

135

16

Madras Journal of Co-operation



VOL XXXV

NO 12

June 1944

JL
XMM211, N 10.4
N 44, 35.12
125598

Madras Journal of Co-operation

EACH FOR ALL, AND ALL FOR EACH

Journal of the Madras Provincial Co-operative Union, Esplanade, Madras.

JUNE 1944.

No. 12, VOL. XXXV

PRICE 8 As, NE

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.

Rehabilitation :

Elsewhere we have published a very interesting account of the success which attended the efforts of the Department, ably assisted by a non-official committee, in rehabilitating a Central Bank. We have no doubt the account will be read with considerable interest as it is sure to bring hope and cheer to many a Central Bank which is passing through similar trials. It may be, after all the affairs are not always so gloomy as sometimes the enquiry under some sections of the Act indicate. Only such an enquiry may result in opening our eyes to the existing state of affairs, which may become worse rendering the institution beyond hope of recovery, if timely action is not taken. The resentment which departmental interference may engender, will in many cases prove baseless and what is resented to may soon be welcomed. We should possess the courage to face facts and agree to

THIS ISSUE CONTAINS

Rachanapalli,
Reconstruction work in the South Arcot Co-operative Central
Bank, Ltd., Cuddalore (1939-43).
Reviews.
Working of Societies.

remedies however irksome they may be. The South Arcot Central Bank is a notable instance in this regard and it has been saved from utter collapse when it was on the brink of a precipice. Really a stitch in time has saved many a garment. So will it be with institutions as well.

The Ceded Districts :

We have read with some interest and concern the statement of Sri T. A. Ramalingam Chettiar, President of the Madras Provincial Co-operative Bank, on the banking facilities in the Ceded Districts. It may interest our readers to know that out of four Central Banks three are under supersession and managed by committees assisted by special officers. From his intimate knowledge of conditions prevailing in the tract, Sri Chettiar makes some observations which deserve our attention. He says :

"The Ceded District Rural Credit Society has not been a success. Very large number of them have accumulated arrears pending for 5 to 10 years. This is probably due to the fact that there are frequent famines and the people are generally very poor. Only a small number of the societies are working actually. A large portion of the debt had to be written off and the central banks are not at all in a position to bear the loss. The stores newly started seem to be doing good work but they will not be in a position to give the necessary backing to the Central Banks. The financing of co-operative societies in Ceded Districts is a matter that requires special treatment and the Government will have to take up the question seriously and render special help, if they want to help the agriculturists in these districts. In view of the fact that the ryots in this area cannot be reasonably sure of a crop every year banking on ordinary lines will not be enough. I would suggest the appointment of a committee to consider the present position now of the Central Banks, and the other co-operative financing agencies in the area and suggest means whereby they can be placed on a satisfactory financial footing.

We endorse his suggestion for the appointment of a small committee to study the problems on the spot and suggest remedies before it is too late to mend. We have no doubt this committee will also be required to examine the possibilities of starting land mortgage banks also in dry areas like the Ceded Districts. This topic received the serious consideration of the Vijayaraghava Chari Committee which made some recommendations. Unfortunately they

did not commend themselves to Government. It is worthwhile the problem is again considered anew and some fresh solution, if possible, is found for it.

Paper Economy :

As we were going to the Press, our attention was drawn to the extraordinarily drastic orders issued by the Government of India, of which the Paper Control (Economy) Order, 1944, imposing further restrictions and prohibitions on the use of paper is considered as applicable in our case. This Order virtually cuts down, it is presumed, the *Journal* to nearly one-third its usual size. As we have not yet been able to secure the full text of the Order and as our efforts to secure enlightenment in quarters competent to advise have been of no avail, we have decided to cut down the *Journal* to the minimum size permissible as a measure of abundant caution. We regret very much a great deal of reading matter already composed has to be kept back lest we should infringe the law. We are also forced to observe economy in regard to editorial comments. We hope the Government of India will realise the un wisdom of issuing peremptory restrictions and will give time to newspapers and periodicals to adjust their size and volume to suit the changing circumstances.

*Increase your knowledge on Fruit Culture and Fruit Industry
by reading*

**Bulletins on Fruit Industries of (i) Egypt, (ii) Palestine, (iii) Italy
& Sicily, (iv) France & Switzerland**

BY

**S. B. S. LAL SINGH, B.Sc. (Hons.), M.Sc. (Calif.),
Fruit Specialist, Punjab, Lyallpur.**

PRICED AT

**Annas 13 each or Rs. 2-3-0 for the complete set of four including
postal charges etc.**

PUBLISHED BY THE

Punjab P.C. Fruit Development Board, Lyallpur.

For further particulars please write to :

**The Honorary Secretary, Punjab P.C.
Fruit Development Board, Lyallpur (India).**

NOTICE.

Volume No. XXXVI, Madras Journal of Co-operation.

With this issue the **Madras Journal of Co-operation** completes Vol. XXXV. Subscribers are requested to remit their subscription for the next **Volume, i.e., No. XXXVI** commencing from July 1944 and ending with June 1945 **in advance** so as to reach this office **before the 25th July 1944.** If for any reason remittance is not received before that date, the July issue will be sent by **V.P.P.** which means an additional avoidable expense of annas three to themselves and some unnecessary work to the office.

If subscriptions are remitted by cheques drawn on banks other than the Madras Clearing Banks, the minimum bank commission of **four annas** may kindly be added also to the subscription.

V. VIYYANNA,

Hon. Joint Secretary,

The Madras Provincial Co-operative Union, Esplanade, Madras.

