the organisation of cottage industries to provide employment for unemployed members of the families of agriculturists, and for agriculturists themselves at times when there is no work on the land. It recommends the deputation of an officer to study the organisation of such industries in Japan with a view to the adoption of any methods found suitable for the Ceded districts.

The Government have had constantly in view the possibility of doing more to assist cottage industries. A survey has been made of the cottage industries of every district and all Collectors have been asked to prepare comprehensive memoranda on the manner in which the interests of cottage industries can be furthered, to place them before their District Periodical Conferences for discussion and to submit detailed reports to the Government on the subject. Detailed reports from the Collectors of Bellary, Kurnool, Anantapur, Cuddapah and Chittoor containing suggestions for the development of cottage industries in these districts have been received. Orders have been issued on the suggestions made by the Collectors in respect of Bellary, Kurnool, Chittoor and Cuddapah districts. The report of the Anantapur district is under the consideration of the Government. The suggestion that a Special Officer for the Ceded districts should be appointed to study the possibilities and to take steps to foster the growth of cottage industries is also under the consideration of the Government.

The Superintendent of the Crafts section of the School of Arts and Crafts, Madras, was sent to Japan to study the organization and technique of cottage and small scale industries there. His report has been received and is under the consideration of Government. Meanwhile in order to expedite the grant of small loans to cottage and village industries, the Government contemplate amending the State-Aid to Industries Act.

The possibility of improving the standard of certain specified handicrafts is under examination.

(*iii*) *Large-Scale industries.*

The Committee considers that the manufacture of textiles and of oil products is the most hopeful line of large scale industrial development. It recommends starting three or four spinning mills to supply yarn to handloom weavers.

There is no lack of cheap labour, and as the Committee points out there are many ginning mills and cotton presses in the Ceded districts.

The chief factors against the development of such industries have so far been the dearness of coal, the distance from markets, and (in the case of textiles) the necessity for importing other cotton to mix with the local produce. The Government expect that the provision of cheap electric power will do something to reduce these difficulties.

The Government consider that the development of these industries is primarily a matter for private enterprise. None the less the Government are at all times prepared to foster the development of such industries by surveying possibilities, giving technical advice and granting financial assistance under the State-Aid to Industries Act. The extent of the help which the Government can give must, however, depend on the extent of quality of the local effort. The Director of Industries and Commerce has examined the question of setting up cotton spinning mills in the Ceded districts and reported that there are possibilities of starting two mills. One application for assistance in starting a mill has been received, and the applicant has been informed that if he submits an application for aid under the State-Aid to Industries Act. it will be considered on its merits. Another application for the subscription of shares to the value of Rs. 50,000 in a spinning and weaving mill was made, but it was rejected as it was not recommended by the Board of Industries.

(iv) *Hand-spinning and hand-weaving.*

The Committee specially recommends the encouragement of hand-spinning and hand-weaving as cottage industries for whole-time and part-time workers. For this purpose it suggests that the All-India Spinners' Association should be asked to open a branch in the Ceded districts and that the Government should provide the assistance of special officers to assist them in marketing and with technical advice.

Although no branch of the All-India Spinners' Association has yet been opened in the Ceded districts, the Government have sanctioned two schemes of hand-spinning and hand-weaving both in cotton and wool drawn up by the Association in the Adoni and Kurnool taluks.

A proposal to appoint a Special Officer to investigate and foster the development of cottage industries in the Ceded districts is under consideration as a Part II Scheme for 1941-42.

The Madras Government have addressed the Government of India and other Provincial Governments on the subject of protecting the hand-loom industry against the products of power looms, both Indian and foreign, by adjusting their spheres of production and regulating the classes of fabrics to be produced by each.

The Government have carefully considered the question whether in areas liable to periodic famine hand-spinning and hand-weaving can be introduced as a measure of famine insurance. Experience so far gained of the possibilities of developing hand-spinning and hand-weaving does not suggest that its prospects even with Government subvention are at all favourable. The Government have therefore come to the conclusion that there is no prospect of materially increasing the output of khadder or of using this as a means to bring materially greater prosperity to the famine affected districts. The further consideration of this proposal will therefore be dropped.

Hand-spinning and khadi weaving were subsidized throughout this Province during the last three years, *viz.*, 1937 38 to 1939-40 by the payment of grants and subsidies to the All-India Spinners' Association. The question of continuing the grant and subsidy during the current year is under the consideration of the Government.

