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EACH FOR ALL, AND ALL FOR EACH

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Editorial Notes.

An Irreparable loss.

In the death of Mr. Ramdas Pantulu, the country has lost a patriot, the agriculturist a valued and staunch friend, and the co-operative movement its pillar of strength. Of Mr. Pantulu's work in the political field which was always actuated by high ideals, this is not the place to expatiate. When the time comes to assess his contribution, we have no doubt his name will occupy an honoured place. His work for the agriculturist about whose conditions of life and living he possessed unrivalled knowledge will be ever gratefully cherished by everyone. His was a life of unremitting toil and like his compeers before he was content to serve by his failures. Undaunted by disappointments, he pursued his path hoping he would one day see the consummation devoutly wished. He has left a

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deep impression on the many rural problems which await solution and on which he has left very valuable suggestions. Even the archives of the Secretariat are replete with them.

In the co-operative world he was an international figure having represented India on the International Co-operative Alliance. His views on Indian Co-operation were always considered as authoritative and commanded respectful attention. He had made contacts with eminent authorities all over the world. Every foreign mail brought co-operative literature from all parts of the world and it is no exaggeration to say he devoured and assimilated all that is good and true and utilised it for the re-orientation of the Movement in this country. In Madras, where he lived and worked, he conducted many provincial co-operative organisations, over which he presided for a number of years, with conspicuous ability. In recent years his ill-health prevented him from taking more active part. But from his sick-bed, he conducted the *Indian Co-operative Review*, which enjoys international reputation for the sobriety of its views, with meticulous care till his end came. His contributions on various topics were always read with great interest and profit. This Madras Provincial Co-operative Union of which this *Journal* is the organ and over which he presided for many years owes a great deal to Mr. Pantulu for its present position. Co-operators all over the country, and Madras in particular, mourn the death of this valiant champion of the Movement and feel the loss as irreparable. May his soul rest in peace and may his spirit ever guide those who are labouring for the Cause.

Co-operative Training : Short Term Course :

We are surprised to learn that the Registrar of Co-operative Societies considers 3 months' training is enough for official co-operative workers and has suggested to Co-operative Institutes to open short-term classes. While we recognise that the Department is short of hands and the need for the recruitment of fresh official staff has become insistent, the idea of the Registrar to curtail the period of training from 9 months to 3 months is not happy. To equip co-operative workers with a certain amount of knowledge in the theory and practice of co-operation and allied subjects at least nine months' training is absolutely necessary and the curriculum of studies has been framed with that object. To expect the completion of the course satisfactorily within the short period of three months is

to expect the Institutes to perform a miracle. The Department can as well dispense with this kind of training altogether and straightaway appoint their chosen candidates as Inspectors. So far as the non-official employees are concerned, we have no doubt the consensus of opinion is wholly in favour of the views expressed by Sri T. A. Ramalingam Chettiar, President of the Coimbatore Co-operative Institute. In the alternative, the Government may as well accept the suggestions of Mr. Chettiar to arrange for shifts and thereby increase the number of trained candidates. It is true the Department has to wait for 9 months before they can strengthen the staff. In this connection, may we once more invite the attention of Government to consider the desirability of securing qualified Supervisors who, considered from every point of view and judged from every standard, are equally, if not more, competent than the recruits of the Department whom it is proposed to equip with a short course of training. The Co-operative Institutes which are considered now fit to give training even to the newly recruited Junior Inspectors have certainly every right to insist on Government recognising the Supervisors trained by them as equally competent to act as Junior Inspectors. The fact that some of them are not graduates should not be a bar for preferment as their knowledge and experience amply make up the absence of a University degree. Were there not or are there not among the highly paid staff of the Department persons with no University degree who have rendered or have been rendering yeoman service to the cause of co-operation ?