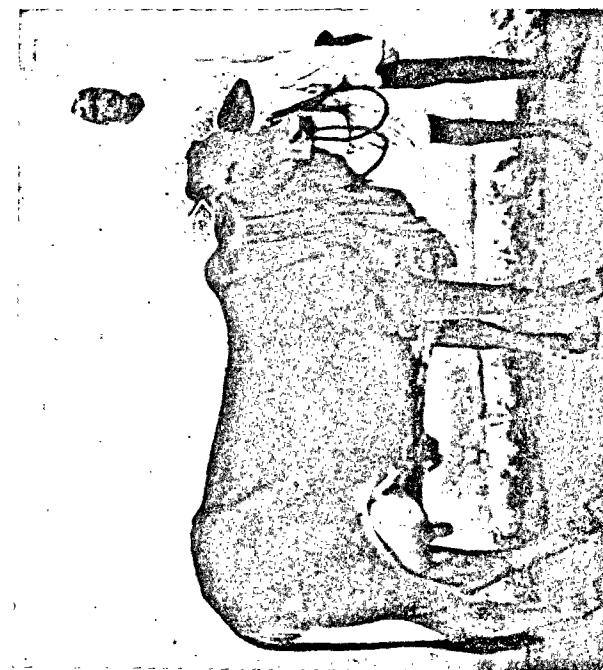
To Member Societies.

All member societies are earnestly requested to pay the Annual Contribution due to the Madras Provincial Co-operative Union either by Money Orders or by cheques drawn on the Madras Clearing Banks only before the 25th July. If they choose to send cheques on mofussil banks, they will please add the minimum bank commission of annas four to the amount of the cheque.

V. VIYYANNA,

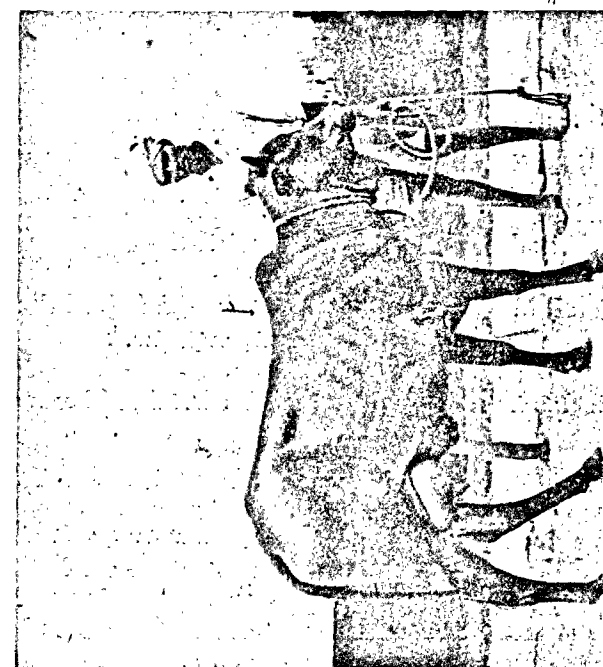
Hon. Joint Secretary,

The Madras Provincial Co-operative Union, Esplanade, Madras.



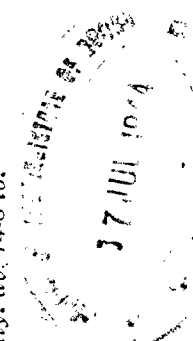
HOSUR LIVESTOCK RESEARCH STATION

5/16, Sindhi graded cow.



HOSUR LIVESTOCK RESEARCH STATION.

7/8, Sindhi graded cow, yield 5-136 lb. daily. av. 14-8 lb.



Rachanapalli.

Glimpses of Social and Economic Life.

[On 15-2-44, the students and the staff of the Rayalaseema Co-operative Institute, Ltd., Anantapur, went on an excursion to Rachanapalli, about five miles from Anantapur on the Bellary Road. During the very brief stay in the village, no thorough "Economic Survey" could be possible. Some general conclusions on the social and economic life in the village could however be formed.]

Rachanapalli is not typical of the Rayalaseema country side. The village was rightly chosen by the Revenue Department as a 'Model Village' for reconstruction work. The houses in the village are generally of stone and not of mud with a little unseemly thatching. The standard of living is higher than in other villages in the district. There is an elementary school in the village maintained by the District Board with a daily attendance of about 25 (twenty-five). There is a reading circle for the village and war literature is supplied by Government free of cost. The streets in the village are well-marked; the houses are neat and tidy. The village is happily almost immune from epidemics such as cholera, plague, etc., owing to its good sanitation. Litigation is absent. The habit of drinking and its attendant evils—vulgar and ignoble brawls, waste, misery and demoralisation do not sully the even life of the village.

