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	PAGE No.
I EDITORIAL NOTES	51
II ARTICLES—	
(1) LAND COLONISATION SCHEMES—By A. Suryanarayanamurthi, B.A., B.L.	59
(2) RULE XXII (12) OF THE MADRAS ACT VI OF 1932—By P. K. Srinivasa Raghavacharya	64
(3) KAMALA'S KINDNESS—A Short Story—By T.S. Pandurangam	70
(4) VILLAGE IMPROVEMENT—IV—By R. Galletti, M.A., I.C.S., (concluded.)	73
III INDIAN CO-OPERATION AND THE PROBLEM OF REHABILITATION	81
IV TEN THINGS WHICH CO-OPERATIVES SHOULD DO UNDER WAR-TIME CONDITIONS.	88
V ROLE OF A CO-OPERATIVE INSPECTOR—ADDRESS	89
VI REGISTRAR'S CIRCULAR	91
VII NEWS AND NOTES	95
VIII LIST OF SOCIETIES REGISTERED AND CANCELLED	97

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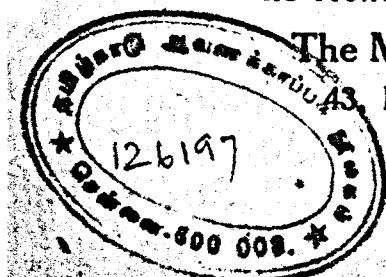
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THE Madras Journal of Co-operation

VOL. XXXIV.]

AUGUST 1942.

[No. 2

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.

Village Improvement.

With the publication of the concluding portion in this issue, the series of articles on Village Improvement by Mr. R. Galletti, I.C.S., come to a close. We have no doubt Mr. Galletti has stimulated interest in village problems by presenting them in simple language and adopting direct analytical method. As these articles have also been kindly translated into various languages of the Presidency and reproduced in language journals, we are happy it has been possible for Mr. Galletti to share his thoughts and views with a larger section of the population. In spite of the abundant sympathy and understanding he tries to bring to bear upon problems which affect the villager, we may be pardoned if we venture to state that even Mr. Galletti has approached the question from the same angle as that of his predecessors. Along with other members of his 'class,' he holds the villager himself responsible for his miserable lot. It may be remembered we had occasion some time ago to refer to such views expressed elsewhere. We need make no apology to draw the attention of our readers to them again for we believe the sooner this position is given up and a correct understanding of the situation is shown, the better it would be for sustained and combined effort for village

improvement. It is said that the greatest obstacle to progress is 'the apathy of the villager and his general dullness of outlook,' his 'running struggle against long established traditions and customs' and so on. Granting all these causes are true, may we ask what serious efforts have been made by the authorities to remove ignorance, to dispel doubt and suspicion and to create facilities for the acquisition of decent conditions of living? While no serious objection is raised at all to make the already top-heavy administration heavier, any attempt to introduce reforms which are designed to promote the social and economic life of the rural people is received with scant courtesy and if at all secure grudging support. All kinds of time-worn arguments are trumped up as though they have come to light for the first time. The suggestions put forward by Mr. Galletti deal mainly with one aspect of the question, *viz.*, how by self-help the villagers can improve their condition. While we attach great importance to this aspect and join hands with Mr. Galletti in emphasising it time and again, we would like to point out that conditions favourable for the growth of that spirit of self-help are utterly lacking. The system of administration has been so devised that there is practically no scope for initiative and the controlling hand of the State is seen in every department of village life. At present the villager is a mere automaton, required to do the bidding of others, on pain of penalty. What both the Government and the public have been doing has only resulted in tinkering with the problem without any radical improvement in village conditions. Unless the basis of India's political and economic system is altered and the villager is assured of perfect liberty to order his life in the manner suited to his environment and consistent with the larger interests of the community without undue interference from any outside authority, there is no hope for the future of the village. In devising methods of improvement, collection of information of the kind suggested by Mr. Galletti will be of invaluable assistance. In fact all this is absolutely necessary to understand the conditions of the problem. In our Presidency attempts to improve the rural organisations, such as the village panchayats, have time and again been made. Even now a Bill for that purpose is on the 'legislative' anvil. We are not sure if, as it emerges from the Committee stage, it will contain provisions calculated to give scope for initiative and freedom of action to improve the village, providing the villager with the necessary facilities to formulate and carry out schemes for village improvement. While 'self-help is the best help' there should be scope and conditions favourable for its exercise.

Land Colonisation.

Elsewhere we have published an article on Colonisation Schemes sponsored by Government. In our next issue we hope to describe their working in a district and illustrate by example the defects in the schemes. It may be remembered that as soon as the Government announced their intentions in March, 1941, we were one of those who welcomed the scheme though we ventured to offer some criticism of their details. We must acknowledge that the Government were good enough to answer the criticism in a communique. We did not prolong the controversy hoping that in actual working such defects as were noticed would be rectified and every facility would be afforded to give the scheme a fair chance of success. It was suggested that land value should be waived in all cases. The conditions of alienation of land make it quite clear that though the value of the land is demanded the right conferred is only the occupancy right and not the proprietary right. By abolishing tenancy and conferring what may be termed 'cultivating ownership' with checks on transferability including sub-letting, we venture to believe the sort of relationship created is well suited to the class of people whom the Government rightly desire to help. Why payment of value should be demanded for this right, it is not understood. The facilities afforded also for cultivating the land are quite inadequate and are likely to hinder rather than assist cultivation. It may be remembered that the land allotted is not an economic holding enough to enable the colonist to maintain himself and his family, that he will be required to cultivate other people's lands and thereby perpetuate the economic serfdom of which he is now a victim, that the limit of his borrowing power either on the security of his holdings or on any other security is restricted to Rs. 50 including capital required for the purpose of cultivating lands of outsiders, and that the financing bank will be entitled in case of failure of the scheme only to the extent of the value of the land hypothecated. We pointed out that in most cases the value of the uncultivated land would be very insignificant and therefore the borrowing power would be practically dependent on the subscribed share-capital. Besides this the liability guaranteed by Government to the extent of the value of the land at the time of resumption will certainly make the financing banks hesitate to provide all the finance necessary for purposes of cultivation.

It may be the intention of Government that land should be acceptable security and that loans should be raised on that security.

In making this statement the Government conveniently forget the fact that all land is not always acceptable security and the extent to which land is acceptable as security depends on the quality and condition of the land. At the time the uncultivated land is offered as security its value is practically *nil*. Its value increases to the extent it is made cultivable. Nor do we feel the borrowing power of a member should be restricted to Rs. 50. He may need much more to cultivate other lands which he is compelled to do to maintain himself and his family. With regard to reclamation the position is worse. Reclamation is a slow and laborious process which may cost much more than he can afford to raise as a loan. While indiscriminate doles have a demoralising effect, grants made for purposes of reclamation cannot have that result.

Any scheme of colonisation which does not seek to make the landless labourers independent of those on whom they have been so long dependent, which is considered as the main reason for their down-trodden condition, cannot produce satisfactory results. It will neither increase cultivation nor improve the lot of the landless poor. The psychological effect which is necessary for their economic uplift will be wanting. We can only exclaim, 'Heaven is paved with good intentions' and even the Government lacks purposeful vigour to put into effect their benevolent intentions. It is this hesitancy on their part to take radical measures which is the cause of the failure of many of their good schemes. However much we may wish otherwise, we fear the land colonisation scheme of Government may end in a failure and the expenditure of public funds would prove a waste. Above all the chilling effect such failures will have on the communities eligible for help will be incalculable. Things are what they are and to know them and change them to suit the circumstances is the part of wisdom. But to cling to ideas because they have been formed and given expression to even when they appear *prima facie* to be wrong, is, to say the least, to betray 'intransigence' and pugnacity worthy of a better cause.

Co-operative Education.

The Committee on Co-operation emphasised the admitted need for intensive co-operative education and training for all ranks of co-operative workers, paid and honorary, "as units in the co-operative army able to work intelligently, individually and in groups, for the realisation of co-operative ideals." For this purpose the Committee made various recommendations. We are glad the Government

in their G.O. No. 615, Development dated 26-3-1941, sanctioned the establishment of three stationary training institutes to be run annually at Rajahmundry, Tanjore and Coimbatore and a fourth one at Anantapur to run once in two years. In communicating the Government Order, the Registrar of Co-operative Societies rightly impressed on the necessity to make these institutes real live centres of co-operative education. But we regret very much that the assistance offered by Government to these institutes neither in the form of the loan of the services of a Co-operative Sub-Registrar as Superintendent nor in the form of cash subsidy equivalent to his actual cost, is adequate. To provide intensive training for these units of the co-operative army, efficient and well-paid instructors and lecturers are necessary. Then again the provision of a good library, a reading room and other equipment and their maintenance also cost a great deal. Income from fees, which is the main source, is hardly sufficient for the purpose. The Institutes have been forced to go with a begging bowl, often to be turned away from the door steps. It is desirable that the Government should come forward to bear the entire net deficit incurred by these Institutes on the basis of a budget approved by the Registrar of Co-operative Societies or a list of approved items of expenditure furnished. The existence lead by these Institutes at present is neither creditable to non-official co-operators nor the Government. Financing and other co-operative institutions realise the importance of the work done by the Institutes and would gladly, if they can afford, as they are already doing, contribute towards the maintenance of these Institutes. But they have more onerous responsibilities in regard to supervision of village societies and the education of their panchayat-dars and members. All the available funds will be required for this purpose, especially now as the subvention of the Government of India has ceased to come. So they cannot be expected to make up the entire deficit. At best they may make some contributions towards the deficit. The Government alone should come to their rescue.

Then there is the recommendation of the Committee on Co-operation on the constitution of a College for Co-operation for imparting a specialised course of co-operation to aspirants for employment in the Co-operative Department and for higher posts in big co-operative institutions. The Committee also suggested the outlines of the courses of study and syllabus. For some reason no decision has been arrived at on this recommendation. At present the cost of

running the Central Co-operative Institute is met entirely by Government, and if we are not mistaken, a part of it out of the subvention of the Government of India.

From the outline of the scheme approved by Government for the training of recruits to the department and co-operative institutions, it will be seen the main object of the Central Institute was for the purpose of training departmental inspectors alone. Classes for other personnel are a later addition and so of secondary importance. So in the year or years in which departmental inspectors are not recruited, as is the case this year, the Institute ceases to function. The purpose of the College suggested by the Committee on Co-operation is to provide continuous sound co-operative education of a higher type so that such of them as wish to choose co-operative career may do so inspired by co-operative ideals and fully equipped for the task. The College is not to be run by fits and starts. It will be a permanent institution like the Institutes in the mofussil and be a live centre of co-operative education. If the courses of studies and syllabus recommended by the Committee are adopted, the trainees will prove as real rural guides as well, permeated by a spirit of rural service. They will also be competent to take charge and conduct efficiently the administration of Panchayats. The general control of the College should be under a strong committee in which non-official co-operative opinion, especially the Provincial Co-operative Union, should have adequate representation. If the University authorities are pleased to grant a Degree or a Diploma, the College will also secure academic recognition. Even otherwise the Government may set up a Board of Examiners which will arrange and hold examinations both for the College and the Co-operative Training Institutes on the results of which diplomas and certificates may be issued. What is wanted is co-ordination and the courses of studies in the Institutes should not be completely divorced from those in the College.

Co-operative Inspector.

We wonder how many of the inspectors gathered to hear Rao Bahadur Rajabadar Mudaliar would have nodded their heads in assent to the ideal he placed before them. There is a tendency all over the world, more so in a dependency like India, for any social activity run under Government auspices or as a part of Governmental machinery to lose its innate character and degenerate into something wooden and lifeless. We are afraid the Co-operative Departments

in India have not escaped this incubus. The role Mr. Mudaliar assigned to the Inspector is, we are afraid, slowly receding into the background as he is day in and day out made to realise his importance as a statutory authority set in power to order things to be done rather than do them himself. The Co-operative Inspector is also human like other human institutions and he cannot be blamed if he becomes 'corrupted' by this malignant influence, the bane of officialdom. But it does good to all that some one should often remind him of his beneficent role, for we believe on his acting as 'the friend, philosopher and guide' the future of the Movement largely depends. We are grateful to many co-operative officials who still continue to play their role and where they continue to do so there the Movement prospers. May they continue to be the real units and leaders of the co-operative army is our earnest prayer.

Co-operation and Debt Legislation.