The Madras Provincial Handloom Weavers' Co-operative Society is being subsidized from the Government of India grant. The Government of India have sanctioned the continuance of the subsidy till the end of March 1942.

(v) *Sugar.*

The Committee proposes investigations into the extension of sugrcane cultivation and the promotion of the manufacture of sugar by starting factories, and the development of the production and refining of palmyra and date jaggery.

The development of the sugar industry has been engaging the attention of Government for some time. The Committee appointed by Government in 1938 to make proposals for the production of power alcohol from molasses recommended the development of the sugar industry in the Province, which produces only 33,000 tons out of its annual consumption of 100,000 tons. The Director of Industries and Commerce was asked to suggest measures for this purpose in consultation with the Director of Agriculture. He has suggested increasing the existing capacity of existing factories in the Ceded

districts, the appointment of technically qualified staff to make the management of the existing factories more efficient, the introduction of late and early vareities of sugarcane to extend the crushing season, and the use of propaganda to bring more land under sugarcane cultivation. The suggestions are under the Government's consideration. The Government observed that whatever may be the position in this Province, India as a whole is already over-producing sugar in relation to internal demand and that there is no scope for development till consumption rises. Meanwhile, the chief immediate obstacle to the extension of the sugar industry in the Ceded districts is that there is little prospect of increasing production under present conditions. It is hoped that the Tungabhadra Project will enable sugarcane cultivation to be extended to overcome this difficulty. The Director of Agriculture thinks that between one-fourth and one-third of the area for whieh Tungabhadra water will be available could be cultivated with sugarcane.

The Government have also been considering mearsures to develop the production of palmyra and date jaggery. On the introduction of Prohibition in the Cuddapah district, the Industries Department carried out demonstrations of the production of date jaggery with a view to provide work for tappers thrown out of employment. The tappers have not hitherto tapped palmyra trees, but the possibility of making palmyra iaggery is also being pursued. The Director of Agriculture is of opinion that there is scope for the expansion of date and palmyra jaggery and recommends an investigation of the possibility of ridding the jaggery of its characteristic smell. The development of palmyra and date jaggery production is being further examined.

(vi) *Fruit cultivation and preservation.*

The Committee observes that the fruit research station at Anantarajpet in Cuddapah district has given an impetus to fruit cultivation. It advocates a scheme for the development of fruit preservation and Canning as a cottage industry under the auspices of the co-operative movement. It also recommends an extension of fruit cultivation through the agency of the Agricultural department and the remission of assessment for a period of years on fruit growing land brought under fresh cultivation.

The development of the fruit canning industry has already been examined in 1937-38. In the light of that examination the Government consider that there is little prospect of the successful development of fruit canning and preservation as a cottage industry. The obstacles to the scheme are the difficulty of standardization, the lack of fruit of the required quality and kind, the lack of knowledge of hygiene, and the need for constant expert supervision. The Government are of opinion that a much more hopeful line of development is the establishment of co-operative factories to can and preserve fruit grown by their members. A necessary preliminary to such a scheme is a considerable extension of fruit cultivation to provide an adequate supply of fruit. The problem is being further examined.

(vii) *Ericulture.*

The Committee considers that ericulture, the culture of silk worms which feed on castor leaves, is a very suitable form of cottage industry for the Ceded districts where castor is grown over a wide area.

As the Committee points out, the development of ericulture is not free from difficulties. A satisfactory outlet for eri cocoons has not yet been found. The Director of Industries and Commerce is investigating why it has not been possible for people in Southern India to spin yarn at a price which will compare favourably with that of imported spun silk yarn. He is also considering a scheme for setting up a waste silk spinning plant in the Ceded districts. The development of ericulture is engaging the active attention of Government.

(viii) Avaram.

The Committee considers that the avaram plant, the bark of which is used for tanning, is ideally suited for cultivation in the Ceded districts, where it already grows wild. It recommends an investigation into the possibility of developing avaram plantations to supply the bark requirements of the Province, which now imports two-thirds of its requirements from Mysore and Hyderabad. It suggests that ryots should be encouraged to grow avaram by means of revenue concessions It also proposes the establishment of tanning factories.