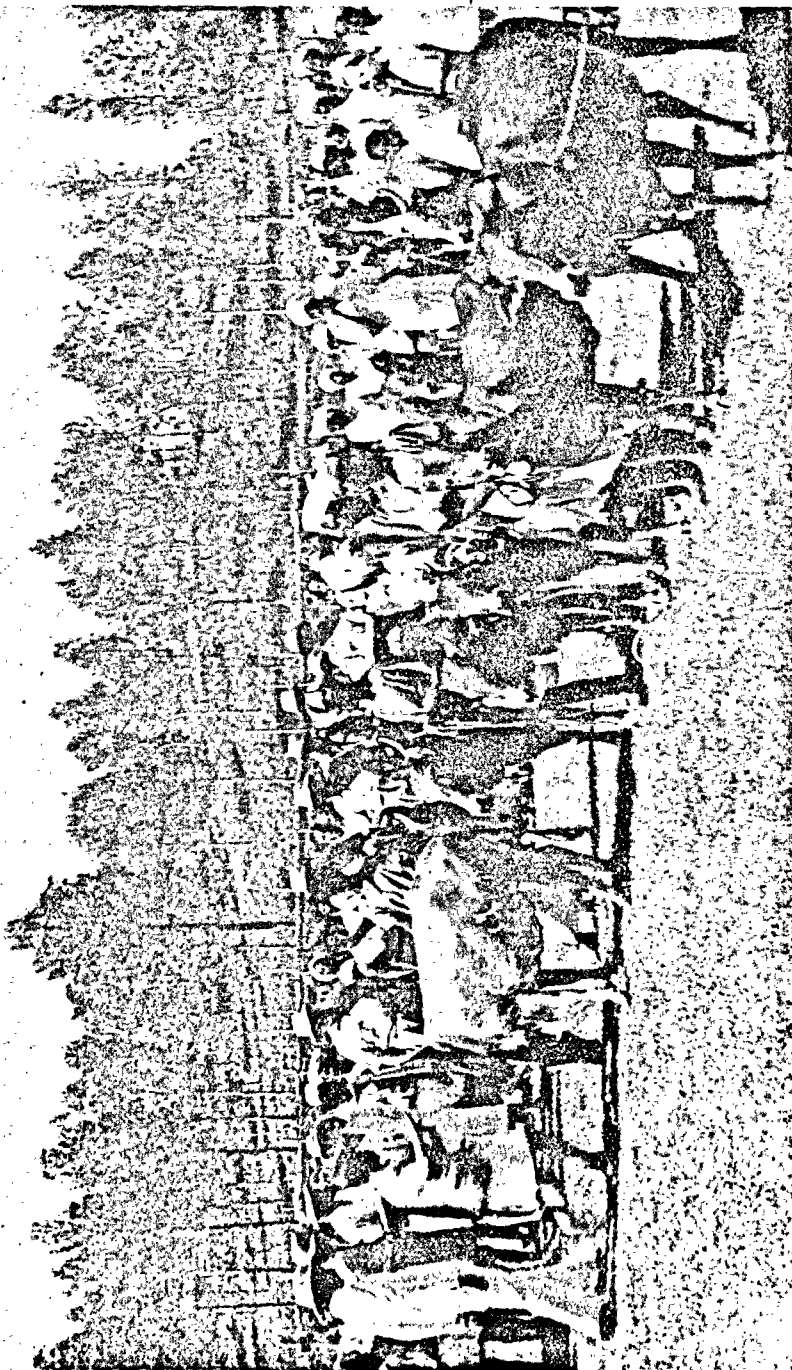
Agriculture has been the one and the only occupation of the people in the village. Due to the absence of subsidiary industries except dairying the ryot cannot supplement his income from agriculture. If due allowance is made for rent, wages and interest, the rewards for land, labour and capital employed in agriculture, agriculture must be characterised as a "Deficit Economy"; but the ryots mostly operate on their own land, employ generally their own capital and depend on the supply of labour available within their families. These deductions are not made and so the 'Gross income' and 'Net income' are crudely identified. The village may be considered self-sufficient in the matter of food supply. The student of economic theory cannot however leave alone the distinction between the gross yield and the net yield. If such a distinction is made, the character of self-sufficiency becomes less pronounced than at first sight. In the matter of fodder to live-stock, the village is self-sufficient, though even here, the consideration stated above holds good.

The village having a population of nearly 600 (six hundreds only,) with a total cultivated area of 2,691.20 acres (wet and dry) the average cultivated area per head works out to about 4.5 acres. The fact that there are ryots paying rupee one and less as well as those who pay Rs. 50 to Rs. 100 as land revenue is a proof of the inequitable distribution of land.

The problem of fragmentation is not absent in Rachanapalli. It is certainly an obstacle to better farming. To cite only a few instances, four

ANAMALAI HILLS CATTLE SHOW, 1940.

Group of Sindhi graded cow and heifers in the judging ring.



of the ryots in the village have 1, 3, 7 and 8 cents, respectively, of fragmented blocks.

The land depends on rain for its irrigation. The stream near the village is rainfed and timely rainfall is necessary if it is to irrigate the cultivated fields of the village. Well irrigation is little or negligible.

Such is the village and such are its inhabitants. It is a "Model Village" and a "Rural Reconstruction Centre." It is a model for other villages in its absence of litigation, freedom from the deadening habit of drink, its sanitation and such other virtues. These ideal features are not however without their counterpart. Vast areas of rural life need to be reconstructed. Consolidation of holdings, better methods of cultivation, permanent improvements of land, better living through co-operative action still demand the earnest attention and the utmost energy of social workers. Illiteracy still presents a grave problem. About 100 boys and girls of school-going age do not attend the school. The sanitary conditions of the village still leave much to be desired. Manure heaps abound and cattle sheds are not properly erected or maintained. Co-operation has not gone beyond the outer fringe of rural life. The ryots have borrowed from private money-lenders, though a co-operative society exists in the village. The total indebtedness of the village has been estimated roughly at Rs. 4,000. The amount is not negligible when it is remembered that the population of the village is only about 600 and that the distribution of wealth is uneven. The latter fact is especially relevant to the burden of indebtedness.

We hold with the Royal Commission on Agriculture. "If co-operation fails, there will fail the best hope of rural India." We further hold that co-operation as an ideal can never fail. If the life of the village has not been moulded to a better pattern by the local co-operative society, it is clear that co-operation has not been rightly understood by the members. The assistance of the State is however necessary, for to quote again Royal Commission on Agriculture "If the inertia of centuries is to be overcome, it is essential that all the resources at the disposal of the State should be brought to bear on the problem of rural uplift. What is required is an organised and sustained effort by all those departments whose activities touch the lives and surroundings of the rural population." Illiteracy can be rooted out; agriculture can be made a "Surplus Economy"; subsidiary and other cottage industries can be developed if only man learns to subdue nature in order to make it an instrument for the highest welfare. It may be that nature is exercising her full tyranny over the ryot of Rayalaseema, but it is possible by vigorous co-operative action aided by the State to help man to assert himself.

(The Students of the Rayalaseema Co-operative Institute, Ltd., Anantapur.)

Reconstruction work in the South Arcot Co-operative Central Bank, Ltd., Cuddalore, (1939-43.)

(Contributed.)

The Board of Management of the South Arcot Co-operative Central Bank, Ltd., Cuddalore, was superseded by the Registrar of Co-operative Societies, Madras, with effect from 3-7-39 with a view to place the affairs of the Bank on a satisfactory basis. The Bank was under supersession for the full period of 4 years till 2-7-43. During the period of supersession, the Bank was in charge of a Special Officer, appointed by the Registrar, of the grade of a Co-operative Sub-Registrar. A committee of management consisting of 5 members at the outset, and later of 7 members, was constituted with definite powers under the by-laws of the Bank to assist the Special Officer in the management of the Bank. The following account of the reconstruction work done in the Central Bank during the period of supersession and the success which attended it, will clearly show the need for sustained efforts in any scheme for the overhaul and improvement of societies, and for utmost co-operation between officials and non-officials so that maximum results may be achieved.