In the *Review of the Co-operative Movement in India*, the Reserve Bank of India expresses certain views on the effects of debt legislation on the Movement to which we wish to draw the attention of our readers. It is stated that in spite of the preferential treatment accorded to co-operative debts, the legislation has resulted in indirectly freezing the funds of the societies. We are aware of such complaints. But so far no facts and figures have been cited to prove that this freezing is due to debt legislation, what relation the present overdues bear to those before debt legislation was enacted and what proportion of such overdues is on this account. What we are constrained to say is perhaps this favoured position militates against prompt recovery and regular payment. If proper care is exercised when loans are given, one of the main causes for freezing can be avoided. It is needless to point out that every money lender takes all possible precautions and even then he is not immune from losses. The financing institutions also should take proper care and deal with the loan applications in a systematic and thorough manner. If this is done, we are sure the co-operatives will not need the preferential treatment accorded to them in any legislation passed affecting the relations between the debtor and the creditor.

Village Societies.

We would earnestly draw the attention of our readers to the circular of the Registrar of Co-operative Societies containing instructions for developing all-round activities in village societies.

It is needless to say we entirely agree with him that more attention should be paid for improving the economic condition of the villager. But we are not sure if the Registrar is right when he says that this aspect had been practically neglected all these years. We hold no brief for former Registrars. Nor are we surprised that the present Registrar like his predecessors is forced to emphasise this aspect of the Movement, for it needs greater and more emphatic reiteration especially in times such as these. What we request the Registrar to do is to examine why in spite of the best efforts of the former Registrars no great progress could be made in the direction indicated in the circular. A marked increase in the volume and complexity of departmental work and responsibilities has prevented the Deputy Registrars from giving their whole-hearted attention to the development of activities in village societies. What is required is a thorough examination of the present departmental activities and afford relief to the Deputy Registrars to engage themselves in propaganda for and organisation of new activities. Unless this is done, we fear no substantial improvement will be noticed. In this connection we invite the attention of the Registrar of Co-operative Societies to the observations of the Committee on Co-operation on Government Staff. While exhortations no doubt possess their value, the circumstances for carrying out the ideals presented therein must be made favourable.

Distribution of food-stuffs.

We have more than once referred to the part the co-operatives can play in the present emergency. We regret very much that as yet the Government have not availed of the services of the co-operatives. A correspondent has sent us a few points to indicate the manner and the conditions on which the services of co-operatives can be usefully utilised with advantage. We reproduce some of them below just to stimulate interest in the question.

1. The Provincial Co-operative Bank or the Central Banks to lend to Co-operative Stores upto the limit recommended by the Registrar of Co-operative Societies.
2. As the money will remain locked up either in business or in stocks of food-stuffs stored as required by Government, the Government should guarantee repayment to the financing banks.
3. The Government should guarantee business losses to Co-operative Stores as they will purchase and store articles as required by Government and also sell them both to members and non-members according to prices fixed by the authorities.
4. To enable stores to entertain additional staff not only to serve the increased number of customers but also to open additional branches or depots as required by the authorities the Government should promise financial assistance as they have done in the case of the T. U. C. S.

Land Colonisation Schemes

BY A. SURYANARAYANAMURTHI, B.A., B.L.

It is common knowledge that even in these days of extensive development, there is on the one hand a large extent of land in our presidency which has not been brought under cultivation and there are, on the other, a good number of poor labourers who are starving for want of land to cultivate. The tardy and piece-meal measures, so far adopted by the Government, to improve this unfortunate situation have had no material results. Lands that have been assigned in the past, here and there, to the poor on individual pattas are either unfit for cultivation or have not remained in their enjoyment. They have passed into the hands of usurious money-lenders or influential landlords. The condition of the landless poor has remained unchanged, if not deteriorated, causing serious unemployment.

The Government perhaps have realised the necessity of improving this state of affairs and under G.O. No. 681, Revenue Dated 20th March 1941 have launched the land colonisation schemes the purpose of which is to ensure that land is assigned to the really poor and is retained in their enjoyment. To secure these objects, land is alienated not to individuals but to groups of colonists formed into co-operative societies. The main objects of these societies are:—

- (1) to take agricultural land from Government, divide it according to the plan of colonisation approved by Government and distribute the holdings among the members;
- (2) to arrange for the reclamation of lands, if necessary, and to ensure their proper cultivation;
- (3) to parcel out lands to members for house-sites, lay out streets, roads and provide and maintain facilities for water-supply, drainage, lighting and similar works of common utility;
- (4) to purchase or own implements, machinery or cattle for hire to its members;
- (5) to borrow funds from the Central Bank or others to be utilised for granting loans to members for agricultural expenses and reclamation of lands, if necessary;
- (6) and generally to encourage thrift, self-help and co-operation among members.

The society holds the lands on ryotwari tenure and is responsible for paying the land value, the assessment and water cess due to the

Government as well as all the general taxes and local rates payable by law or custom.

Admission to the membership of the society is confined to persons who are over eighteen years of age and who have been approved by the Collector. In the selection of members preference is shown first to persons with an agricultural bias resident in the village where the lands lie and belonging to communities eligible for help by the Labour Department, then to other resident landless persons and finally to persons belonging to the 'eligible' communities from neighbouring villages who are willing to settle near the lands granted to the society. Every member has to take at least ten shares of Re. 1 each but cannot take more than sixteen. He has to pay an entrance fee of one anna for each share taken by him. In order to help these poor labourers forming into co-operative societies, the Government are paying Rs. 10 to each member as a free grant towards his share capital in the society. On the basis of his membership the colonist will be able to borrow money from the society for reclamation, improvement and cultivation of his holding. The member, to whom land has been allotted, has no proprietary right in it which can be alienated. He has only the right of cultivating it. He has no right to sublet or mortgage it or encumber it in any manner whatsoever. He will have this occupancy right in the holding as long as he cultivates it, pays his dues, abides by the by-laws of the society and carries out the instructions of the society in the cultivation of his holding. If he fails to abide by these conditions and is consequently expelled from the society or if he relinquishes his holding, the contribution of Rs. 10 made on his behalf by the Government and the lands in his holding may be transferred to a new member on payment of the amount already paid towards their value. Part of this amount will be paid to the ex-member. If the society is unable to find a substitute in the place of the ex-member within a period of three years the land will revert to the Government and the ex-member will have to go without any compensation. The holding is impartible and on the member's death passes on undivided along with the member's share and other interests in the society, to his nominee or failing a nominee to his senior male heir. Provision is made for the expulsion of members by the general body at the instance of or with the concurrence of the Collector if one is lazy, indebted to or borrows from any person or institution other than the society or has committed default in paying his dues to the Government or the society. The power to expel a member is vested ultimately in the Collector.

The executive management of the affairs of the society is vested in a Board of Directors consisting of not more than 7 panchayat-dars. The directors are elected by the general body from among the members for a period of two years. After the Board of Directors is elected by the general body, they will elect from among themselves a President and a Secretary. The President has a general control over all the affairs of the society. The Secretary is responsible for the executive administration of the society. But the ultimate authority in all matters relating to the administration of the society is the general body of the members, subject as already stated to the control of the Collector.

Some Drawbacks in the Scheme.

Criticism has been levelled against the policy of the Government in selling these lands to the co-operative societies. These lands have been lying waste since ages neglected, without in any way contributing to general economic prosperity. The labourers to whom these lands are allotted, in addition to their hard labour, experience and skill, have to invest their capital too, to bring these lands under cultivation. In many cases the lands are to be reclaimed. Reclamation is often a laborious process and demands the full time attention of the colonist. These lands, therefore, should have been assigned free of cost. Even though the society is held responsible for the payment of land value, it is in fact the colonist who pays it and acquires in return the occupancy right. In simple language the alienation of land amounts to alienation of occupancy right.

But even this sale of occupancy right does not seem to be a sound one. The provision that the land will revert to the Government unconditionally without the obligation of repayment of its value, in case a member is expelled from the society or voluntarily relinquishes his holding and no substitute is found in his place by the society, within a period of three years, is devoid of all concepts of legal contract and is extremely one-sided. The land in such a circumstance, in all fairness, should revert to the society but not to the Government who have received its value and once and for all alienated its ownership. In view of the fact that the present holdings are extremely small in size and are not at all 'economic holdings' there is no reason why such lands should not be allowed to be distributed among the other members of the society on payment of the amount already paid towards its value. Part of the amount thus realised, may conveniently be repaid to the ex-member giving no room for heart-burning.

One of the provisions for the expulsion of a member seems to be rather defective. It is this. If a member is indebted to or borrows from any person or institution other than the society, he is liable to be expelled. While the object of such a rule is salutary, in so far as it aims to discourage uneconomic borrowing, promoting thrift and co-operation among the members, it is feared, that, unless adequate facilities are accorded to the colonist for raising loans to meet his reasonable demands from such restricted resources, the purpose of this provision may be defeated. As it is, no member is allowed to be indebted to the society by way of principal to the extent of more than Rs. 50 on account of any loan or loans taken by him. On account of the insufficiency of the holding in itself for supporting his family, he has to work also as an agricultural labourer and cultivate the lands that belong to others. Rs. 50 will hardly suffice to meet his expenses incidental to cultivating his own holdings and those of his landlord. It is, therefore, essential either to increase the borrowing capacity of a member, with the present restrictions which are very desirable or to amend the clause in a suitable manner.

The value of the land paid by a member in yearly instalments is credited towards his share capital in the society but no dividend is allowed to him on this amount. No dividend on the share capital paid by the member from the free grant of Government is paid to the colonist. That is reasonable as he does not contribute to its value. But withholding of payment of dividend on the sums paid by him from his own hard earnings towards the value of the land especially when it is credited to his share capital, seems to be very curious. One fails to understand why this amount is credited to his share capital when the payments are towards the value of land.

The scheme is incomplete as it fails to deal with the problem of residential colonies of the agricultural colonists. One of the objects of these societies is declared to be providing of house-sites to the colonists and laying out of streets and roads and other amenities in these colonies. But no plan for its execution in the detailed working of this scheme, is provided. The importance of planning these new colonies need not be over-emphasised. One of the most revolting sights in almost all the villages is invariably the locality where these labouring classes reside. The crowded and closed huts with low roofings and no windows and the narrow and irregular streets present an ugly sight. It is earnestly hoped these colonies will be constructed in a better manner. It is a well known fact that these colonists are as much homeless as they are landless. The Government

will be doing a real help if they sanction a small grant to each colonist for the specific purpose of raising a house or a hut. The society may be entrusted with the task of constructing uniform and orderly houses for its members. It is hoped the Government will consider this suggestion sympathetically. If no grant is found possible, the Government should at least advance money to the societies, to enable them to erect convenient and small houses for its members the value of which can be gradually collected from them in regular instalments along with the land value.

In the event of death of a member without specifying a nominee, the devolution of the occupancy right of the deceased in the holding, is restricted only to his senior male heir. There is no justification for such a restriction specially because the deceased had acquired it after paying its value. The occupancy right of the deceased should be allowed to devolve on his or her heirs just like any other heritable interest.

A suggestion is made that these new colonists who are accustomed to work under somebody's guidance and supervision may be given a short course of training in the nearest Government Farm. This may be adopted with benefit to the colonists as one of the objects of the scheme is to disseminate knowledge of the latest improvements in agriculture and encourage the colonists to adopt them.

The Tirupur Co-operative Sale Society, Ltd.

Good Co₂ Cambodia Cotton Seeds for Sowing.

This society has been preparing Co₂ Cambodia cotton seed for sowing for the past 10 years. It is a well known fact that this strain of Cambodia cotton gives a good yield and is able to withstand much better than other strains the ravages of pests and diseases.

The above seeds are now available for sale with this Society at the following rates:—

	Rs.	A.	P.
Full bag of 98 lbs. of seeds with gunny	6	0	0
F. O. R. Tirupur.			
Half bag of 49 lbs. of seed	3	0	0
Quarter bag of 24½ lbs.	1	8	0

Terms Cash.

TIRUPUR: }
1-8-42. }

K. S. RAMASWAMI GOUNDER,
Secretary.

Rule XXII (12) of the Madras Act VI of 1932.

BY P. K. SRINIVASA RAGHAVACHARYA.