The grant of concessions to encourage avaram cultivation was considered as long ago as 1918 at the suggestion of the Controller of Tanning Stuffs. Liberal concessions, including the remission of assessment for four years, were given, but the ryots showed nc dispositon to take advantage of them. None the less, the Government have ordered that attention should again be drawn to these concessions and have also asked the Board of Revenue to examine and report what further concessions can be granted to foster avaram cultivation.

The development of avaram plantations was examined in 1938 in consultation with the Chief Conservator of Forests. Such plantations can be formed simply and cheaply provided the leaves are not removed for manure. Orders have been issued prohibiting the free removal of avaram leaves from unreserves in districts where they are not widely used for green manure. The Chief Conservator has been asked to set aside areas in reserve forests for avaram cultivation for tanning purposes after making adequate provision for the green manure requirements of the ryots.

(ix) Sisal.

The Committee proposes an examination of the possibilities of developing the sisal fibre industry.

The Government observe that there has of late years been an increasing world demand for sisal fibre for purposes to which hemp and jute are applied.

The Chief Conservator of Forests considers that a species of aloe which produces sisal fibre is well suited for planting along hedges but points out that seed is not always obtainable in large quantities. The Director of Agriculture is of opinion that sisal fibre extraction might be developed as a cottage industry if a cheap machine could be designed for extracting fibre without retting.

The possibilities of the industry are being further examined.

(x) Glass bangles.

The Committee suggests the rivival of glass bangle making as a cottage industry and the possibility of establishing a glass factory in Anantapur district to use the silica from the Pennar river.

Investigations were made in 1937 in Gutturu village, Penukonda taluk, Anantapur district, and an attempt was made to revive the making of glass

bangles. It is reported that the industry declined later because the bangles produced were crude and of inferior quality and that the only family engaged in it was unwilling to take it up again.

Although the prospects of this industry are owing to Japanese and other foreign competitton anything but promising the Director of Industries and Commerce is examining the Committee's suggestion.

(xi) Manufacture of slates.

The Committee observes that the manufacture of cheap school slates has been carried on since 1921 at Markapur in Kurnool district as a cottage industry. It recommends that the Forest Department should supply suitable wood for frames at special rates.

The forests in Kurnool district can only supply 5,000 cubic feet of suitable wood per year, while the requirements of the industry are about 50,000 cubic feet. The Chief Conservator of Forests considers that it would be better to supply wood from the West Coast. It is reported that private enterprise is supplying mouldings at cheap rates. Experiments are also being made in preparing frames from bamboo.

The Government examined, in consultation with the Director of Industries and Commerce, the possibility of developing slate making as a cottage industry by providing further facilities such as simple hand-power grinding and polishing devices. It was found that there was no scope for introducing any new labour-saving devices in this industry. Attempts are also being made to develop the slate quarries at Markapur through private agencies. Two leases have been granted to private enterprises. The Government however, would observe that even the most favourable development of the industry would not have any appreciable effect on the economic condition of the district.

(xii) Wool.

The Committee points out that there are over 2,800 cumbly weaving looms in the Ceded Districts, that the chief need of the industry is wool of improved quality, which in turn depends on grazing facilities, and recommends the re-establishment of the sheep-breeding station at Hagari.

The development of the cumbly weaving industry has been receiving special attention for some time. A scheme for the development of cottage and small scale woollen industries was introduced in 1937-38 with the assistance of a grant from the Government of India. Many of the benefits of this scheme have gone to the Ceded Districts, where one cumbly sales depot and four Weavers' Co-operative Purchase and Sale Societies have been established. A special staff is employed to supervise the working of the societies, and efforts are being made to popularize their products.

The grazing problem is also under examination. The Special Grazing officer appointed in 1938 was asked to investigate among other things the formation of special browsing reserves and the development of babul and other fodder for goats. The Provincial Fodder and Grazing Committee is examining his recommendations. The same Committee is also considering the possibility of making small scale experiments in rotational goat browsing in waste lands.

A scheme for evolving a woolly breed of sheep by crossing Bellary ewes with Bikaner rams is now being carried out at the Livestock Research station, Hosur, Salem district, with financial aid from the Imperial Council of Agricultural Research and the results of the experiment are awaited. It has been decided that the question of starting a sheep breeding station in the Ceded Districts for the improvement of local sheep should be deferred until the results of the present experiments are definitely known. In the meanwhile the District Veterinary Officer, Bellary, will be informed each year, of the number of rams of the Bellary, breed of good wool producing strains available for sale for breeding purposes at the Livestock Research station, Hosur, so that he can communicate the information to the people of the Bellary district, who are interested in sheep breeding.