2. Immediately on supersession, the Registrar chalked out a programme for the rehabilitation of the Bank and of the movement in general in the district. This programme included the strengthening of the deposits and fluid resources of the Bank, the reconstitution of the supervising unions in the district, the inauguration of an intensive 'drive' for the collection of overdues and the expansion of the loan transactions of the Bank. The scheme also contemplated a thorough overhaul of the societies indebted to the Central Bank including the examination of loans, obtaining of additional security wherever loans were found to be on inadequate security, recovery of overdues, reconstitution of panchayat where necessary and the revival of societies by the admission of new members, by grant of fresh loans, by the grant of concessions to defaulters where possible to induce them to repay their dues, disposal of lands that had come into the possession of the societies in the course of execution proceedings and the initiation and development of schemes like the controlled credit scheme, etc. Certain administrative arrangements were also made in order to carry out the scheme. Besides the Co-operative Sub-Registrar who was placed in charge of the Bank as its Special Officer, the work of supervision was entrusted to departmental officers as well. The district was divided into 3 areas for purposes of intensive supervision between the Deputy Registrar, the Co-operative Sub-Registrar and the special officer of the Central Bank. They worked concentrating their attention in their respective areas attending to all items of work both in living and liquidated societies, the Deputy Registrar having a general control over all the areas. The Administrative Inspectors also watched the work of supervisors in their areas and regulated their tours and supervised their work. The Bank had also taken the services of a Junior Inspector who was in charge of the Administrative section, assisting the Special Officer

in exercising control over the work of the supervisors. The results of the reconstruction work achieved by the Central Bank are indicated below :—

Deposits and Fluid Resources. At the time of the supersession of the Bank, the deposits held by it were at a low ebb; and there were deficits in fluid resources. Steps were taken by the special committee and by the officers of the Department and the Special Officer by interviewing prospective depositors, to bring more deposits into the Bank. The South Arcot District Board and the Cuddalore and Chidambaram Municipal Councils readily extended their support to the Central Bank. The Bank steadily regained the confidence of the depositors and the flow of deposits increased. Personal touch with the depositors was maintained besides propaganda made. The total depositors of the Bank rose from Rs. 8.78 lakhs at the time of supersession to Rs. 11.16 lakhs on 30-6-43. The following statement will show the progressive increase in the deposits held by the Central Bank.

Total deposits held (in lakhs).			
30-6-39	...	...	8.78
30-6-40	...	...	8.54
30-6-41	...	...	8.12
30-6-42	...	...	8.69
30-6-43	...	...	11.16

The local boards are now ready to make further investments and the urban banks in the district have also invested their surplus and bad debt reserves in the Central Bank. The Bank has also been able to reduce the rate of interest on savings, recurring and provident fund deposits. The rate of interest on fixed deposits for periods exceeding one year has also been reduced from 3½ per cent to 3¼ per cent. With the increase in the deposits the fluid resources position of the Bank improved. The Bank was facing a deficit under fluid resources continuously for 2 years from 1-9-38 and the deficit continued for some time after the period of supersession also. Thereafter it began to gain a surplus and from 1941-42, the resources have always been in surplus and the Bank was able to meet all payments as they fell due. During 1942-43 the Bank was able to meet all the demands of primary credit societies and non-credit societies for loans as also a major portion of the demand of sale societies from its own funds. At present it is able to stand on its own legs without recourse to borrowing from the Provincial Bank. It has also invested a sum of Rs. 50,000 in Government Promissory Notes and Rs. 10,000 in the Government of India Defence Bonds.

The following statement reveals the comparative position in respect of the available resources of the Bank, in relation to the obligation to be fulfilled by the Bank.

	3-7-39	30-6-40	30-6-41	30-6-42	30-6-43.
Obligations to be fulfilled (in lakhs of Rs.)	...	...	...	...	...
Resources available (in lakhs)...	0.39	0.38	0.19	0.97	0.87
Excess (+) or deficit (—)	0.18	0.48	0.84	1.95	1.74
	—0.21	0.10	0.65	0.98	0.87

Rectification and collection: At the beginning of each half-year, the supervisors were assembled in a conference and a programme of work was drawn up in consultation with the departmental officers. The programme provided for work to be done under various heads such as preparation of loan applications, disposal of properties, revival of dormant societies, organisation of new societies, etc. The progress made by the supervisors was reviewed every month to see that the supervisors kept up their programme. The collection 'drive' was initiated even at the beginning of each year and kept up throughout the year. Collection programmes were drawn up for each half-year and the progress in collection watched at every stage. The Deputy Registrar reviewed the collection progress made by the supervisors by getting fortnightly statement of collections from them. The Special Officer toured throughout the District for examining the work of the supervisors. As a result, there was considerable reduction in the overdues from year to year both under principal and interest. The overdues were brought down from 74.80 per cent under principal and 24.37 per cent under interest on 3-7-39 to 41.09 per cent and 19.15 per cent respectively on 30-6-43. A statement showing the progress in the reduction of arrears is given below :—

Year.	PERCENTAGE OF OVERDUES.		Number of defaulting societies on the last day of the year.
	Principal.	Interest.	
1938-39	74.80	24.37	458
1939-40	69.16	29.44	439
1940-41	74.20	29.48	406
1941-42	65.58	19.75	366
1942-43	41.09	19.15	321

The scheme for the overhaul and improvement of village credit societies was continued throughout the period of supersession. Special emphasis was laid on repeated visits by officers to deficit societies, namely, societies in which the realisable assets were insufficient to meet the liabilities. The intensive examination of loans in village credit societies and rectification including the disposal of lands in the possession of societies was conducted by a special staff of 2 Bank inspectors. The examination was completed in 443 out of 458 indebted societies. The examination revealed that out of 7.68 lakhs outstanding against members in these societies, loans to the extent of Rs. 2.23 lakhs were on inadequate security. In the course of the working of the scheme Rs. 12,800 out of ill-secured loans were collected and loans to the extent of Rs. 82,500 were secured by obtaining additional security. The regular supervisors also supplemented the work of the rectification staff.