The rule under consideration has been framed for enabling the purchaser of immovable property at an auction held by the Deputy Registrar of the district in execution of an award or a decree to get possession of the property that he has so purchased through a court of competent jurisdiction. The rule reproduces the language of section 40 of the Madras Revenue Recovery Act which says that where any lawful purchaser of land is resisted and prevented from obtaining possession of purchased lands, any court of competent jurisdiction, on application and production of certificate of sale provided for by section 38, shall cause the proper process to be issued for the purpose of putting such purchaser in possession, in the same manner *as if the purchased lands had been decreed to the purchaser by a decision of the Court.*

The question for consideration is as to whether the rule attracts all the provisions of the Code of Civil Procedure relating to the execution of decrees for possession of immovable properties once the application for possession is made under rule XXII (2). In other words whether the provisions of section 47 of the Code of Civil Procedure are also attracted. Then there is also the other question as to whether the sale certificate is to be treated as a decree for purposes of limitation and as to whether article 182 of the Indian Limitation Act applies. It is not only a question of academical interest that is sought to be answered but it is one of paramount importance to societies. If article 181 of the Limitation Act applies then no application can be made after the lapse of three years from the date of the confirmation of sale even though a prior application for delivery might have been made within three years of the application. If article 182 applies there is no bar to filing successive applications for delivery provided they are made within three years of the final order on the previous application subject however to the provisions of section 48 of the Civil Procedure Code which bars a fresh application being made after the lapse of twelve years from the date of the decree except under certain circumstances. Moreover, if the language of the rule attracts the provisions of section 47 of the Code of Civil Procedure then any dispute between the purchaser and the defendants judgment debtors or their representatives in interest has to be decided by the court

RULE XXII (12) OF THE MADRAS ACT VI OF 1932

executing the decree and not by a separate suit. If the provisions of section 47 are not attracted then a suit alone has to be filed.

The language of the rule is this ; "any court of competent jurisdiction..... shall cause *the proper process* to be issued for the purpose of putting such purchaser in possession in the *same manner* as if the immovable property purchased *had been decreed to the purchaser* by a decision of the court."

In *Chidambara Chetti vs. Natesa Chetti* and another, 1 M.L.J. 594, their Lordships Muthuswami Aiyar and Parker, JJ. held that section 40, of the Revenue Recovery Act gives a certificate the same force which a decree of court has under the Code of Civil Procedure and that the court had jurisdiction to remove obstruction and deliver the property. In *Chidambara Mudaliar vs. Ramaswami Udayar*, 5 M.L.J. 91 Mr. Justice Subramania Aiyar held that an order of a court directing that possession be given to the holder of a Collector's certificate is clearly not a decree within the meaning of section 2 of the Civil Procedure Code and that no appeal lay. It is not clear as to whether the appellants or any of them were parties to the proceedings in which the properties were sold and certificate of sale was granted. In *Gnanasambanda Pandara Sannadhi vs. David Nadar*, 14 M.L.J. 433 Justice Subramania Aiyar and Sankaran Nair, JJ. had to consider whether restitution can be granted. Their Lordships following an unreported case held that an appeal lay to the District Judge against an order by the District Munsif. The decision in 5 M.L.J. 91 was not brought to the notice of their Lordships even though Mr. Justice Subramania Aiyar was a party to that decision and Mr. V. Krishnaswami Aiyar had appeared in both the cases. At page 435 their Lordships are pleased to say "with reference to this provision Muthuswami Aiyar and Parker, JJ. in appeal against appellate order No. 27 of 1889 held that an appeal lay to the District Judge against an order passed by a District Munsif under the said section 40 of Act II of 1864, the learned judges being of opinion that the intention of the legislature was to place the purchaser for the purpose of recovery of possession of the land purchased in the position of a decree holder and, that is, entitled *to such remedies as are open to a decree holder in execution proceedings.* In this view it follows that the other party to the proceedings can claim and ought to be granted restitution as fully as if he were himself a party to a decree of the court the reversal of which gives rise to the right of restitution." "It ought to be added that according to the decision of Muthuswami Aiyar and Parker, JJ. cited above it was open to the

present respondent to have preferred an appeal against the order granting restitution". In *Sambasiva Mudaliar vs. Panchanada Pillai*, 17 M.L.J. 441, Sir Arnold White, C. J., and Mr. Justice Miller had to consider as to whether article 178 (article 181) or 179 (182) applied to applications for delivery of property under section 40 of Madras Revenue Recovery Act. At page 442 their Lordships are pleased to say "the section as we read it places the purchaser in the position of a decree holder for the purpose of putting the machinery of the court in motion in order that the certificate of sale granted by the Revenue authority may be given effect to. It does not by implication make the law of limitation with reference to the execution of decrees or orders of civil courts applicable to processes under section 40 of the Act. Further article 179 (182) applies to decrees or orders of a civil court and even if the grant of a certificate by the Revenue authority can, for the purpose of section 40, be regarded as a decree or order we do not think that it can, for the purpose of section 40, be regarded as a decree or order of a civil court." Their Lordships further observe that the decision in 14 M.L.J. 433 does not touch the question of limitation of time within which an application must be made. Their Lordships held that article 178 (181) applied. In A.I.R. 1938 Madras 283 Mr. Justice Venkataramana Rao observes at page 285 that "the words shall cause the proper process to be issued" only mean that on an application for delivery of possession the court must issue the appropriate writ, but that can only be directed in accordance with the provisions of the Civil Procedure Code after making such an enquiry as may be necessary as is contemplated by the sections relating to such delivery of possession.

From the above cases it will be seen that the sale certificate is to be treated as a decree only for the purpose of enabling the court to which an application is made for delivery to issue the necessary process. As the learned Judges in 17 M.L.J. 441 observe it does not by implication attract the provisions of the Indian Limitation Act. It had to be taken for granted that all the provisions of the Code of Civil Procedure relating to execution of decrees for possession get attracted. If that be the construction the court that is causing the necessary process to issue has to act under section 47 of the Code of Civil Procedure and determine all questions arising between the parties to the suit and since the holder of a certificate is placed by the rule under consideration in the position of the holder of a decree—between such holder of such certificate and the defaulter and their representatives, the article to be applied according to the above decisions is 181 and not 182.

If the law on this subject had been settled by a decision of our High Court there can be no difficulty. But the decisions of even the Madras High Court do not appear to be uniform on this subject. Rule XV (7c) of the rules states that "on application to the civil court having jurisdiction over the subject matter of the decision or award, that court shall enforce the decision or award as if it were a final decree of the court." The language of this rule is not substantially different from the language of the rule under consideration. Under rule XV (7c) an award or decision is given all the sanctity of a decree of the civil court as soon as it is put into that court and under this rule a certificate of sale is given the force of a decree passed by that court. In *S. V. Subba Rao vs. Calicut Co-operative Urban Bank, Ltd.*, A.I.R. 1940 Madras 635 the Madras High Court had to consider the effect of rule XV (7c). Their Lordships Leach, C. J. and Krishnaswami Aiyangar, J. state that but for the judgment of Mr. Justice Cornish in *Co-operative Credit Society vs. Chinnaswami Udayan*, A. I. R. 1937 Madras 31 they would not have thought that there would have been any doubt about the applicability of article 182. "It is conceded by the learned advocate for the appellant" their Lordships are pleased to say "as it must be that an award under Co-operative Societies Act attracts all the provisions of the Code of Civil Procedure in the matter of execution. If it attracts all the provisions of the Code with regard to execution it must, in our opinion, of necessity attract the provisions of the Limitation Act which apply to execution of decrees. The award when it is filed has to be executed as a decree of the court and in effect it becomes a decree of the court. As the provisions of the Code of Civil Procedure admittedly apply, the provisions of section 48 of the Code must apply". The language of the rule under consideration, as I have already stated, is similar to that of Rule XV (7c). Hence it can be contended that in view of the principle laid down in A. I. R. 1940 Madras 635 the provisions of the Civil Procedure Code relating to execution and the articles of the Indian Limitation Act applicable to a decree for possession apply to a sale certificate granted under this rule. It should be noted that in A. I. R. 1937 Mr. Justice Cornish relied on the decision in 17 M. L. J. 441. The attention of their Lordships in A. I. R. 1940 Madras 635 was drawn to that fact and they distinguish it by saying 31 Madras 24 (17 M. L. J. 441) related to the provisions of section 40 Revenue Recovery Act 'the wording of which is very different from the wording of Rule XV (7c) Co-operative Societies Act.'

The difficulties created by the above decisions are increased by the rulings of the Madras High Court in cases under section 70 and 78 of the Madras Hindu Religious Endowment Act. Section 78 contemplates as the rule under consideration does a court giving possession to the applicant who produces an order of appointment when such person is resisted in or prevented from obtaining possession. In *Guruvammal vs. Arumuga Padayachi*, 34 M. L. W. 989 the question arose as to whether after having ordered delivery of possession the court can under order XXI, rule 100 of the Code of Civil Procedure order redelivery. His Lordship Mr. Justice Cargenven feels that "there are no doubt technical difficulties in the way of holding that order 21, rule 100 Civil Procedure Code will operate proprio vigore" When a duty of a particular character is cast upon an established court, it imports that the ordinary incidents of the procedure of that court are to attach. Later on a ruling of the Privy Council in *Krishnaswami Panikondar vs. Ramaswami Chettiar*, I. L. R. 41 Madras 412 is referred to and his Lordship holds that the court should review its own order and redeliver possession. In *Narayana Aiyangar vs. Desikachari*, 38 L. W. 399 it was held that when a court is given a jurisdiction the necessary consequences flow from the exercise of such jurisdiction without any express words.

In section 70 (2) the language used is this. "The court shall on the application by the President of the Board, recover the amount as if a decree has been passed for the amount by the court against the religious endowment concerned. In *His Holiness Lakshmdra Tirtha Swamiar vs. The President of the Board of Commissioners for the Hindu Religious Endowment Board*, 38 M. L. W. 207 at 209 the High Court Observes "We must hold that the words in section 70 of the Religious Endowment Act" as if a decree had been passed "attach to the order the whole procedure in the execution and right of appeal provided under section 47 of Civil Procedure Code. In *Lankaramiah vs. President, Religious Endowment Board*, 41 L. W. 411 the High Court says "It is accordingly reasonable to hold that the court has the same powers and is subject to the same limitations as would be court executing an ordinary civil decree. The court must execute the demand made by the Board as it stands and cannot enter into questions of its validity or propriety. In particular no enquiry can be made into the merits of the decision upon which the demand is based." In *President, Hindu Religious Endowment Board vs. Shirur Mutt*, 41 L. W. 264 the question arose as to whether article 182 applied to applications made under section

70 (2) of the Religious Endowment Act. At page 265 their Lordships say "Now it is contended for the appellant that such an application is governed by article 182 of the Limitation Act. For this position there is no direct authority, but we think the appellant is entitled to rely upon the ruling reported in 31 C. W. N. 1097. In that case the article of the Limitation Act applicable to the enforcing of an award under section 15 of the Indian Arbitration Act was being considered, and it was held that Article 182 applied. The words of Section 15 are quoted in the head note" shall be enforceable as if it were a decree of that court "and it will be seen that these words are precisely similar in significance to the words in section 70 (2) of the Present Act. "The court shall recover the amount as if a decree had been passed." They also rely on 40 All. 89 and hold that article 182 applies and the court cannot go into the question of the correctness of the order. To the same effect are the rulings in 41 L. W. 454 and 46 L. W. 587.

It is respectfully suggested that the distinction made in A. I. R. 1940 Madras 635 between the language of section 40 of the Revenue Recovery Act and rule XV (7c) of the Co-operative Societies Act is difficult to understand when it is seen that in a large volume of decisions the same High court has been pleased to hold that the expression "as if a decree has been passed" in section 70 (2) of the Madras Hindu Religious Endowment Act attracts to the order all the provisions of the Civil Procedure Code and the provisions of the Indian Limitation Act relating to the execution of decree of that Court. It may be that cases may arise when the High Court may have to consider the soundness of the view held in 17 M. L. J. 441.

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A SHORT STORY

Parvathi was a young and obedient wife of Murugappa Gownder. He had 6 daughters and one son. He was leading a bad life; he spent what all he had in his possession and lost his clerical (gumastha) job too owing to his irregular attendance. He took away some of the jewels and costly sarees that were in possession of Parvathi. Ever since she married him she had not been happy like other house wives. It was because Murugappa had all the vices such as drinking, gambling, and visiting houses of ill-fame. He at times stayed away from his home forgetting his wife and children. They spent many days in starvation but the children could not be seen in that state by their compassionate neighbours and co-tenants of Parvathi. She alone went on starving for many a day in the month. A few days later Murugappa returned home. He found his wife laid up on a tattered mat with her children pestering her for food. He coerced her to part with her ear-rings. Obedient wife that she was she gave them away without asking him anything. With tears in her eyes she appealed to him to stay behind; all her words proved useless. He at last got the only jewel that was in her possession by threatening her. He left her and went away by saying that he would never turn up again to the house and they had to look after themselves.

II

Parvathi and her seven children were going in a bullock cart from Ponneri Railway Station when the sun was at its zenith and the children one after another were asking her for water as their thirst was great. On either side of the road there appeared to be no tap or well; her eyes wandered a long distance in search of a cottage but she could not find any at an easy and convenient distance. Suddenly she asked the cartman to stop the cart and as soon as the cart stopped she jumped out and ran through a by-path. She found a number of cottages at a furlong distance and she walked swiftly towards those cottages. As she was nearing them, she saw a board painted as 'Chandrag Colony'. There she found a young lady who was spinning yarn with her charka. Her face seemed familiar to Parvathi and she approached her to give her some water for her children.