(xiii) Hand-made paper and soap.

The Committee advocates the establishment of centres for training in the manufacture of hand-made paper from botha grass and other suitable material, and for demonstrations of soap-making.

The best method of manufacturing hand-made paper from botha grass is under examination. The possibility of using other raw materials, including lantana, for the purpose is also being considered.

Training in soap-making is given at the Kerala Soap Institute, Calicut, to a number of apprentices. The Director of Industries and Commerce has been asked to report whether it is practicable to open centres for demonstrating soap-making in the famine areas.

(xiv) Bunding.

The Committee recommends the supply of bunding instruments free for purposes of propaganda in encouraging bunding.

The experiments at Hagari station show that only one-third of the rain that falls sinks into the land, and that by the formation of small bunds with bund-forming instruments two-thirds of the rain can be retained. Bunding is not objectionable from the point of view of irrigation.

The Government observe that the bund former is being regularly demonstrated by the Agricultural department and that the ryots are taking to bunding. The Agricultural department will continue its efforts to popularize bunding.

(xv) Seed granaries.

The Committee considers that there is no need for seed granaries, but recommends arrangements to supply good seed to ryots through the Agricultural department.

This proposal is not a prophylactic against famine, but a measure to assist recovery. Efforts are constantly being made to produce better seed strains. The use of improved varieties of cholam and cotton is spreading, and good strains of sugarcane are welcomed by the ryots.

The introduction and extension of improved varieties of seed will continue to receive the special attention of the Agricultural department.

(xvi) Tungabhadra Project.

The Committee urges the early execution of the Tungabhadhra Project and makes a number of suggestions to ensure full utilization of the water resources to be made available by the project.

As the public are aware, the Tungabadhra Project is a joint one with the Government of His Exalted Highness the Nizam of Hyderabad.

A special staff has recently been sanctioned to investigate the project on technical lines and to prepare preliminary estimates. The staff began its work in July 1940. In the meantime experiments are being conducted at

Siruguppa as to the suitability of black cotton soil for irrigation, the most profitable crop to cultivate and the best rotation of crops, etc. The scope of these experiments has recently been expanded, and it is hoped that definite results will be available by January 1941. A demonstration farm run entirely by the ryots has also been started at Bhagavadi near Siruguppa. The results of the working of this farm also will have to be watched before a final decision is taken on the ultimate scope of the project.

The Committee has made very interesting suggestions to ensure that the water supply made available by the project should be utilized to the best advantage. These suggestions will receive the careful attention of Government. In the opinion of the Government it would be premature to examine them in detail at this stage.

(xvii) Kurnool-Cuddapah Canal.

The Committee points out that the water of the Kurnool-Cuddapah canal is not fully utilized and recommends measures similar to those suggested for the Tungabadra Project to ensure proper utilization of the water.

The problem has been examined by the Commissioner for Land Revenue and Irrigation in consultation with the Collector and leading ryots and he has prepared a scheme designed to achieve the objects which the Committee has in mind. The scheme is under detailed examination.

(xviii) Pennar—Kumudavati Project.

As the Tungabhadra Project protects only a small corner of Anantapur district, the Committee advocates the Pennar-Kumudavati Project as a protective scheme for the Hindupur and Penukonda taluks of Anantapur district.

The project has engaged the attention of Government from time to time. The Irrigation Development Board did not recommend the scheme as it was not likely to yield more than one per cent. The Chief Engineer for Irrigation has however, been asked about the results of the gaugings made in 1939, and the practicability of the scheme will be further examined on receipt of his reply.

(xix) Wells.

The Committee proposes a survey of the possibility of digging wells for irrigation purposes on the banks of rivers and water-courses and in red soil areas. The Committee suggests that the Government should sink wells for irrigation. It also advocates a special loans scheme to encourage the sinking of wells, by which Government will write off the loan if the well proves a failure for causes beyond the ryot's control.

The Government have asked the Geological Survey department of the Government of India to depute three parties to survey the mineral resources of the province. It is intended that the party deputed to the Ceded Districts should conduct a water survey along with the mineral survey in very limited areas in the first place. Further action will be taken on the Committee's suggestion when this survey is completed.