Central Land Mortgage Bank : Sinking Fund :

The Administration Report points out that nearly Rs. 34 lakhs have been remitted into the Sinking Fund in excess of the amount due as per Trust deed. This was largely due to advance payments caused by the increase in the prices of agricultural produce and land. As the rate of interest received is only 3 per cent on the Sinking Fund amounts, the Bank has been pleading with the Trustee to permit it to utilise the excess collections in its own business and thereby augment its resources, especially in view of the fall in business and the need for finding funds for meeting its recurring expenses. The reasoning is plausible but the problem is much more complicated than it appears on the surface. We wish we were apprised of the details submitted to the Trustee as to how the Bank will be able to meet the future sinking fund instalments and pay the debenture holders on maturity if it was permitted to utilise the surplus collections in its own business. We venture to express our doubts about the soundness of the proposal though the prospect of increased return is attractive. Moreover, the rate at which debentures are now raised is 3 per cent and so as far as funds required for business are concerned, there is no difficulty in raising them. We feel it is far better to stick to the advice of the Reserve Bank of India than take risks the extent of which it is difficult for anyone to gauge.

Rate of interest :

On the question of reduction in the rate of interest, there are no two opinions. But this is easily possible if the Central Land Mortgage Bank is not required to pay the cost of departmental officers. The arguments in support of this position are well known and need no reiteration. Now that the scales of pay and allowances have been increased, the burden on the Bank has correspondingly increased. As the Bank is performing essential duties which indirectly assist the State and relieves it of its responsibilities to undertake rehabilitation schemes for the benefit of agriculturists, the State is bound to offer free assistance. Moreover, the Bank will not only be able to reduce the rate of interest but also be enabled to build up its reserves much more quickly and be able to stand on its own legs so that slowly and steadily the guarantee of the State may be withdrawn.

Loans disbursed:

While the Central Land Mortgage Bank seems to have strained itself to raise the individual maximum borrowing power and to give second loans if the value of the property mortgaged permitted such a course in order to increase its transactions, we regret that the number of small loans below Rs. 1,000 is comparatively small. We wish the Central Bank and the Primaries give their attention to this aspect. It is the small man with a comparatively limited holding who needs to be extricated from the clutches of the money-lender. If he is not saved, very soon he ceases to exist. It is this which accounts for the tendency observed of land going into the hands o a few. The social and economic consequences of this change are most dangerous to the community and the sooner this 'rot' is stopped the better for the country. The progress of a land mortgage bank should be judged from the number of small loans given to small pattadars rather than from the amount involved in their

transactions. The smaller the loan the greater the ease for collection of instalments due. At the same time care should be taken to see the agriculturist is not forced to go to others to meet his obligations. Within reasonable limits and with sufficient security, the agriculturist should be assisted to extricate himself from the clutches of the money-lender for his continuance in that state would virtually amount to digging his own grave.

Land Colonisation Schemes:

Time and again we have commended the Government scheme of land colonisation societies and suggested certain improvements calculated to ensure their success. We are glad to learn from a recent Press Note that the Government propose to increase their scale of help and have announced a large number of concessions. While we are hopeful that these concessions may lead to great improvement in the working of these colonisation societies, we venture to suggest that the Government may also conduct some experiments in collective farming on the model of State Farms in Soviet Russia. We have often read accounts of collective farming in the publications of the U.S.S.R. But the account of a State collective farm given by Mr. Wendell Wilke in his *One World* is worth perusal as it contains the observations of an impartial observer. The value attached to individual ownership is so deep-rooted in our country, we doubt very much if collective ownership or State ownership possesses attractions. The Madras scheme appears to us to be a compromise and if properly worked should yield valuable results. However, it is worth while experimenting in practice the idea of the State collective farming also and gain some experience.

Onslaught Against Co-operatives:

A Queer Peer.

The " Co-operative News " recently carried the following item :—

" Lord Beaverbrook's latest speech in the House of Lords proves that His Lordship has still got the co-operative movement on his brain. Discussing the United Nations recent Food Conference at Hot Springs, the newspaper magnate made many queer suggestions.

" Here are a handful of them : " Britain does not believe that co-operative societies lower costs; it does believe in the individual trader, the small man. Britain does not believe that tariffs cause hunger. Britain believes that tariffs saved this country some few years ago from unemployment more terrible than anything we had confronted in our history, etc., etc., etc."

When he becomes eloquent about the virtues and advantages of small business enterprises someone should whisper in Lord Beaverbrook's ear: "What about cement?" He will quickly understand the significance of the enquiry.

Speaking on behalf of Britain as to what it does and does not believe is about as authoritative as the declaration of "The Three Tailors of Tooley-Street". According to Lord Beaverbrook it is to be assumed that more than half the people of Britain who support co-operatives have not sufficient intelligence to know "on which side their bread is buttered."