She gave a jug of water and followed her making inquiries of her whereabouts etc. She drew a long sigh as she poured forth her grievances; the questioner was rather surprised that the lady was nobody else than her playmate and then she called her by name. Parvathi was surprised and asked her that how she knew her name, then she said that her name was Kamala who was her neighbour and playmate when Parvathi recognised and eagerly enquired of her brother Kesavan.

III

Kamala was the Educational Inspector of the "Chandra Rural Uplift Co-operative Society". She was a widow and she lived with the little sum she had earned from the society. When Parvathi enquired about her brother Kesavan, Kamala told her that Kesavan had gone to the Punjab as a clerk in Military Service a year ago with his parents. Parvathi was shocked when she heard that her brother was not there and she knew not where to live. Kamala took pity on her and requested her friend and her children to remain with her for a few days. Parvathi readily complied with her friend's request. After dinner Parvathi enquired more about Kamala's sustenance in that place; then Kamala informed her that she was the Educational Inspector of the Chandra Rural Uplift Co-operative Society and she was getting Rs. 20 per mensem. Kamala said that the society provided work for the destitutes who were housed there and dispelled illiteracy among them by running a Higher Elementary School and also a free dispensary to help the members of the institution when they were in sickness. After explaining the work of the society she enquired as to what was Parvathi's husband doing. Parvathi told her tragic story from beginning to end with tears in her eyes which she could not control. Kamala asked her not to take to heart and consoled her saying that she would find a solution soon to end her troubles. On the very next day she took Parvathi to Mrs. Vijayakumari, the secretary of the society and requested to admit her in the society (as Parvathi was ready to do any kind of work without false sense of prestige and self respect) as a member and to help her if possible. The Secretary considering her case admitted her as a member and provided her with a job in the Women Industrial Section where women were sewing ready-made shirts, jackets etc. Industrious as Parvathi was she picked up work within a fortnight's time and was able to earn Rs. 15 per mensem. She also put her daughters who were over 10 years as apprentices in the Industrial Section and made them learn work. Now that she was getting Rs. 15 she consulted her friend Kamala if she could live separately in a cottage very near to hers. She thanked her heartily for her kind and timely advice she had given to her. Kamala readily acceded to the wishes of her friend and said she had done nothing to merit her thanks but what she had done was nothing more than her duty as a Co-operator. She asked her to remember always the motto 'All for each and each for all' and only those who put that into practice would lead a peaceful life. Parvathi lived in a rented cottage and

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always had Kamala to assist her. Kamala used to visit her cottage and advised her to be economical so as to avoid debts. A few months later her daughters who had been trained in their arts got an aggregate amount of Rs. 10 as their remuneration. Parvathi put her son in the Higher Elementary School out of her income.

IV

Murugappa spent what all he had with him except a rupee or two, after having sold the ear-rings. He drunk toddy well and was laid up unconsciously on the pial of a house. Chinnasami was a brothel house friend of Murugappa. He was a first class rogue; he robbed a child's bangle, anklets and chain. As he was running away with his booty, he found Murugappa on the pial of a house and he took the best opportunity of throwing the blame on him and thus escape. He threw an anklet towards Murugappa taking care that he was not noticed by others: the anklet fell on the pial very near to Murugappa's body and he slipped away to hide the rest of the articles. As Natarajan (the father of the child) was going to the Police Station to complain about the missing jewels of his child Saroja, on the way he found his child's anklet lying very near to the drunkard. He suspected that the drunkard had stolen the jewels. He immediately sent word to the Police Station and had him handed over to the Police. Mr. Green the sergeant of the Police Station took up the case for investigation. Murugappa tried his best to prove his innocence but Sergeant Green was keen on his being punished. So he produced evidence before the Magistrate and proved him guilty. The Magistrate sentenced him to six months R. I. Innocent Murugappa was thrust into gaol. His position had set him to brood over his past actions and he concluded that the jail life was the fruit of his non-co-operation with his wife. He made up his mind to give up his vicious habits. With his release from the Jail he went to his house and made enquiries of the co-tenants about his wife's absence. They told him that she had gone to her brother's house at Andarkuppam. Murugappa met his wife and children in the 'Chandra Colony' at Andarkuppam after great difficulties. His wife welcomed him with open arms. When Murugappa came to know as to how his people were living safely under the protection of the Society, he praised the institution for having rendered help to his family and from that day on wards he began to explain to people who were in and around the village the benefits of Co-operative Institutions. As an Hon. Organiser, he organised some societies also and relieved some families of their troubles.

Happiness.

The morals I read told me that the hero and heroine married and lived happily ever afterwards. That induced me to marry. But I am still waiting for happiness.

Village Improvement--IV.

BY R. GALLETTI, M.A., I.C.S.

(Continued from our last issue.)

Section IV. Making a Start.

The officers of the various departments are doing and will do what they can to improve water-supply, village roads, and village sanitation; and to develop co-operative institutions on every side. But the sooner the villager gets to work on simple improvements which he can carry out for himself, the better. Here are some suggestions for him.

I. The improvement of irrigation

The P. W. D. and the M. I. staff are labouring incessantly to keep works in repair, to improve existing sources, and to construct new ones. Whenever ryots make a practicable suggestion it is investigated and the work undertaken as soon as funds permit. But the ryots are neglecting their duty of doing "*kudimaramat*", and are unwilling to make contributions to works which they know will benefit them. Unless every 'ayacutdar' does his duty the whole 'ayacut' must suffer. It is therefore desirable that the ayacutdars under each source should constitute an irrigation panchayat and empower it to levy contributions from the ayacutdars in proportion to their holdings, so that the panchayat may get *kudimaramat* done regularly and also make contributions towards the bigger repairs when Government says the revenue derived from the ayacut does not justify the expense found necessary.

II. The extension of well irrigation

There are certain areas where water lies near the surface and wells are easy to construct and maintain. There are not so many wells as there might be, and much land that might be profitably irrigated continues to grow unprofitable dry crops. Ryots seem to be afraid to apply for loans from Government. But if they were careful in selecting the places to dig wells and were honest in applying the money lent, they would be allowed plenty of time for the repayment of the loan. The rates of interest are low at present.

III. Better manuring

In most villages cow-dung is merely kept in heaps exposed to sun, wind and rain. The value of cow-dung lies mainly in the elements which are washed away, dried up and evaporated if it is thus exposed. It is quite easy to dig small pits, line them with straw and stalks, and cover each layer of manure with a layer of leaves, twigs and stalks, so as to preserve the essential elements. Such pits can be dug in rick-yards or back-yards or portions of 'porambokes' and village sites which are not required for communal purposes. A good manurial compost of dung and vegetable matter goes

very much farther than badly dried dung. If dry earth is spread in all cattle-sheds, it catches the urine as well as the dung. From time to time it can be removed and stored in pits, and makes a very excellent manure. But the best manure of all is prepared by the loose-box method. This is to keep cattle tied in a closed shed on the floor of which a thick layer of straw, stalks of leaves has been laid. The dung is absorbed by this layer, which the cattle tread hard as they move about, so that it remains clean and free from smell, and need not be removed for weeks or even months at a time.

IV. *Better seed*

To get the best crops the ryot should use pure seed and improved varieties of it. He can get these from Agricultural Demonstrators and Government Farms. If an Agricultural Improvement or Better Farming Society is formed in a village it can arrange to obtain and distribute the seed most suitable for local conditions. It can also run a seed-farm, in which the good seed is grown pure and the whole crop made available for distribution as seed. Further, every ryot can improve his own seed by picking out the best plants in his fields using seed from those alone.

V. *Better ploughing*

To ensure that plants get enough air and that moisture is conserved in the soil, a good tilth is essential. The earth should be well pulverised to a depth of six or nine inches, not merely scratched and left lying in large clods. The ryot can now buy for very small sums light iron ploughs which even weak cattle can draw with ease and which plough much better than the wooden plough. In order to help him to purchase them Government are granting special small loans. If individual ryots cannot afford them even with the help of the Government loan, a number of them can combine to purchase one or two and share their use.

VI. *Better cattle*

There is now a strong movement to introduce stud-bulls of good stock wherever possible. It is not yet clear how much can be done in this way. But if ryots have Better Farming Societies that can undertake to look after stud-bulls and regulate their mating, rich landowners and District Boards will be more willing to make gifts of stud-bulls than if there is nobody to take care of the bulls given. Government will pay a handsome annual premium to anybody who keeps a stud-bull which serves a certain number of cows every year. Even if the premium is not earned, the increase in the value of the calves sired by a pedigree bull amounts in a very short time to more than the cost of buying and keeping the bull; so the investment is practically bound to be profitable. If the ryot is too lazy to try to improve the breed of his cattle, he can at least improve their condition by better feeding and better stalls. Cattle-sheds in which the cattle are comfortable make for longer life and less disease. It is false economy to build poor

sheds or to stint working cattle. The amount of work that cattle can do and the length of their life depend on how they are treated. It is cheaper in the long run to feed cattle well so that they live longer and the ryot does not have to pay hundreds of rupees every few years to buy new animals. It is also very definitely worth while to grow special fodder crops. Well fed cattle plough better, so that the food-crops yield a better outturn; and there are several fodder-crops that help to restore the soil. So the loss due to growing fodder-crops instead of food-crops is soon made good by the greater yield of the food-crops, not to mention the great increase in the yield of milk, that most valuable of all foods. This has been proved in other countries.

VII. *Better conservation of reserves and unreserves*

Government is doing its best to maintain a good growth of vegetation on the hills and at their foot. But the ryot, instead of co-operating takes every opportunity to commit depredations. The result is that the tree-growth decreases; the rain rushes away over the denuded country carrying excessive silt into the tanks instead of falling gently on the foliage and then finding its way gradually into irrigation sources. In this way tanks are silted up and the second crop supply diminished. Fuel resources are also diminishing, and the supply of green leaf for manure is becoming inadequate in places. The ryot must realise that the only way to ensure (1) a good vegetation to regulate the flow of water on the hills (2) a steady supply of fuel and (3) an abundance of green manure leaf is to preserve the reserves and unreserves and improve them wherever possible. He should get rid of his goats, which eat the young trees and shrubs; and he should help to prevent offences instead of committing them himself and conniving when others commit them. If the ryots of a village divided the unreserves into blocks and agreed to close certain blocks for grazing for two or three years at a time, the growth would recuperate and become dense, instead of always remaining sparse and degenerating into thorn shrubs. In every village there should be an informal forest panchayat for this purpose.

VIII. *Planting of trees*

The expense and trouble of this is little and the advantage great. A certain day should be set apart each year for every ryot to plant at least one tree, which should be soon after the first rains. Seed should be collected in advance and pits prepared. A little manure or ash should be mixed with the earth. Care should be taken that when the pit is filled in, there is no hollow in which water can collect and swamp the seedling. The young tree must be protected from animals, preferably by a thorn fence; and it should be shaded from the sun when the heat is excessive.

IX. *Paving of lanes*

The parts of the lanes in each village where water and mud collect should be paved with stone. This is a thing that villagers can get done

without outside help, if only they will combine to collect a small fund for the purpose, to gather and cart stone, and to provide labour.

X. Removal of encroachments

Lanes should be wide and straight. But individuals are always making encroachments to the disadvantage of the community. Nobody takes the trouble to protest or to bring new encroachments to the notice of the authorities. If every villager undertook to remove his own encroachments and to persuade his neighbour to remove his, or told the village officers of each encroachment he noticed, the lanes would soon be wider and neater.

XI. Cleaning the village

Villagers must set aside special places for the throwing of rubbish and see that rubbish is thrown there instead of fouling the village site. Every man should rebuke his neighbour when he finds him committing a public nuisance. Villagers when they meet together should discuss what can be done to make the village cleaner and to reform those who will not keep the neighbourhood of their own houses clean. Manure should not be allowed to lie about the streets and lanes; a special place should be set apart for it to a distance from the inhabited houses. The neighbourhood of wells should be kept particularly clean. In order to carry away dirty water and rain water drains should be dug. This is a work that need not cost much and can be arranged by the villagers for themselves by organising a special fund for the purpose and levying small contributions of money and labour from each house. The inside of every house should be kept scrupulously clean; if public opinion condemns sluttish housewives a great deal can be accomplished. The outside of every house and hut should be whitewashed or plastered as well as the means of the inmates allow. It might be arranged that on certain days every year each householder would do up the walls of his house so that the village may look decent. A common fund might be organised to provide whitewash for the poorer villagers.