A vigorous 'drive' was kept up in connection with the realisation of assets in the societies under liquidation. There was acceleration in the rate of progress in winding up the affairs of liquidated societies. The affairs of 115 societies were finally closed during these four years. The number of societies under liquidation which was 105 on 30-6-39 came down to 91 on

THE MADRAS JOURNAL OF CO-OPERATION

30-6-43 though the registration of 101 societies was cancelled during the period. The following statement will show the collections effected in liquidated societies :—

Year.	Amount collected.
1939-40	52,071
1940-41	32,832
1941-42	60,512
1942-43	63,417
Total	Rs. 2,08,832

Steps were taken by the Central Bank to write off the assets in liquidated societies which had become irrecoverable. In this way the Central Bank wrote off a sum of Rs. 32,094 under principal and Rs. 8,949 under interest. The amount under principal was written off by adjustment towards its bad debts reserve.

Expansion. The number of societies and their transactions increased. There was expansion of credit facilities to the primary societies and there was an increasing appreciation on their part that their needs would be promptly and adequately met. The number of societies rose from 773 to 800 at the end of the period of supersession and the membership in them increased from 33,022 to 41,716. The Central Bank evinced interest in the formation and development of stores societies and weavers' societies and helped them with adequate finance at concessional rates of interest. To the weavers' societies and primary stores societies, it lent at $4\frac{1}{2}$ per cent interest. The loan transactions of the Bank showed a steady increase. While the Bank issued practically no loans to primary credit societies during the first 2 years of the period of supersession, in 1941-42 and 1942-43 the loan business of the Bank steadily improved as may be seen from the following statements :—

	1939-40	1940-41	1941-42	1942-43.
Loans issued to primary societies (in lakhs) ...	0.42	0.16	1.36	2.03
" sale societies (in lakhs) ...	1.26	1.38	3.11	5.67
Total in lakhs ...	1.68	1.54	4.47	7.70

The lendings to sale societies also increased. The Bank granted loans to them to the extent of Rs. 3.11 lakhs during 1941-42 and Rs. 5.67 lakhs during 1942-43.

Besides financing credit societies and sale societies, it gave liberal accommodation to weavers' societies particularly at a time when the weavers were in distress, and special steps were taken in August 1942 to afford relief to them by organising societies for providing them with work. The Central Bank agreed to give loans to these societies up to 8 times their share capital and Reserve Fund. It is also financing the stores societies and the South Arcot Central Co-operative Stores, Ltd. It has granted a cash credit accommodation of Rs. 1.25 lakhs to the Central Stores at the reduced rate

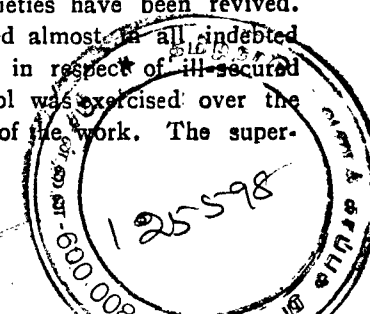
RECONSTRUCTION WORK IN SOUTH ARCOT CO-OP. CENTRAL BANK, LTD.

of 4 per cent. The total cash credit sanctioned by it to the weavers' and stores societies amounted to Rs. 11.840 during 1941-42 and Rs. 1,19,940 during 1942-43.

Forecast loans. Forecast loans were sanctioned and disbursed to the extent of Rs. 33,011 to 33 societies for the issue of produce loans and for cultivation expenses during 1942-43. The system of controlled credit for the cultivation of groundnut was also in operation in select areas, during the last year. Twelve societies in each of the taluks of Vriddachalam, Villupuram and Cuddalore were selected for the purpose. A sum of Rs. 26,376 was disbursed as loans under the scheme of which Rs. 17,456 have since been recovered. This system has helped to revive the societies by the issue of fresh loans.

Revival of unions. Soon after the supersession of the Bank, the work of the 8 supervising unions in the district was suspended with a view to economise expenditure. With a slight improvement in the position of the Bank, the unions were revived during the first-half of the year 1941-42 with certain safeguards devised to ensure their proper working. The Deputy Registrar in consultation with the Central Bank nominated a panel of 4 or 5 persons for each union and the general body of the respective unions elected 3 persons from among them as members of the governing body. Necessary transitory by-laws were introduced by the Unions and this arrangement was in force for one year. The normal constitution of all the unions was restored early in 1942-43 with a view to secure local help and influence in the matter of collection and sanction of loan applications in a larger measure.

The 'drive' initiated in the district under the close supervision of the Department has brought about an all-round improvement in the condition of the Bank, apart from the fact that the Movement itself received a new vigour and was marked by fresh activity in several directions. The deposit position of the Bank steadily improved in spite of the present uncertain conditions. The deposits held by it rose from Rs. 8.78 lakhs to Rs. 11.16 lakhs at the end of the period of supersession. The loan transactions of the Bank have increased and loans to the extent of Rs. 7.70 lakhs were issued in 1942-43 of which Rs. 2.03 lakhs were to primary credit societies. The improvement in the fluid resources position has been striking and the resources have always been in ample and the Bank is meeting its obligations punctually. The surplus of the Bank now amounts to nearly Rs. 1 lakh. The percentage of arrears to the Bank under principal has been brought down from 74.80 on 3-7-39 to 41.09 on 30-6-43. Fair progress has been made in the rectification of societies and 191 societies have been revived. The intensive examination of loans was completed almost in all indebted societies and additional securities were obtained in respect of ill-secured loans to the extent of Rs. 82,500. A strict control was exercised over the work of the supervisors which improved the tone of the work. The super-



vising unions have been revived and are now functioning. The Bank is able to meet the entire requirements of primary societies including special types of societies such as stores societies and weavers' societies. The Bank declared a dividend of 3 per cent for 1941-42 having earned a net profit of Rs. 10,200 during that year. In July 1943 the management of the Bank has been entrusted to normal Board consisting of 8 representatives of societies, one for each supervising union and 3 individuals representing the shareholders and depositors.