Experiments made hitherto by Government in sinking wells for irrigation do not encourage optimism in the future of such wells. A deep bore well was sunk at Ambavaram in the Cuddapah district but the cost of irrigation was found to be prohibitive and the scheme has had to be abandoned.

The special loans scheme suggested by the Committee seems unnecessary. Under rule XXVI of the Madras Land Improvement and Agriculturists Loans (General), Rules 1933, officers are instructed to remit as a rule the amount actually spent by a borrower on sinking a well which fails from causes beyond his control.

(xx) Tanks.

The Committee recommends—

(1) that old breached tanks should be repaired,

(2) that the possibility of constructing new tanks should be examined,

(3) that the Tank Restoration Scheme investigation should be completed and the old memoirs of irrigation projects brought upto date,

(4) that the minimum return for protective works in all the taluks now liable to famine should be further reduced and a thorough investigation made of all projects rejected on this ground,

(5) that the Minor Irrigation staff should be combined with the Public Works Department in a special division for a period of five years, so that there may be an agency for continuous investigation and construction of both major and minor schemes, and

(6) that when a new scheme is taken up legislation similar to that proposed for the Tungabadra Project should be passed.

As regards the first three suggestions, a proposal for the appointment of a special officer for the revival of Tank Restoration Scheme work in the Ceded Districts is under examination.

The minimum return prescribed for irrigation works was reduced in 1938. The Chief Engineer has recently re-examined all abandoned projects and has submitted a list of the schemes, reporting the reasons for the decision to abandon the project in each case. The possibility of reviving some of the projects is under consideration.

The proposal to introduce legislation for compulsory payment of water-rate in new projects is also under examination.

(xxi) Irrigation law.

The Committee recommends that the Government should take early steps to arm their officers with plenary powers in the matter of water distribution.

The suggestion is under examination in connection with proposals for a comprehensive irrigation law. The Board of Revenue has been asked to examine the proposals in detail.

(xxii) Afforestation and grass growing.

In order to check soil erosion the Committee advises a policy of afforestation, and a survey of areas suitable for it. The Committee also recommends the sowing of good grass on waste lands.

The problem of afforestation is closely connected with that of erosion. The question of erosion was one of the subjects on which the Special Grazing Officer was asked to report. He has made detailed suggestions for the constitution of a Provincial Soils Conservation Advisory Council with District Erosion Committees to conduct a survey of the prevalence of erosion in different areas. These proposals are under examination.

The proposal to sow good grass is already under examination. The Provincial Fodder and Grazing Committee has prepared a scheme of research on the fodder and grazing problems of this province, which includes the selection of the best species and varieties of grasses and other herbage

plants, and the investigation of waste lands for the production of fodder and for use as grazing areas. The scheme also contemplates a research into the best method of minimising erosion. The scheme is under the consideration of the Government.

(xxiii) Constitution of a Ceded Districts Economic Development Board.

The Committee proposes the constitution of a Ceded Districts Economic Development Board to co-ordinate the work of all departments in the task of planning the prosperity of the Ceded Districts.

The proposal has been examined in consultation with the Board of Revenue and the heads of departments concerned and has been accepted.

(xxiv) Upper Bhavani Project.

The Committee recommends a re-examination of the feasibility of the Upper Bhavani Project as a protective scheme. If it is not found feasible, the Committee recommends the execution of the Lower Bhavani Project.

The two schemes were already being re-examined by a special staff on the lines suggested by the Committee. The Chief Engineer's Report on the investigation has been received. The Chief Engineer and the Irrigation Development Board recommend that the Upper Bhavani Project should definitely be abandoned in favour of the Lower Bhavani Project. The Government have accepted this recommendation. In view of the situation created by the war however, they consider that the detailed investigation of the Lower Bhavani Project should be postponed for the present.

(xxv) Salem and Coimbatore districts.

The Committee urges that Tiruchengode and Namakkal taluks of Salem district and Kollegal taluk of Coimbatore district which are liable to adverse seasonal conditions should be given the same treatment as the Ceded Districts in the matter of minor irrigation projects.

This suggestion is under examination..

R. C. No. 936-41-A. *January 31, 1940.*

Sub: Funds—Co-operative Societies—Expenditure on purposes outside their objects.

Read: E. O. No. Ms. 115 Development, dated 20-1-1941.