XII. Improved cart-tracks

It will be a very long time before Government or the District Board can give every village a good road. The existing cart-tracks will have to serve for the present. But they can be greatly improved by a little united effort. If, to start with, the villagers will unite to contribute money or labour and will arrange to remove boulders from important cart-tracks or to level the ridges and fill up the ruts, they will make travelling in bandies much pleasanter for themselves and much easier for their bullocks. Bullocks will suffer less from sores, will live longer and will pull heavier loads faster. If fifty cart-owners will each work on ten yards once a month, in three months they will have improved nearly a mile of road; so a day or two of hard work once a month is all that is required to improve several miles of cart-track in a year.

XIII. Better education

It is not likely that the number of schools will grow very fast. In fact the present policy of Government is to reduce the number of schools in order to increase the efficiency of those that remain. If any village wants a school it is up to the villagers to see that any school established in the village is given a proper chance to work and that the best use is made of it. There are in particular two things that the villager must do. In the first place he must not tolerate slack schoolmasters who make no serious attempt to teach, but close their schools when they should keep them open or sleep when they should be teaching. When a school-master is not doing his duty the parents of the school-children must rebuke him, and if he takes no notice of the reproof they must report his conduct to the authorities. In the second place parents must give their children a real chance to learn. They must send them to school regularly and not take them away to work in the fields. A child who attends school only now and then will never learn properly; he will only waste his time. Parents must let their children attend school without interruption for at least two years. In that time a child can become truly and permanently literate. It is also most important that more girls should be sent to school. Ignorant women are no help to their husbands or neighbours and will often themselves suffer from their want of knowledge; and women are a half of every village. If half the village is backward, how can the other half go forward?

XIV. Games

Villagers, as a rule, play very little. Though some games require special apparatus and cost too much, there are others that even the poorest can play. Games are a much better employment for leisure than talking scandal and devising plots. It should be the aim of the more enlightened villagers to introduce simple games into their villages and especially to encourage the children to play games, run races, wrestle, jump, and engage in other pursuits that will both give them some enjoyment and improve their physique. The provision of playgrounds and playrooms can be considered when the habit of playing games has developed.

Section V. Parables for the Ryot.

In talking to a peasant audience a speaker must always adapt his mode of expression to the way of thinking of the audience. Illustrations and parables have a special use in engaging the attention of the hearers and stimulating them to think for themselves. The few given below may be found useful. (If workers in this field would send me collections of similar parables which they themselves or their friends have used with effect, I should regard it as a favour.)

1. A ryot was ploughing with two bulls. One pulled willingly, like the hard-working bull he was. The other was not inclined to do any work

but tried to lie down and rest at every turn. So the ryot could not plough his field properly. (In the same way Government depend both on their officials and on the villagers themselves; if the villagers will not help, it is impossible for Government to improve the villages.)

2. In a certain village there was a young man who did no work. He lived with his father and he had a wife to cook for him. One day his father said to him. 'Son, this year our crops have failed and the price given me by the merchant is very low; do you go and earn some money by labouring in the fields?' But the son replied 'I can do no work; you must work for us both'. So both of them starved. Then the son's wife fell ill and died. The father said to his son, 'I am going every day into the fields; do you cook for us?' But the son answered 'I do not know how to cook; you must cook for us both'. So they both had to eat their food uncooked.—(In the same way, if ryots think they need do nothing because Government and the District Board will do everything for them, they will have to do without benefits.)

3. In a certain village there was a poor man, who was the servant of a rich man. He had a house, but the house had no pial. He wanted a pial; so he wished and wished, but no pial came. Then he went to his master and begged him to build a pial for him. But the master refused saying 'I myself am busy with many things, and all my servants have their own work to do'. But as the poor man besought him humbly, the master said 'If you will do the work yourself, I will give you two rupees toward the cost'. The man cried out 'What is the use of two rupees? It will not even pay for the stone, and how am I to pay the coolies?' He went away angry: but when he had reflected he came back and took the two rupees, and with other money of his own and his own labour he built the pial.—(In the same way ryots must be ready to contribute their own money and labour to accomplish the improvements they desire.)

4. Once upon a time five men resolved to grow a mango tree. The first year they dug a pit but put no seed in it. The second year they put a seed, but did not manure and water it. The third year they put a seed and manured and watered it, but put no fence around it; so goats ate the seedling. At last they grew the tree; but without waiting for it to bear fruit they lopped off one this branch and one that, so that only the trunk was left. This they sold for a quarter of what they had spent.—(This is a warning against the common mistakes in forming and working co-operative societies and associations. Ryots first resolve to form a society but do nothing. Then they form a society but take no trouble to make it strong and healthy, or allow it to be destroyed by bad panchayatdars and feuds. Then, if the society flourishes a little and obtains funds, they misapply and misappropriate the funds and do not pay their dues, so that the society has to be wound up and everybody having lost his investment ends poorer than he began.)

5. Many streams run from the hills into a valley; but until the skilful engineer makes a bund all the water just runs away to join the river. The engineer puts a bund across the stream and gathers the water together into a tank. Then at last the water is made useful and profitable, irrigating many acres of land. (In the same way every ryot uses his own strength and money and knowledge only for his own benefit, and wastes them all; but if the abilities and resources of many villagers are gathered together by forming an association a means is created of distributing them to the best advantage of all. And similarly the efforts of isolated societies go to waste unless a central society or union guides their activities into the right channels.)

6. There were three ryots in one village who had crops to take to market. One wanted to take his crops on Monday, one on Tuesday, and one on Wednesday. But none of them had a cart and there was only one cart for hire in that village. It was a big strong cart and could easily carry all their crops at the same time. But they each paid the cartman one rupee and took their crops at different times. Again in the next month the three ryots wanted to take their crops to market. They all wanted to hire the cart on the same day and began to dispute who should have it. One offered the cartman one rupee; the second offered one rupee and a quarter; the third obtained the cart by paying a rupee and a half. The third month the three ryots again had crops to take to market. But this time they met together and agreed to take their crops at the same time. They hired the cart for one day for one rupee.—Which time did they do wisely?

7. In a certain village there were many ryots who had no bulls. Of these there were fifty who each had one acre to plough. Each hired one pair of bulls and a wooden plough from other ryots and ploughed his fields, spending one rupee. Another fifty ryots likewise had each one acre to plough. They met together and gave ten rupees each. Having thus obtained Rs. 500 they bought two pairs of good bulls and two iron ploughs. They ploughed their land well and raised good crops. At the end of five years they bought two more pairs of good bulls. They used their bulls also for carting and for drawing water from their wells to irrigate their fields; and they took the dung for manure. The first fifty ryots each spent one rupee for ploughing and two rupees for carting and other money for driving their mholes every year; yet they remained in the same condition. The second fifty ryots each spent twenty rupees in ten years and improved their land.—Which did wisely?

8. A certain man went a journey. On the way he had to cross during the night a difficult pass over high mountains. The mountains were the haunt and robbers. Before the traveller was half-way over the mountains he was set upon by robbers and left naked, without food or money, wounded and nearly dead. The next time that he made the journey he travelled as one of a band. Most of the robbers dared not attack the band: and when one gang made an attack, they were beaten off and some of them captured.—

This parable shows how a single villager, who travels through the difficulties of life in a night of ignorance, is beset by debt, losses, disease, poverty and extortion. When he learns to work together with his neighbours he frees himself from his ignorance, his diseases, his poverty, and his oppressors.

9. In a certain village there was a well as deep as four men, with sheer sides. One day five men fell down the well one after another. For several hours each man tried to climb out by himself. At last one who had more sense than the others called them together and said 'If we try to climb out each by himself we only dash ourselves vainly against the sides of the well. But if one of you stands on my shoulders, and another man climbs on his shoulders, and so a third and a fourth, one of us can climb out and get a rope, up which the rest of us can climb'. And then they speedily escaped from the well.—Villagers cannot escape from their difficulties unless they learn to help each other and to combine their efforts so as to secure the means of improvement.

Section VI. The Place of Private Benevolence in Village Improvement.

This study has dealt mainly with the functions of Government officials and the villagers themselves. There is also work to be done by private individuals endowed with either wealth or public spirit or human sympathy. They can do a lot as individuals by lending their help or giving their spare cash to villages which have set on foot an intelligent and worthy endeavour of any kind. They can do still more as members of benevolent organisations like the Red Cross Society. Such bodies can draw together a multitude of small contributions and isolated efforts and give them a new direction and force. To conduct a widespread and intensive campaign for better health and sanitation, or for a sounder management of co-operative institutions, to arrange for the training of first-aid workers, midwives, nurses, vocational instructors or rural guides, to organise touring dramatic troupes to give amusement while they spread new ideas, to secure a proper provision of playgrounds and playrooms and to arrange for village to match itself against village in a healthy and entertaining rivalry, to teach the villager the essentials of civics and to help him to understand the issues about which he has to make up his mind when he exercises his right to vote, to present the needs of the villager to the administration and to interpret the decisions of the administration to the villager—all these are valuable activities beyond the scope of Government departments with their limited personnel and pressing duties or of the villager with his limited means and untrained intelligence, which can yet be brought into being and kept alive by benevolent organisations whose members are determined to do what they can for rural India. And my word in conclusion is that if they can, they must.

(concluded.)

Indian Co-operation and the Problem of Rehabilitation.

In the statistical, but mainly quantitative survey on Indian Co-operation in the October, 1941, issue of the *Review*, allusion was made to the difficulties which have confronted the Movement in recent years, but no comprehensive statistical data was then available to illustrate this point. In December, however, the Reserve Bank of India issued a *Review of the Co-operative Movement in India, 1939-40* as a supplement to its *Statutory Report* published in 1937, which surveys the whole field of agricultural finance in so far as it related to the co-operative Movement. With the aid of this latest publication it is possible to give a bird's eye view of the position of Indian Co-operative finance, to analyse the present trends and to indicate possible improvements. The Reserve Bank's *Review* actually goes much further than its title suggests, however, as it contains a critical analysis of the figures relating to the Agricultural Primary Societies in 1938-39 which formed the basis of our previous survey.

The great economic depression which set in in 1929 brought about a world-wide fall in prices of agricultural produce which had particularly disastrous repercussions in India, a predominantly agricultural country whose cultivators had already suffered hardships. A price fall of about 50 per cent reduced the income of the cultivator to half, but as his rent and his indebtedness remained at the old figure, his real burden of debt was increased by 100 per cent. These general conditions affected the Co-operative Credit Movement very seriously, in fact to the extent of a crisis and of creating urgent problems of rehabilitation, reconstruction and reorganisation. At the same time, the Reserve Bank states, various defects in the organisation and structure of Indian Co-operative Societies were brought to light—"over-borrowing, lending without full regard to the repaying capacity of the borrower, frozen dues disguised by fictitious repayments, disregard of real co-operative principles, as the consequence of a partial and one-sided approach to the rural economic problem with relative overemphasis on Credit Co-operation and comparative neglect of the essentials of Co-operation in other important spheres of a farmer's life."

The numerical strength of Co-operative Societies of all kinds, including those in the Indian States, is given as follows:—

		Societies.	Members.	Working Capital. Thousand Rupees.
1938-39	...	122,167	5,374,000	1,065,600
1939-40	...	137,000	6,080,000	1,071,000

The Agricultural Co-operative Movement.

At the end of 1939-40 there were 118,744 Agricultural Societies, 101,401, or 85 per cent being Credit Societies of the Raiffeisen type. Their total membership was 4.1 million, aggregate working Capital Rs. 305 million,

THE MADRAS JOURNAL OF CO-OPERATION

share Capital Rs. 40.8 million, reserves and other funds Rs. 82.7 million, members' and non-members' deposits Rs. 12.4 million and Rs. 11.9 million, respectively, loans from Provincial and Central Banks Rs. 155.5 million. Owned funds represented about 40 per cent of working capital (share capital 13 per cent, reserves 27 per cent), members' and non-members' deposits 4 per cent each, loans from Provincial and Central Banks 52 per cent. Although at first sight the figures indicate a not unsatisfactory position, real weaknesses are revealed by closer examination. For instance, reserves may not always represent surplus assets, in many cases no provision for bad debts is made from the profits of societies, and reserves are often invested in the business. A more fundamental defect is that the element of thrift in the Movement is small, and the measure of dependence on external sources of finance is disproportionately large. Indeed the financial distributory system of co-operative credit in India is largely a channel for the flow of funds from the well-to-do townspeople through the Provincial and Central Banks to the Primary Societies and thence to the individual members of the Societies.

Stagnation and Liquidation. At the end of 1939-40 the societies had loans of Rs. 231.4 million outstanding, of which Rs. 107.1 million, or nearly one-half, was overdue. The *Review* of the Reserve Bank adds: The real position would appear to be much worse in view of the common practice in several provinces of granting extensions, and the unsatisfactory and varying systems of calculating overdues. Moreover, no accurate figures of overdue interest are available though its amount would appear considerable."