When the Registrar of Co-operative Societies was pleased to order the restoration of the normal constitution of the Bank, he congratulated the chairman and the members of the managing committee on their "willing co-operation and services in a worthy cause which carried no remuneration other than the good wishes of all those who are for the betterment of the institution." "I should like to place on record," observed the Registrar, in his letter to the members of the Committee, "my deep appreciation of the splendid manner in which you have discharged the onerous duties that have devolved upon you." The record of progress achieved during the 4 years of the period of supersession surely deserved the handsome tribute paid by the Registrar. Not only was the confidence of the depositors restored but the bank set on a stable footing. It is hoped that the Bank will steadily improve in the years to come and take its rightful place among the sister banks in the Province.

Make the most of your Unrationed food!



.. Get your Vegetable Seeds from

PESTONJEE P. POCHA & SONS
SEED MERCHANTS - 8 NAPIER ROAD POONA

*Pocha's Seeds
Satisfy!*

GROW FLOWERS FOR PLEASURE AND RELAXATION

Reviews.

Publication No. 78 of the Punjab Board of Economic Inquiry, Farm Accounts in the Punjab, 1939-40. (Published by the Civil and Military Gazette, Lahore, 1943. Price Rs. 1-8-0.)

This is the latest and fourteenth of the annual series of detailed farm accounts published by the Board. It is divided into two books. The first deals with rainfall, conditions of farming, intensity of cropping, outline of crops and their values in irrigated and unirrigated areas, cost of cultivation per acre, gross and net income, return per worker, the share of the landlord and tenant [where *batai* (varam) prevails] and the proportion of land revenue to net assets in the holdings.

In Book II, comparisons are made of the costs of well irrigation by various kinds of lifts—bullock driven, oil-engine driven and electricity driven.

The publication is too full of figures for the average reader to discern the salient features of the year's working without some more interpretation. What strikes us most is the incredibly low level of gross income and net income of the peasant cultivator in the Punjab, which is often held up as the model of an agricultural province. The gross income per plough area in 1939-40 in the irrigated tract was Rs. 70 in the older districts and Rs. 60 in the Canal Colonies and in the unirrigated tract it was only Rs. 16. The net income was Rs. 35, 37 and 9, respectively. One plough area is defined as the area cultivated by one pair of bullocks and is controlled by $1\frac{1}{2}$ workers. It varies from 3 acres to 60 acres; the average is 12 acres. The permanent farm servant got only Rs. 93 per annum as wages, the family worker got for labour and management even less. The landlord and tenant shared the net income of the farm in the proportion of 53 and 47 per cent.

Pumping by electricity from tube wells was found to be the cheapest, next came pumping by electricity from open wells. Oil-engine pumping was costlier and bullock driven wheel the costliest. If that was so in 1939-40, the superiority of electricity must be far greater now because of the soaring cost of buying and maintaining bullocks and the difficulty of getting oil even at much higher prices. Garden land cultivators in Coimbatore and other districts in Madras who changed over to electricity are reaping a rich harvest, while those who hesitated to avail themselves of cheap power are cursing themselves for their conservatism.

Publication No. 79 of the Punjab Board of Economic Inquiry. Urban Working Class Cost of Living Index Number (1941) in the Punjab —By M. H. Mahmood. (Civil and Military Gazette, Lahore, 1943. —Price 8 annas.)

This is the sixth of the series publishing annual index numbers of the working class cost of living in five urban centres in the Punjab, Lahore, Ludihana, Multan, Rohtak and Sialkot.

The expenditure of the working class was divided into five main groups which absorbed 75 per cent of the total; food 50 per cent, clothing 9 per cent, fuel and lighting 6 per cent, house rent 4 per cent, tobacco, cigarettes, soap and oil 6 per cent. The remaining 25 per cent was spent on education, travelling, social and ceremonial functions—which were not taken into account in working out index numbers. Weights were assigned to different kinds of food and clothing. The basic price taken as 100 was that of the average of prices of 1931-35.

The comparative statement of the annual cost of living index numbers for six years 1936-41, shows a gradual rise upto 1939 and thereafter a marked jump in all but one centre, Rohtak. Fluctuations in the monthly indices for 1941 are traced to the growing transport difficulties inside and outside the Province.

The rise in the price of cotton goods in 1941 is traced, first, to the purchase of cotton by Japanese houses and the Indian Mills and then to the freezing of Japanese assets held in India. The price of wheat went up on account of heavy purchases by Karachi merchants for export to Egypt and the Persian Gulf. Towards the close of the year, the index shot up further as a result of the entry of Japan into the War. The declaration of the Government to control the price of wheat and to tap other sources of supply (N. America and Australia) did not bring down prices on account of activities of speculators who went on buying in anticipation of demand by the Middle East.

Since the close of 1941, prices of all foodstuffs and clothing have soared to undreamt of heights and an altogether new scale will have to be adopted in the charts to indicate the movement of prices in 1942-1944.

Review on the Publications of the Board of Economic Inquiry, Punjab.—Publication No. 80—Vital Statistics of the Punjab—1901—1940.—By Dial Das. (C. & M. Gazette, Lahore, 1943—Price 12 annas.)

This is a handy publication, much handier than the decennial census report, supplying statistics of the natural increase in population, decade after decade from 1900 to 1940, of births and deaths, of the causes of deaths, the incidence of certain diseases, deaths classified according to communities and stages of life. Most of the information has been culled from the annual reports of the Public Health Department, Punjab. The figures of the decennial census of 1941 were available too late for incorporation in the publication, but a summary statement is given on one page in the beginning. This concise volume of vital statistics is bound to be of great value to students of economics, officials and publicists and we hope it will be revised after the detailed figures of the 1941 census are published.