The Registrar has come across cases where central banks and primary societies have used their funds for purposes like putting up of portraits of persons connected with their management, entertainments, addresses, contributions to memoral funds, etc. He has examined the propriety and validity of such expenditure. Co-operative Societies are formed for the promotion of thrift, self-help, and mutual aid among agriculturists and other persons with common economic needs, so as to bring about better living, better businss and better methods of production, and it cannot be contended by any stretch of language that the expenses incurred for purposes like those mentioned above can come within their objects. The Registrar has also taken authoritative legal opinion in the matter. It has been definitely held that expenditure from the funds of co-operative societies on purposes such as entertainments, contributions to memorial funds, presentation of addresses, putting up of portraits, busts or statues, etc., is quite outside their objects. Government have also agreed with this view. Central Banks and societies are therfore, informed that expenditure on such purposes will not be passed in audit in future.

Publications Received

The Co-operative News—January, 1941.
The Indian Journal of Economics—January, 1941.
The Madras Agricultural Journal—January, 1941.
Rural India—February, 1941.
The South Indian Teacher—February, 1941.
The Mysore Co-operative Journal—December, 1940.
Labour Gazette—December, 1940.
The Madras Law Journal (Weekly) Nos. 2, 3, 4, 5 and 6—January and February, 1941.
The Kotturavu (Tamil) February 1, 1941.
Parasparasahayi (Malayalam)—January, 1941.
Sahakaramu (Telugu)—February, 1941.

Reports & Books.

(1) Annual Administration Report of the Madras Civil Veterinary Department for the year 1939-40.
(2) Report on the Working of Co-operative Societies in Bihar for the year 1939.
(3) Season and Crop Report of the Central Provinces and Berar for the year ending 31st May 1940.
(4) Twenty Sixth Annual Report of the Coimbatore District Public Servants' Co-operative Society, Ltd., for the year 1939-40.
(5) Report on the Working of Co-operative Societies in Baroda.
(6) Fifteenth Annual Report of the Lalgudi Sivagnanam Co-operative Agricultural Society.
(7) Report on the Working of Co-operative Societies in Bengal for the year 1939.

Co-operation in other Periodicals

The Review of International Co-operation, London.
September 1940: The Social Structure of Agriculture and the Co-operative Movement in Western Europe.

Indian Farming, Delhi.
December 1940: Rural Uplift in Travancore.
Do : Travancore by P. Padmanabha Iyer.
Do : Madras Agriculturists' Relief Act, 1938.
January 1941: Planning for Rural Marketing by Vaikunth L. Mehta.

Rural India, Bombay.
January 1941: The Development of Cattle-breeding and Dairying in India, by Dr. B. V. Narayanaswamy.
January 1941: Is there Rural Unemployment? By Rao Sahib G Jogiraju.
February 1941: The Problem of Education in Rural India by R. V. Parulekar

The South Indian Teacher, Madras.
February 1941: Rural Education by Anathnath Basu.

The Indian Co-operative Review.
July–September, 1940: Articles on the Report of the Madras Committee on Co-operation.

The Bombay Co-operative Quarterly.
December, 1940: Reorganisation of Supervision I, II and III.
Do The Madras Co-operative Report by V. G. Kale.

The Mysore Economic Journal.
January, 1941: Co-operation in Bengal by Sir J. C. Coyajee.

The Indian Journal of Economics.
January, 1941: Survey of Rural Indebtedness in India—a comment—by S. Kesava Iyengar.

List of Societies Registered in January 1941.

S. No.	Name of the Society.	District.
1	The Anantapur Fishermen Co-operative Society Ltd.	Anantapur
2	,, Allapalli Co-operative Credit Society	,,
3	Sree Vutukur Lakshminarasimha Co-operative Society ...	Guntur
4	The Bandaganipalle Co-operative Credit Society ...	Nellore
5	,, Palamaner Woodcutters Co-operative Forest Contract Society Ltd. ...	Chittoor
6	,, Dornakambala Co-op. Credit Society ...	,,
7	,, Narasingapuram Co-operative Credit Society...	,,
8	,, Nazarathpettai Sale Society Ltd. ...	Chingleput
9	,, Poondy Reservoir Scheme Co-op. Stores Ltd. ..	,,
10	,, Sri Ramakrishna Vidyalaya Co-operative Stores Ltd. ...	Coimbatore
11	The Coimbatore Spinning and Weaving Company Labourers Co-operative Stores Ltd. ...	,,
12	,, Udumalpet Town Co-operative Stores Ltd. ...	,,
13	,, Attur Co-op. Sale Society Ltd. ...	Salem
14	,, South Arcot District Board Employee's Co-op. Society, Ltd. ...	South Arcot.
15	,, (Government) Nandanar Schools Students' Co-operative Stores, Ltd. ...	,,
16	,, Annamalainagar Co-operative Poultry Farming Society, Ltd. ...	,,
17	,, Kilacholaipuram Co-operative Society ...	Tanjore.
18	,, Tanjore Co-operative Marketing Society ...	,,
19	,, China Latheri Co-operative Jaggery Society ...	North Arcot.