"The accumulation of heavy overdues and the freezing of the assets of Societies naturally resulted in clogging their business and paralysed the working of the Co-operative Movement over large parts of the country. Coercive action against defaulters provided no effective remedy for this state of affairs, since it only saddled Societies (and Central Banks) with lands which were difficult to dispose of and the management of which gave rise to complicated problems. In some Provinces, such as the Central Provinces and Berar, Bihar and Orissa and Bengal, the Movement nearly collapsed. The figures of 1939-40 show that fresh advances by the Societies amounted to Rs. 74.4 million, or 32 per cent, and repayments to Rs. 79.6 million, or 34 per cent of the loans outstanding. It should be remembered, moreover, that the figures of advances during the year might in several cases represent renewal of old loans and only in part the issue of fresh finance. The serious nature of the contraction of co-operative credit is revealed by the fact that the amount of fresh loans by Agricultural Societies to individuals, which stood in 1928-29 at Rs. 125.5 million, recorded a drop of almost 50 per cent to Rs. 67.5 million in 1938-39 (Rs. 74.4 million in 1939-40)—although the real measure of contraction is smaller than may appear from these figures, as the fall in prices between the two years meant some appreciation in the value of money."

INDIAN CO-OPERATION AND THE PROBLEM OF REHABILITATION

Classification of Societies. A classification of societies as "A," "B," "C," "D," and "E" offers a general idea of their present unfavourable state. "A" signifies Very Good (Society works on co-operative lines, is sound financially and otherwise, requires no outside help other than the annual audit); "B"—Good (Society is generally sound and healthy, manages its own affairs—may, however, have a certain number of defaulters and may be short of perfection in co-operative spirit and education); "C"—Average of Fair (applies to all Societies not otherwise grouped; some Provinces have further classified "C" Societies into "Ci" and "Cii," the latter being a little better than Societies in Class "D"); "D"—Bad (Society will be cancelled if it does not improve within two years, and is ineligible for any kind of loan from the financing institution); "E"—Hopeless (a new classification introduced in a few Provinces for Societies definitely condemned to liquidation with no possibility of revival).

This classification shows that an appreciable proportion of the Societies—over 40 per cent in 4 Provinces and about 25 per cent in 3 others—are in "D" and "E" classes, and that relatively few—less than 10 per cent in 6 Provinces—are in "A" and "B" classes:—

Audit Classification of Agricultural Primary Societies, 1938-39.

Province.	A.	B.	C.		D.	E.	Nor Classified.	Total.
			Percentages.					
Bombay ...	5.5	25.2	25.8	42.1	...	1.4	100	
Madras ...	3.9	15.4	69.5	11.2	...	...	100	
Punjab ...	2.2	14.2	(i) 30.1	18.6	...	3.2	100	
			(ii) 31.7					
Bengal ...	0.1	1.3	46.8	12.9	12.5	26.4	100	
United Provinces ...	0.1	1.5	45.1	37.1	15.9	...	99.7	
Central Provinces and Berar ...	0.3	5.2	70.7	18.2	5.6	...	100	
Bihar ...	0.9	6.4	66.4	21.4	4.9	...	100	
Orissa ...	0.4	2.8	51.9	30.6	12.3	1.5	100	
Assam ...	0.6	5.7	52.1	41.5	0.1	...	100	
Sind ...	1.7	28.8	29.3	10.7	...	29.5	100	
North-West Frontier Provinces ...	1.6	8.1	69.9	5.8	...	14.6	0 100	
Delhi ...	...	19.2	(i) 14.8	27.7	...	5.7	10	
			(ii) 32.6					
Ajmer-Merwara ...	2.1	25.9	45.3	18.5	...	8.2	100	
Coorg ...	15.7	43.6	30.7	8.9	1.1	...	100	

The number of Societies under liquidation at the end of 1938-39 varied considerably from Province to Province. Bengal—total number of Societies 30,707, in liquidation 5.1 per cent; Punjab, 24,322—6.6 per cent; Madras, 13,759—10.1 per cent; United Provinces, 10,858—9.6 per cent; Bihar 7,762, 10.8 per cent; Bombay, 5,126—15.3 per cent; Central Provinces and Berar 4,764—27.8 per cent; Orissa, 2,704—7.0 per cent; Assam, 1,551—12.3 per cent; Sind, 1,397—13.3 per cent; North-West Frontier Province, 822—0.9 per cent; Ajmer-Merwara 723—10.9 per cent; Delhi, 353—6.0 per cent; Coorg, 312—1.3 per cent. As regards the Indian States: Hyderabad,

THE MADRAS JOURNAL OF CO-OPERATION

3,638—3.6 per cent; Kashmir, 3,633—3.1 per cent; Mysore, 1,892—6.8 per cent; Travancore, 1,636—20.0 per cent; Baroda, 1,244—11.3 per cent; Bhopal, 671—21.0 per cent; Cochin, 314—14.3 per cent.

Of the Societies in British India 105,160—9,204, or 8.8 per cent, were being liquidated; the percentage exceeded 10 per cent in 7 out of the 11 Provinces, and in one instance reached 28. In the 7 Indian States mentioned above the total number of Societies was 13,035 and 1,022, or 7.8 per cent, were in process of liquidation. The proportion of working capital represented by the Societies under liquidation was, of course, relatively much smaller, most of them being small units; of those in British India the proportion was 4.0 per cent out of a total of Rs. 746.1 million, and of those in Indian States 3.8 per cent out of a total working capital of Rs. 46.1 million.

Referring to the causes of stagnation, the Reserve Bank emphasises that "the depression and, to a certain extent, the debt legislation of recent years, only aggravated the crisis in the Movement whose roots lay deeper in the indifferent observance of co-operative principles in the preceding years of comparative prosperity."

Debt Legislation and the Co-operative Movement.—Co-operative debts have been given a privileged position under most of the measures passed by Provincial Legislatures for the reduction of rural indebtedness. In the Punjab, co-operative debts cannot be touched by conciliation boards; in the Central Provinces and Berar, Madras, Assam and Bengal, no settlement is valid without the previous written approval of the Registrar; in Madras the provisions of the Agriculturists' Relief Act, 1938, do not apply to co-operative debts. In general, however, the working of Societies has been adversely affected by debt legislation, in spite of the preferential treatment granted in view of their special character and position, because in many Provinces a member in debt to his Society can file an application before the conciliation board and suspend payment of his instalments until the award is made by the Board and approved by the Registrar, thereby indirectly freezing the funds of the Society, irrespective of the ultimate outcome of the application. Large amounts of co-operative funds have thus been locked up, and the difficult process of unfreezing them is hindered by wilful default and by disinclination toward debt repayment which has proved infectious, and is not enlightened by a due sense of discrimination between co-operative and other debts. A similar opinion to that of the Reserve Bank was expressed by The Honourable V. Ramadas Pantulu, President of the Madras Co-operative Bank, at the Madras Central Bank's Conference in April, 1940: "It is a matter of regret that we should be fast losing our sensitiveness to the deadly effect of these overdues."

Central Banks and Banking Unions.

Central Banks have been organised since the passing of the Co-operative Societies' Act of 1912 to finance the Primary Societies and to act as

INDIAN CO-OPERATION AND THE PROBLEM OF REHABILITATION

their balancing centres. They consist mainly of two types: the first have a membership confined to Societies and are generally known as Banking Unions—the second have a mixed membership of individuals and Societies. At the end of 1939-40 there were in British India and the Indian States 600 Central Banks and Banking Unions, with a membership of over 104,000 Societies and 80,000 individuals. Total working capital was Rs. 292.1 million, of which share capital amounted to Rs. 26.5 million (9 per cent) and reserves and other funds to Rs. 42.0 million (14 per cent). Deposits from Societies, individuals and other sources amounted to Rs. 173.2 million (59 per cent of working capital); loans from Provincial Banks were Rs. 45.4 million (14 per cent), and loans from Government Rs. 5 million (1.4 per cent). Borrowed funds totalled Rs. 223.6 million (77 per cent of working capital). The Reserve Bank points out that the ratio of owned funds to working capital does not appear unsatisfactory from these figures, but that the real position, as judged from the composition of reserves in respect of some Central Banks, may be less satisfactory as these are again created without making adequate provision for bad debts.

Loans outstanding from Societies at the end of 1939-40 amounted to Rs. 188.6 million and those from individuals to Rs. 8.8 million, i.e., almost 90 per cent of the borrowed funds of the Central Banks was on loan. Figures of overdues in respect of principal or interest and of bad debts are not available in all cases, but it is stated that they must amount to a large sum and that, in not a few instances, bad debts may exceed the owned funds of the Banks. The Reserve Bank states that the Central Banks in Bombay, Madras and the Punjab were in a comparatively sound position, but that in some Provinces, particularly Bengal, Bihar, Orissa, Central Provinces and Berar, their condition was disquieting and many had to close their doors owing to inability to meet withdrawals. The failure of Central Banks in these latter Provinces is said to be the result of reckless over-financing of Societies, inefficient supervision and disregard of sound principles of banking in conducting their business, as well as to faulty organisation of the primary units.

Mr. Pantulu, at the Conference already mentioned, referred to a proposal on the agenda that the Provincial Bank should accept overdue paper of Societies as cover for overdrafts. "That," he said, "only shows how the persistent continuance of overdues has deadened our sensation to the rot that has set in. . . . During the period of intense economic depression we showed some laxity in regard to financing such Societies (those whose overdue position was very unsatisfactory). Broadly speaking, we took the view that future finance must not be wholly cut out simply because a Society is in default to a Central Bank and the overdues of members in the Society were heavy. . . . It was clearly a temporary expedient to prevent stagnation and a virtual collapse of the credit system at a time when the credit movement was passing through an acute economic crisis."

Provincial Co-operative Banks.

The functioning of Co-operative Credit Societies and Central Banks is co-ordinated in all major Provinces by a Provincial Bank (with the exception of the United Provinces where its establishment is under consideration). The constitution of the Provincial Co-operative Banks varies. In Bombay, Sind, Madras, the Central Provinces and Berar, Bihar and Assam, membership is open to individuals as well as to Societies, and the Board of Directors, consists of representatives of different types of Societies and of individual members. In the Punjab and Bengal membership is open to Societies only and the Board of Directors consists exclusively of representatives of affiliated Central Banks, Banking Unions and other Societies. In Bengal the Registrar nominates three Directors from non-members. In Bihar, the Central Provinces and Berar, Bengal and the Punjab the Registrar is an ex-officio Director of the Provincial Co-operative Bank; in Madras there is a similar proposal.

British India has 8 Provincial Co-operative Banks, while Apex Banks exist in the Indian States of Mysore and H.E.H. the Nizam's Dominions. At the end of 1939-40 total working capital of Provincial Banks was Rs. 134.1 million, share capital Rs. 7.9 million, reserve and other funds Rs. 4.9 million and Rs. 9.7 million, respectively. Deposits from Societies and Central Banks amounted to Rs. 39.8 million (30 per cent of total working capital) from individuals and other sources to Rs. 65.7 million (49 per cent), while loans from Government were Rs. 6.1 million (4½ per cent). Altogether the owned fund of the Provincial Banks formed nearly 17 per cent of working capital. The Reserve Bank again adds that as adequate provision had not always been made for bad debts the amount of real surplus assets would be less than the figure of reserves suggest.

The cash balances of Provincial Banks amounted to Rs. 4.25 million, or about 3.8 per cent of borrowed funds; investments in Government and other securities were Rs. 54.2 million, or 49 per cent of borrowed funds. Loans to individuals against securities, including agricultural produce, totalled Rs. 3.15 million; those outstanding totalled Rs. 70 million, or 66.3 per cent of the deposits. "All Provincial Banks do not assess their bad debts regularly and in the absence of any definite information on this point it is difficult to say to what extent their loans had become bad or doubtful. On the whole the financial position of Provincial Banks was much better than that of Central Banks though, in a few Provinces, the position of Provincial Banks was not very satisfactory, since the strength of the superstructure is conditioned by the soundness of the base. Altogether, the example and initiative of the Provincial Banks has been responsible for the increasing application of banking principles to the Co-operative Movement."

Land Mortgage Banks.