The forty years chosen for the survey were years of marked material advance of the Punjab, primarily because of the development of canal

colonies which have converted erstwhile deserts into fertile areas of wheat and cotton. Road and rail facilities have been extended, education and other amenities have spread. But plague and influenza also afflicted the population of the Punjab: the former in the first decade, the latter at the close of the second decade, took a heavy toll.

The following facts relating to deaths are significant, though accuracy cannot be vouchsafed for the data mostly compiled by non-medical men. Deaths are least in the rainy months of July and August, which are said to be the healthiest months (as in Malabar). Winter months are the worst on account of pneumonia following enfeeblement caused by attacks of malaria in the previous months after the rains cease. Deaths are greater in rural than in urban areas because of meagre medical aid and the reluctance of rural folk to get inoculated. The rate of infant mortality is terribly high. It is a tragedy that the first week in life should be the most critical; two-fifths of those who die pass away within the first 7 days. With the advent of the Punjab Health Department, the toll that cholera, plague and malaria take is decreasing. Epidemics might be further arrested if neighbouring Indian States would report cases of infection.

The author warns at the end that new diseases might be imported by demobilised soldiers now fighting at different theatres—even as influenza came after the last war—and that it is time that authorities took precautionary measures even now.

(We are indebted to the Department of Agriculture, Madras, for above reviews).

Agricultural Co-operation in India by Khan Bahadur Nizamuddin Hyder, late Director of Agriculture, H. E. H. Nizam's Dominions (Reprint of his article in the Eastern Economist for June, 1943).

Most writers on Agricultural Co-operation in India start with the proposition that agricultural co-operative credit has failed, and end with the thesis that there must be a change-over to non-credit and concentration on agricultural purchase and sale societies. The official opinion or attitude which shapes our co-operative programme, is much the same. The Registrar is reported as having said at a meeting in Salem, "We have now relegated the credit side of the Co-operative Movement to some extent to the background, and taken a big plunge into non-credit activities". The burden of the advice constantly repeated to agriculturists nowadays is, "Grow more. sell together. Buy together. That is the way to earn more." The author emphasises this. He writes. "Non-credit Societies should be formed and cultivators should be induced to join them and work them, and the workers should be taught and made to organise them. It is in this way that they can be taught non-credit work, and along with it the principles and benefits of co-operation. The question may be asked, how is the cultivator to find funds

for his needs? The co-operative workers advise him to practise thrift, and to cut down expenses which in their opinion are unproductive, such as the expenses on marriage and funerals. This is an unpractical advice. Such expenses are social obligations. They cannot be done away with. It is wrong and unreasonable to ask him to put an end to such obligations. It is common knowledge that the Indian cultivator is deplorably poor. It is waste of energy to ask a person to save money who has no money to save. He should therefore be taught how to earn more money, and how to utilize it profitably, instead of asking him to save what he does not possess. This lesson can be taught to the cultivator by helping him to obtain the highest possible price for his produce."

The benefits of agricultural sale societies are explained. It has been found by the Marketing Department of Government that the grower of rice gets only about 51 per cent of the price paid by the consumer, and in the case of wheat, in some parts of India, he gets only about 58 per cent thereof. A large portion of the amount which the cultivator is losing in this way can be saved for him, if the produce of many cultivators is pooled and sold in bulk.

The author makes a very interesting suggestion regarding the disposal of the extra money so obtained by the ryot. He says, "Don't hand over the whole of the extra profit to him. Give only a third of it to him to be utilized as he likes, including repayment of old debts. The remainder should be kept by the society as a deposit on his behalf. Half of it should be used to supply him seeds, manure, implements, etc., which he may need for carrying on and improving his cultivation. The other half should be kept in reserve as his savings, to be used for his extra-ordinary expenses, such as marriage. Even when money is given out of it, it should be as a loan to be recovered from him later out of his one-third share of profits". This is no doubt an attractive suggestion but will the ryot agree to it? Those that have some staying power may agree; however, with the very large class of ryots whose budgets rarely or never balance, it will be difficult job to persuade them to agree. Yet, it is worthy of trial in some of our societies.

T.R.N.

THE MADRAS AGRICULTURAL JOURNAL.

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

Apply:—

MANAGER,

The Madras Agricultural Journal,

Agricultural College & Research Institute,

Lawley Road P.O., Coimbatore.

Working of Societies.

The Salem Co-operative Central Bank, Ltd., Salem, during 1942-43.

(Contributed.)

This is the 35th Annual Report.

There were at the end of the year 141 individual members and 685 societies holding shares of Rs. 80,000 and Rs. 1,11,287, respectively. The borrowings increased from 31.84 lakhs to 40.95 lakhs and the owned capital from 6.92 lakhs to 7.01 lakhs. It has an overdraft of Rs. 3,42,900 with the Imperial Bank and Rs. 1,40,000 with the Madras Provincial Co-operative Bank, Ltd.

Loans amounting to Rs. 20.87 lakhs were disbursed to societies during the year and at the end of the year Rs. 23,65,759 were outstanding. Out of this only 0.66 per cent was overdue. In addition to this, a sum of Rs. 42.43 lakhs was lent under overdraft and controlled credit system and Rs. 39.98 lakhs were collected leaving a balance of 5.81 lakhs at the end of the year.

It earned a net profit of Rs. 40,724-11-0 during the year and the Reserve Fund of the Bank amounted to Rs. 2,38,124-8-0.

General: It is gratifying to note that the Bank's overdues have been reduced from 57.3 per cent under principal and 16.29 under interest in 1923-24 to 0.43 under principal and *nil* under interest in 1942-43.

The points of interest in the progress achieved by the Bank during the year are:

1. The Bank was able to dispose of all the immovable properties purchased by the Bank in court auction excepting Kambainallur Mittah.

2. The percentage of overdues under principal was the lowest on record for the Bank and the *nil* balance under interest was achieved for the first time during the year.