List of Societies Cancelled in December 1940.

Serial No.	Name of Society.	District.	Date of Cancellation of Registration.
1	Atmakur C. S. ...	Kurnool	... 2-12-40
2	Tanjore Co-op. Building Society, Ltd.	Tanjore	... 3-12-40
3	Ayyanapuram C. S. ...	Ramnad	... 3-12-40
4	Gaddamidipalli C. S. ...	Cuddapah	... "
5	Tadipadu Christian C. S. ...	Kurnool	... "
6	Coles Anandapuram ...	"	... "
7	Shotriem Porundavakkam C. S. ...	Chingleput	... 4-12-40
8	Tindivanam Taluk Elementary Teachers' C. S. ...	South Arcot	... 4-12-40
9	Korathi C. S. ...	"	... "
10	Eithanur C. S. ...	"	... "
11	Krishnapuram Co-operative Egg Production and Sale C. S. ...	Trichinopoly	... "
12	Kalati Co-op. Credit Society ...	Malabar	... "
13	Thamarichelvi C. S. ...	Tinnevelly	... "
14	Kariganur C. S. ...	Bellary	... "
15	Gabrielpuram Velayuthapuram C.S. ..	Trichinopoly	... "
16	Mandurai Valambika C. S. ...	"	... "
17	Pulikudicheri C. S. ...	Chingleput	... "
18	Rayamalpuram Christian C. S. ...	Kurnool	... "
19	Koneri Rajapuram F.L.C.S. ...	Tanjore	... "
20	Tiruchengode Basket Makers' C S. ..	Salem	... "
21	Chidambaram Town Viswakarma C.S.	South Arcot	... 6-12-40
22	Athur Co-operative Credit Society ...	North Arcot	... "
23	Sri Markandeya C.S. Rajahmundry ...	East Godavari	... "
24	Inapuram F.L.C.S. ...	"	... "
25	Kombai Cardamom Planter's Co-op. Bank Ltd. ...	Madura	... "
26	Koyamballi Depressed classes C.S. ...	Trichinopoly	... "
27	Settithangal C. S. ...	North Arcot	... 9-12-40
28	Manthangal C. S. ...	"	... "
29	Mottupalayam C. S. ...	"	... "
30	Narthampoondi C. S. ...	"	... "
31	Marturu C. S. ...	Vizagapatam	... "
32	Sri Radhaswami C. S. Bellupada ...	"	... "
33	Jeediputtuga Kotturu C. S. ...	"	... "
34	Katharlanka C. S. ...	East Godavari	... "
35	Gondi F. L. C. S. ...	"	... "
36	Indian Womens' C. S. Ltd. ...	Madras City	... 10-12-40
37	Komaramangalam A. D. C. S. ...	Salem	... 11-12-40
38	Kondayapalem Xian C. S. ...	Guntur	... "
39	Chittanavalur F. L. C. S. ...	Tanjore	... "
40	Chepadu Xian C. S. ...	Cuddapah	... "
41	Melappalayam F. L. C. S. ...	Trichinopoly	... "
42	Boppapuram Xian C. S. ...	Cuddapah	... 14-12-40
43	Kuppanapuram C. S. ...	Tinnevelly	... 19-12-40
44	Herehal Weavers' Sale C. S. ...	Bellary	... "
45	Pedana Weavers' Co-operative Purchase and Sale C. S. ...	Kistna	... 23-12-40
46	Thondamanatham C. S. ...	South Arcot	... 24-12-40
47	Kumarapalli Christian C. S. ...	Cuddapah	... 30-12-40