The most recent addition to the system of Co-operative Banking in India is the Land Mortgage Bank which supplies long-term loans for the

liquidation of past debts and for land improvement. The real beginning of land mortgage banking was marked by the establishment in 1929 of the Central Land Mortgage Bank in Madras for centralising the issue of debentures and for co-ordinating the working of Primary Banks in the Province (within ten years the number of the latter increased from 12 to 119). Up to 30th June, 1940, the Central Banks had floated debentures guaranteed by Government for principal and interest to the extent of Rs. 26.4 million, of which Rs. 19.5 million were outstanding. The amount of loans outstanding on the same date was Rs. 21.8 million, there were no arrears of loans of the Central Bank, but a small proportion of the advances of, Primary Banks to their members was overdue. This satisfactory position is said to be the outcome of the care exercised in examining the title of lands, in valuing lands taken as security for loans, adjusting the period of loans to that of debenture, and fixing instalments for repayment according to the paying capacity of the borrowers.

A Central Land Mortgage Bank was established in Bombay in 1935 in other Provinces, however, the technique of land mortgage banking is either inadequately developed or hardly developed at all.

The success of the Banks in floating debentures at fairly low rates has been due, so far, to the guarantee extended by Government and to their being declared trustee securities. A general analysis, the Reserve Bank states, shows that the business of Land Mortgage Banks has been concerned too much with the redemption of old debts and too little with the improvement of land and agriculture and the introduction of better methods of cultivation, but it is admitted that, to some extent, this is natural in existing conditions, under which the removal or alleviation of the burden of past indebtedness is essential to any degree of agricultural progress.

The Urban Co-operative Movement.

At the end of 1939-40 the non-Agricultural, mostly Urban, Societies numbered 16,747; they included 6,951 Credit Societies, including Salary and Wage Earners' Savings Societies, 1,094 Purchase and Purchase-and-Sale Societies, 1,454 Production and Sale Societies, the remaining 7,248 being unclassified. The total working capital of the non-Agricultural Societies was Rs. 277 million, against Rs. 305.1 million in the case of 118,744 Agricultural Societies—much of the working capital is locked up in irrecoverable loans. The amount of fresh loans granted by non-Agricultural Societies to individuals in 1939-40 was Rs. 154.6 million, against Rs. 74.4 million advanced by Agricultural Societies. The working of the Urban Banks and other Credit Societies is stated to be on the whole satisfactory, although there is scope for further improvement in the service which they render.

(To be continued).

Ten Things which Co-operatives should do under War-Time Conditions.

Sound advice for co-operative officials and members is given in the latest issue of Consumers Co-operation as follows:

1. *Increase Membership.*—A co-operative is alive only when it is growing. Membership drives should not only be put on at periodic times, but every day should be new member day, with every employee and every member soliciting new members as they meet them.
2. *Increase Services.*—New services should be added as rapidly as possible, after thorough investigation, both in order to better serve the members, and also to offset the constantly reducing margins on the older lines handled.
3. *Increase Capital.*—The capital of a co-operative should be increased until the co-operative is out of debt and the members are full owners, and then should continue to be increased still further to provide for the financing of additional new services. There is no other investment equally as sound to-day as investment in a co-operative.
4. *Increase Reserves.*—A large percentage of the savings made by a co-operative should be retained, rather than paid out in patronage returns. They may be retained in the form of general reserves to provide against emergencies, and as patrons equity reserves to more rapidly supply additional capital.
5. *Increase Education.*—Increased education of both present and prospective members is necessary to build strong co-operatives. The best way to provide the necessary funds is to appropriate a definite percentage of volume monthly as a part of current operating expenses. One per cent. of the volume of a local co-operative is recommended by the Directors of the Co-operative League for education and recreation.
6. *Decrease Receivables.*—A co-operative business institution should not endeavour to be also a credit institution. Where credit is necessary it should be provided by a separate co-operative credit association. However, members should educate themselves to save and put their budgets on a cash basis as rapidly as possible.
7. *Decrease Payables.*—The Swedes say that co-operatives should neither give nor accept credit. No co-operative is fully free so long as it is in debt.
8. *Decrease Inventories.*—Efficient operation requires a constant increasing rapid turnover of inventories, or a reduction in percentage to volume. Increases in inventory values should be set up as reserves against possible future declines. A co-operative cannot gamble on the stock market it should not gamble on the commodity market.
9. *Decrease Investments.*—Care should be exercised in making additional investments in facilities at excessively high prices to prevent later heavy depreciation.
10. *Decrease Expenses.*—Economy in operations is not a matter of under-payment of employees, but of elimination of waste and unnecessary expenses and the increased efficiency of everyone's efforts.

While these recommendations are urged for war-time conditions, they apply—war or no war. Co-operatives cannot go wrong in following them at all times.

(Co-operation and Markets News.)

Address.

ROLE OF A CO-OPERATIVE INSPECTOR.

BY RAO BAHADUR A. RAJABADAR MUDALIAR.

As desired by the Deputy Registrar of Chingleput, I address you on the subject of Co-operation and specially on the role of a Co-operative Inspector as the "friend, philosopher and guide" of the co-operative movement. My reason for choosing this special aspect of your work to speak about is that in my long experience of the working of the Movement I have noticed that Inspectors generally have not developed an adequate appreciation of the importance of that aspect.

The duties of an Inspector are connected with one or more of the various duties and responsibilities assigned to the Registrar in the Act and Rules. In discharging such duties the Inspector has to act as a friend, philosopher and guide of the various co-operative institutions to which his duties take him. Whatever is said or done to an institution should be of the nature of what a friend *i. e.*, a real well-wisher of the institution would do it, and you have to act calmly and rationally in all your doings as a philosopher. You have to realise that Government expect you to be a practical guide in matters connected with your work in a co-operative institution.

Let us now consider the true import of the co-operative movement whose ideals you have to correctly grasp before you do any work in it. As its motto signifies each member of a co-operative body should wish and act for the well-being of the whole body. In other words no member of a co-operative body can act to the detriment of the interests of any other member. You know well enough how in the practical working of societies this prime ideal had been sadly violated. Individual members of credit societies, for example, often apply for and take loans, knowing well that they cannot repay them and that their failure to repay would cause loss to other members and lead to the ruin of the society. Influential members err more often than others in this way and have wrecked many a society by such acts. It is important therefore for you, at the very start when a society is organised, to make sure that the members of the proposed society are suitable to work the co-operative ideals and that there are none among them and especially among the proposed directors, who are likely to exploit the society for selfish ends and bring ruin to it. If you are not satisfied that the members understand the co-operative ideals it would be wise not to recommend the registration of the society. Never yield to the temptation of any influential person who may press for a society obviously for his own selfish purposes and to the prejudice of the interests of others. To register a society which you have reasons to think will prove harmful to its members as a whole will be sowing the seed for the unhappiness of such members, and for the sin of such act you would be responsible.

As regards your work as auditors of co-operative societies, it is here that you have ample scope for acting the part of a friend, philosopher and guide. You have to enter into this work as a sincere well-wisher of the society with the mind to do your best to help the society to improve its working. Carping criticisms should be avoided and where any defects can be immediately mended by a society you have to get them mended at once. Where a society works at a loss or unsatisfactorily otherwise it is your duty to carefully and calmly consider what rational measures are possible for its better working and suggest them after discussing the *pros* and *cons* with the authorities in charge of the society. You have to scrupulously avoid giving any cause for offence in your discussions or suggestions and you should so conduct yourselves that those in charge of the society would look upon you as its sincere well-wisher and seek your helpful advice. You should take care not to assume an air of a critic empowered to pick holes in their work and cause annoyance to them. If there is faction in a society you should be careful to give no room to any one to think that you side any party. Do not mix yourself up in local politics. The great aim of the Movement, to improve the economic condition of our people most of whom live a miserable life of poverty, should ever be present in your mind in all your doings. You know well what little real co-operation there is among members of co-operative societies in general. You should miss no opportunity therefore to educate our people especially in rural parts where they are mostly illiterate as to the aim of the Movement and how they could benefit by it if they would combine and work on co-operative ideals in all fields of life, and how they would thereby promote also good-will and harmony among themselves which would conduce to their increased happiness. Most members do not know the rules of their society. These rules which constitute the moral code of a society were first framed by no less an authority than the great genius the late Sir P. Rajagopalachariar, the first Registrar. A careful study of them would show how they were designed to preserve the moral strength of an institution. You know, as I do, how several important rules are being recklessly violated and societies demoralised in consequence. You have to study the rules very closely yourselves and try to understand the intention and meaning of each rule, and then explain to the societies where you may notice breaches of any rules how their violations would injure the societies and how their observance would help their healthy and prosperous growth.

Before concluding let me remind you that the success of our great Movement depends very largely on the possession by all workers—officials as well as of non-officials—of the qualities essential for the practice of co-operative ideals namely love and sympathy with their concomitant, the spirit for service and sacrifice.

Registrar's Circular.

R. C. No. D. 16537/42 M.

12th August 1942

Sub : Village societies—Development of activities—Instructions issued.

The Registrar noticed during his tours that credit societies functioned merely as agencies for the provision of credit and that they rarely discharged the other functions provided in their by-laws for the economic improvement of their members. Though timely credit on cheap terms may be the primary need of the ryot, yet he requires assistance in many other directions if his economic condition should be improved. What strikes the Registrar most is that no sustained efforts have been made by Deputy Registrars in their tours to impress on the office-bearers and members of societies the advantages of taking up activities other than credit such as the adoption of better methods of cultivation, joint purchase of agriculture and domestic requirements, collective marketing of produce, etc., so as to raise their standard of living. There was no organised plan of work in these directions. In fact, the Registrar feels that more emphasis should have been laid on these activities rather than on the mere provision of credit. It is unfortunate that this aspect has been practically neglected all these years. Anyway, the present time is quite opportune for a large-scale expansion of co-operative activities and the Registrar wishes that vigorous efforts should be made by officers to bring about a real improvement in the economic condition of the villagers through co-operative effort.

2. What the ryot most needs is a better return from his lands. For this purpose, cultivation should be intensified by the use of better strains of seed, adoption of the latest methods of cultivation, use of adequate and suitable manure and fertilisers, etc. With the shortage of essential food-stuffs in several areas in the Province, the problem of intensive and extensive cultivation of food crops has become both important and urgent. Co-operative institutions can count on the active support of the Revenue and Agricultural Departments of Government in their efforts for growing more food crops. Deputy Registrars should impress on the members of societies the importance of the problem and how they can improve their economic condition by taking timely action to extend and intensify their cultivation. Societies should help their members to get the assignment of Government lands which are now left fallow and also give them the necessary facilities for bringing the lands under cultivation. Wherever possible steps should be taken to organise land colonisation societies. Short-term loans should be given in time under the controlled credit system or the forecast system for meeting cultivation expenses. Loans may also be given for the purchase of

improved agricultural implements and where necessary, societies may themselves purchase them, from out of the common good fund and hire them out to members for a reasonable fee. Arrangements should also be made through the Agricultural Department for the supply of pure seed, and wherever possible the societies may themselves undertake seed multiplication schemes so that they may be in a position to meet the entire requirements of the villages in pure strains of seed. Owing to the conditions created by the war, there is shortage in chemical fertilisers and societies should with the assistance of the officers of the Agricultural Department, assist the members to prepare suitable substitutes. Now that the Madras Provincial Co-operative Bank and the Central Banks have a large surplus there may not be difficulty to finance any scheme for productive purposes provided it is well planned and will improve the economic condition of the ryot. What is required is that every step should be taken to increase the production of essential food crops so that before long every village or group of villages may become self-sufficient in this regard.

3. Again, as Deputy Registrars are aware, on account of transport difficulties, there is at present shortage of essential food-stuffs and other necessary commodities in the villages, and ryots have to pay exorbitant prices for these articles. Societies can play an important part in relieving the distress by obtaining from members, say, once in a month or two, indents of their domestic requirements, purchase the articles from the neighbouring primary or wholesale co-operative stores, loan and sale societies or wholesale merchants, if necessary by taking loans from the financing bank, and supply them to members.

4. Another direction in which ryots require help is in respect of marketing of produce. In spite of the fact that the prices of commodities have generally risen, the producers are not much benefitted: the bulk of the profits is knocked off by the chain of middlemen between the producers and the ultimate consumers. Some progress, no doubt, has been made in recent years in co-operative marketing but considering the total volume of transactions in the Province, the progress so far made is insignificant. Village societies, cannot of course, undertake large-scale marketing themselves, but they may very well pool the produce of their members, grade them where necessary and arrange for their marketing through the nearest sale society. Deputy Registrars should, during their tours, explain to the ryots the advantages of co-operative marketing. Wherever possible, they should convince them of the advantages by quoting actual figures about the prices in the villages and the marketing centres.

5. For increasing the income of the ryots, it is also necessary to encourage them to take up subsidiary occupations. In villages near towns, members of societies may be given facilities to maintain milch animals and

for the joint sale of their surplus milk. The assistance of the local officers of the Veterinary Department may be taken for the periodical inspection of the animals and steps taken to improve the cattle wealth of the village. Bee-keeping is another profitable occupation that may easily be taken up. Deputy Registrars should, after proper investigation, suggest to societies the most suitable occupations they may encourage the members to undertake. Village societies should also be advised to take in as members persons engaged in cottage industries, give them adequate credit for carrying on their business and also arrange for the joint sale of the products.