3. Out of 11 Unions in the District 10 Unions were able to achieve *nil* balance both under principal and interest in respect of loans due to the Central Bank, and only 1 society was in default to the Central Bank to the extent of Rs. 9,126 among the societies affiliated to the Unions. During the previous year only 6 out of 11 Unions discharged the entire demand under principal and interest and 34 societies were in default to the Bank to the extent of Rs. 24,212 as against only 3 societies, 1 society affiliated to the Union and 2 Non-Union societies which were in default to the extent of Rs. 9,240 during the year under review.

The Board of Management of the Bank has placed on record its great appreciation of the good and efficient work done by the Secretary of the

Bank Sri C. Thirunavukkarasu, Co-operative Sub-Registrar, whose services have been lent to the Bank, as he was responsible not to a small extent for the all round progress achieved by the Bank.

The Tinnevely District Co-operative Central Bank, Ltd., Tinnevely.
(Contributed.)

The Bank was started on 12th April, 1918, with an authorised capital of Rs. 1,00,000 made up of 2,000 shares of Rs. 50 each, and the management at the beginning was entrusted to a Board consisting of 7 individuals, and gradually increased to 12 members, of whom 4 represent individuals and 8 societies. With the expansion of its business the Bank was obliged to increase the borrowing power and to-day its authorised share capital is Rs. 3,00,000 made up of 6,000 shares of Rs. 50 each, of which 1,000 shares are held by 187 individuals. 611 societies were affiliated to the Bank on 31-12-'43 with a paid up share capital of Rs. 2,02,788.

In the initial stage we have to attract deposits by offering rate at $6\frac{1}{2}$ per cent to 7 per cent. But owing to the abundant confidence of the public in the Bank we were getting deposits even for $1\frac{3}{4}$ per cent for one year. To suit local conditions we have since raised the rate of interest slightly allowing $2\frac{1}{4}$ per cent for one year deposits, and 3 per cent for deposits of over 1 year.

The Bank, just like other banks, mainly confined its activities to financing agricultural credit societies in the early years. Later the Bank financed other types of societies also to meet their demand. The Bank is also financing the Tinnevely District Co-operative Central Stores to the extent of Rs. 11 lakhs in order to enable it to play its part in the distribution of foodstuffs in these critical times. To-day it is lending at 4 per cent to agricultural marketing societies, $4\frac{1}{2}$ per cent to stores and weavers' production and sale societies, and $5\frac{1}{2}$ per cent to all other societies. The Bank is giving all possible help in the development of non-credit societies consistent with the safety for advance.

There has been continued and steady progress in the collection of arrears due to the Bank as may be seen from the figures given below:—

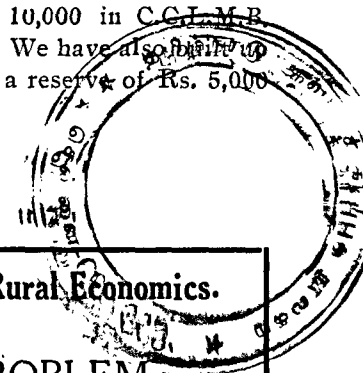
Year.	Principal Overdue.	Percentage.	Interest Overdue.	Percentage.
1938-39	87,982	19.4	311	0.8
1939-40	69,969	13.2	—	nil
1940-41	59,365	10.0	—	nil
1941-42	33,258	4.9	—	nil
1942-43	9,502	1.6	—	nil

The position reached in bringing the interest arrears to *nil* in 1939-40 is being kept up. There has also been a progressive reduction in the arrears under principal which amounted to 1.6 on 30-6-1943.

The Common Good Fund of the Bank is utilised for the running of a public library and reading room, the best of its kind in the district.

The steady working of the Bank for these 25 years resulted in appreciable profits which helped to build up large reserves and enabled the Bank to purchase and build an attractive building of its own. The provision of the radio and the existence of an extensive and well-planned garden afford ample amenities to the public.

The Reserve Fund of the Bank stands at Rs. 1,54,954. Of this Rs. 1,40,738 is invested with the Apex Bank, Rs. 10,000 in C.C.I.M.B. debentures, and Rs. 3,700 in 1953-55 War Bonds. We have also built up a Bad Debt Reserve Fund of Rs. 45,224-0-0 and a reserve of Rs. 5,000 to meet depreciation, if any, in investments.



Two Important Publications on Indian Rural Economics.
Just Published

THE INDIAN RURAL PROBLEM

BY

Sir Manilal Nanavati,

(Ex-Deputy Governor of the Reserve Bank of India) and

Prof. Anjaria,

(Reader in Economics, Bombay University)

Issued by the Indian Society of Agricultural Economics, Bombay.

Price Rs. 8 (Postage extra.)

Published in March 1943.

The Farmer, His Welfare and Wealth

BY

Dr. M. G. Bhagat, M.A., Ph.D.

(A Research study in Indian Rural Economics and Co-operative Movement.)

Price Rs. 10 (Postage extra.)

Copies available from:—

THE CO-OPERATORS' BOOK DEPOT,

9, Bakehouse Lane, Fort, Bombay.



*Be a Strong
and Healthy
Mother*

Guaranteed to contain
Vitamin D and more than
twice Vitamin A than
ordinary Cod Liver Oil.



**SHARK
LIVER OIL**



GOVERNMENT OIL FACTORY,

CALICUT.

Agents:—Messrs. Parry & Co., Ltd., Madras.

SAVE AS YOU WASH WITH KERALA WASHWELL

Here's How Washwell Works and Saves:

A little Washwell gives you lot of lather and you need less of soap—YOU SAVE ON SOAP.

Washed in its gentle lather, clothes last longer—YOU SAVE ON CLOTHES.

Clothes are quicker washed to brighter freshness in Washwell's active lather—YOU SAVE ON TIME.

Its rich active lather draws out every trace of grit and grime, with ease—AND YOU SAVE IN WASHDAY TOIL.

Washwell is pure washing soap at moderate price—YOU SAVE ON COST.

MAKERS:

KERALA SOAP INSTITUTE, CALICUT.