6. For the economic improvement of the ryots it is not sufficient if their income is increased; they should be taught also to spend wisely. The prices of agricultural commodities are now high but there are no reasons to suppose that they would continue so for all times; a period of high prices is generally followed by a slump. The experiences of the severe economic depression during the years 1930 to 1935 must be fresh in the minds of most of the members. The Deputy Registrars should impress on the ryots that unless they are thrifty now and save something they will have to suffer later. Societies should be asked to encourage members to put by their increased income, if necessary, even by the use of some compulsion. The system of saving through Hundi boxes may be introduced in these societies.

7. Apart from improving the economic condition of the members, societies can play an important part in improving the sanitary condition in the villages, in the breed of cattle, etc. It is impossible for the officers of the Public Health, Veterinary, or other Departments of Government to give personal attention to the needs of individual ryots. What is required is that villages co-operative societies should provide suitable organisations through which the several Departments of Government may carry on their ameliorative activities in the villages.

8. What the Registrar feels is that though the co-operative movement has been in existence in the Province for nearly forty years, little progress has been made in making village societies a live force in improving the condition of the villagers. It is not enough if the Deputy Registrars merely make a flying visit to a village for test audit or inspection but they should take every opportunity to meet all the members, discuss with them matters regarding better farming, better marketing and better living, suggest to them how best the society can help them in these directions and see that any plan of work is systematically and vigorously pursued. They should also talk to them on the progress of the war, the economic evils resulting from it and the steps that should be taken to counteract them. It is only by such close contact can they win the confidence of the public and make themselves and the Movement more and more serviceable to the agriculturists. Officers at present rest content if the transactions in societies in a year are a few

THE MADRAS JOURNAL OF CO-OPERATION

thousands more than in the previous year. In a Province like Madras with its large population, transactions counted in a few lakhs of rupees are very insignificant. The Registrar hopes that as a result of the steps explained above, it would be possible, in the near future, to count the transactions in crores instead of in lakhs. In classifying societies according to their general working, Deputy Registrars should take into account the non-credit activities undertaken by them and should classify under "A" only such societies as are working for the all-round improvement of their members.

9. Deputy Registrars are requested to report in detail, once in every quarter, the result of the steps taken on the lines indicated above.

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News and Notes.

Rural uplift in Tiruchengodu.

Rural uplift activities in Tiruchengodu were intensified during the week ended with 31-7-42, under the auspices of the Taluk Rural uplift association. On July 25, an exhibition of handicrafts, agricultural implements, educational exhibits etc., was opened by Mr. D. Balasubrahmanyam Pillai, Revenue Divisional Officer, Sankari, who later presided over the Athletic association meeting which conducted the sports.

Provincial Board suggested for distribution and supply of food-stuffs.

The immediate constitution of a Provincial Board or committee with a non-official majority and including railway representatives, to control the distribution of food-stuffs through out the province was urged by Sri T. A. RAMALINGAM CHETTIAR, M.L.C. at a meeting held at the office of the Registrar of Co-operatives, Madras when he unveiled the portraits of Sir Hugh Hood and Mr. T. Austin, Advisers of the Governor, both of whom had held the post of Registrar of Co-operative Societies. The portraits were presented by Rao Bahadur M. Giriappa, a former Registrar of Co-operative Societies.

A Co-operative Sale Society for Erode.

At a meeting convened by Mr. E. M. Annamalai Pillai Secretary of the Co-operative Land Mortgage Bank, Mr. A. S. Ramachandran Pillai, Revenue Divisional Officer presiding, it was decided to open a Co-operative Sale Society. Several others who attended the meeting spoke on the need of having such a society.

In Aid of Evacuees from Burma.

In aid of the evacuees from Burma now at Bangalore an exhibition of paintings by Mr. Govind and his two pupils was held in Mayo Hall.

Horticultural Show at Bangalore.

Horticultural Show was held at Bangalore on 1-8-42 wherein several prizes for large gardens noted for perennial and annual flowers, small gardens noted for foliage plants and other flowers etc., were distributed.

Collective Weaving Centres to be opened.

The Government of Madras have approved a scheme submitted by the Yarn Commissioner for the organisation of a few collective weaving centres in the Presidency not only to speed up orders for textiles received from the Supply Department, but also to investigate the possibility of starting effective business organisations of weavers through the agency of staff appointed and supervised by Government. Six such centres will be opened immediately replacing the present weavers' relief centres.

The main features of the scheme are: Units of weavers in different centres will be employed in the production of materials required by the Supply Department and at the same time prospects of cloth production for peace-time and civilian needs will also be explored. These units will be treated as commercial undertakings and wages will be paid at market rates. A quarterly bonus at the rate of one pie per yard will be paid to weavers to ensure regular attendance and efficient work and the working of the units will be supervised by officials.

Co-operative Provisions Stores Opened.

To meet the scarcity of essential commodities a co-operative provisions stores has been organised at Gummudipundi in Ponneri Taluq by Mr. S. Swaminathan, Administrative Inspector, Trivellore. The stores will serve the requirements of nearly 12 villages. Its members are agriculturists. A similar stores was also organised at Dasarapuram near Trivellore. Mr. J. G. Christian, Divisional Organiser, National War Front, addressed the members of the stores on the value of co-operative effort particularly to agriculturists. Mr. S. Swaminathan also explained the working of co-operative provision stores in other centres in the district.

THE MADRAS JOURNAL OF CO-OPERATION

Relief to Weavers.

The Government have sanctioned the scheme submitted by the Collector of South Arcot for giving relief to the weavers in Cuddalore, Kurinjipadi and Pudupet on co-operative lines. The South Arcot Co-operative Central Bank will provide the working capital required by the Co-operative Societies in these places to the extent of Rs. 10,000 for each on condition that the business losses, if any, in working of the scheme are made good by the Government. Government also have sanctioned a capital grant of Rs. 1,500 for adopting the looms to weave the new materials which are in demand.

Co-operative Statistics.

The statistical statements relating to the co-operative movement in India for 1940-41 issued by the Agricultural Credit department of the Reserve Bank of India show that the total number of societies of all kinds was 142,512. The number of societies in British India per 100,000 population was the largest in Coorg (156) followed by Ajmer Merwara (126.5) and the Punjab (71.8). As compared to these the larger provinces are very backward. The figures for Bengal are 67, United Provinces 30.6, Madras 29.2, and Bombay 25.3. Among the Indian states Gwalior and Kashmir had a larger number of societies per 100,000 population than the Punjab and Hyderabad. Indore and Baroda had a better record of co-operative activity in proportion to population than Bengal, Madras, Bihar and the United Provinces. The total number of members in the country was 6,400,000. This total shows that the co-operative movement touches only a small fraction of the population, though it has been steadily growing. The number of members per 1,000 of the population was only 14.8 in the United Provinces as compared with 36.4 in the Punjab and 30 in Bombay. The working capital for all India was Rs. 1,09,32,61,000. The capital is insufficient for producing any substantial effect on the economic life of the country by the working of co-operative organisations.

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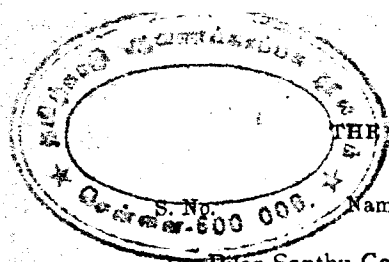
List of Societies Registered and Cancelled.

List of Societies Registered in July 1942.

S. No.	Name of Society.	District.
1	The Ichapuram Co-operative Stores, Ltd.	Vizagapatam.
2	The Chakipilly Co-operative Credit Society	"
3	The Seethammapeta Agency Co-operative Credit Society, Ltd.	"
4	The Jangareddigudem Co-operative Stores, Ltd.,	E. Godavari.
5	The Sree Rama Co-operative Stores, Ltd.	"
6	The Peddaganuru Weavers' Co-operative Sale Society, Ltd.	Kistna.
7	The Alluru Co-operative Agricultural Colonisation Society	"
8	The Chennaraopalem Co-operative Agricultural Colonisation Society	"
9	The Peddalanka Co-operative Agricultural Colonisation Society	"
10	The Penadipadu Paddy Seed Multiplication and Agricultural Improvement Co-operative Society, Ltd.	"
11	The Tangutur Co-operative Credit Society	Guntur.
12	The Mugachintalapalem Agricultural Co-operative Colonisation Society	"
13	The Zonnawada Co-operative Credit Society	Nellore.
14	The Lingasamudram Co-operative Credit Society	"
15	The Palicherla Co-operative Credit Society	"
16	The Tirupati Municipal Employees' Co-operative Stores, Ltd.	Chittoor.
17	The Kadiri Co-operative Stores, Ltd.	Anantapur.
18	The Tirunageswaram Co-operative Stores, Ltd.	Chingleput.
19	The Nemalur Co-operative Agricultural Colonisation Society	"
20	The Santhavelur Co-operative Agricultural Colonisation Society	"
21	The Lakshimipathi Co-operative Stores, Ltd.	Tinnevely.
22	The Omalur Co-operative Stores, Ltd.	Salem.
23	The Mettupalayam Co-operative Stores, Ltd.	Coimbatore.
24	The Perundurur Town Co-operative Stores, Ltd.	"
25	The Periapattanam Coir Manufacturing Co-operative Society, Ltd.	Ramnad.

List of Societies Cancelled during May 1942.

S. No.	Name of the Society.	District.	Date of Cancellation of Registration.
1	Kesavanallathur Co-operative Society	Chingleput	29-4-42.
2	Chathanoor Co-operative Society	Malabar	6-6-42.
3	Parnambalam Co-operative Jaggery Co-operative Society	N. Arcot	"
4	Soorinji Co-operative Stores	S. Kanara	"
5	Gerugambakkamcheri Co-operative Society	Chingleput	"



THE MADRAS JOURNAL OF CO-OPERATION

S. No.	Name of the Society.	District.	Date of Cancellation of Registration.
6	Pilar Santhu Co-operative Society	S. Kanara	6-6-42.
	Periakulam Co-operative Society	Chingleput	"
8	Melathangal Co-operative Society	North Arcot	"
9	Medapi Co-operative Society	Kurnool	"
10	Pedamaddali Shoe-makers Co-operative Society	Kistna	10-6-42.
11	Elangadu Co-operative Society	S. Arcot	12-10-38.
12	A. Kumaramangalam	"	"
13	Chittatukara Catholic Co-operative Society	Malabar	"
14	Natham Co-operative Stores	Madura	"
15	Varaganeri Women Co-operative Thrift Society	Trichinopoly	"
16	Tiruchuli Co-operative Stores Ltd.	Ramnad	"
17	Sevalur Co-operative Society	"	"
18	Kathivakkam Co-operative Society	Chingleput	"
19	Kakkoor Co-operative Society	Malabar	"
20	Oyelubenchiladi Andhra Co-operative Society	Bellary	"
21	Peranamallur Co-operative Khaddar Co-operative Society	N. Arcot	"
22	Blangad Fishermen Purchase and Sale Co-operative Society	Malabar	"
23	Komittiyeri Co-operative Society	N. Arcot	"
24	Prodattur Women's Government Weaving School Stationery Stores	Cuddapah	"
25	Mandavanigudem Satyavartna Co-operative Society	Kistna	13-6-42.
26	Sithirajakandigai Co-operative Society	Chingleput	14-6-42.
27	Piduguralla Panchama Weavers' Co-operative Society	Guntur	"
28	Bhujabalapatnam Co-operative Consolidation of Holdings Co-operative Society	Kistna	"
29	Islamiah High School Students Stores	Trichinopoly	19-6-42.
30	Kommalur Co-operative Society	Cuddapah	22-6-42.
31	Tinnevelly Co-operative Thrift and Loan Society	Tinnevelly	11-6-42.
32	Ayyalur Ladies Co-operative Thrift and Cottage Industries Society	"	"
33	Dharapuram Sub-Range Elementary Teachers Co-operative Society	Coimbatore	29-6-42.
34	Kolli Hills Co-operative Society	Salem	"
35	Komaikulam Mooponar Co-operative Society	Ramnad	"
36	Ozhalur Co-operative Better Living Society	Chingleput	30-6-42.
37	Musiri Co-operative Stores	Trichinopoly	"
38	Sankarapandiapuram Weavers Co-operative Society	Ramnad	"

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*Please note the change of address given above
from September 1, 1942.*

N. S. KONETI RAU, B.A., B.L.
Secretary.

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