—*The Canadian Co-operator.*

We had occasion to remark last month that there are Beaverbrooks even amongst us. From such news as has trickled down, there seems to be some justification for our conjecture. We implore Government not to yield to importunities of those who have developed unbounded love for the trader. The statements which appear in this issue must convince any unprejudiced observer that the consumer co-operatives have been playing a distinguished part in the equitable distribution of foodstuffs to the community, their progress has been phenomenal, their number and membership have been rapidly growing, their paid-up share capital too has risen in the case of wholesales from Rs. 7·60 lakhs in 1942-43 to Rs. 11·81 lakhs by 31st December, 1943 while the increase in the same period in respect of primaries is from Rs. 19·29 lakhs to 31·71 lakhs and their sales have risen almost to the staggering figures of Rs. 180·0 lakhs and 316·0 lakhs respectively. Things are what they are in spite of our Beaverbrooks and it is the part of wisdom for Government to recognise them and continue to render all possible assistance to co-operatives to play their part in serving the community in these difficult times.

Village Uplift:

We would invite the attention of our readers to a well-informed article on *Village Uplift* written by that talented lady, Mrs. Satthianadhan. Her approach to this all-important problem deserves to be understood and given effect to if real progress is to be achieved in bringing hope and cheer to the rural population who sadly need them. We shall be glad to receive comments on the topic provoked by Mrs. Satthianadhan's valuable contribution.

Consumer Co-operatives in Madras.

Progress of Co-operative Wholesale Stores in the Province of Madras.

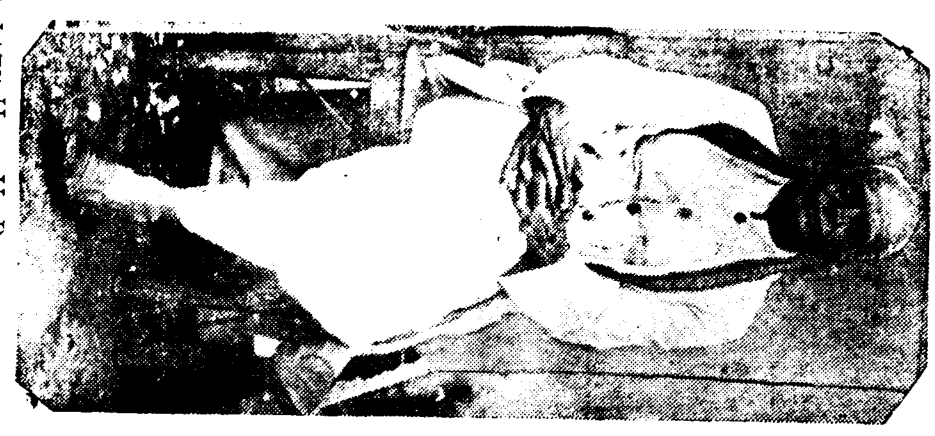
Year.	No. of Stores.	No. of members.	Paid-up Share Capital in lakhs of Rs.	Amount of Sales in lakhs of Rs.
1939–40 ...	2	166	·19	1·72
1940–41 ...	3	380	·63	8·43
1941–42 ...	8	800	1·25	13·76
1942–43 ...	21	4,841	7·60	80·05
1-7-43 to 31-12-43 ...	21	5,900	11·81	180·00

Progress of Primary Co-operative Stores in the Province of Madras.

Year.	Number of Primaries.	No. of members.	Paid-up Share Capital in lakhs of Rs.	Amount of Sales in lakhs of Rs.
1939–40 ...	237	34,400	3·20	36
1940–41 ...	354	54,800	4·91	58
1941–42 ...	432	71,700	6·64	96
1942–43 ...	956	1,79,300	19·29	270
1-7-43 to 31-12-43 ...	1,131 (as on 31-12-43)	2,68,305 (as on 31-12-43)	31·71 (as on 31-12-43)	316 (From 1-7-43 to 31-12-43)

Part played by Primary Stores in the Rationing Schemes.

District.	Name of the Town.	No. of Retail Ration Shops. Total.	No. of Retail Ration Shops. Run by Co-operative Agencies.	No. of Retail Ration Shops. Percentage.	No. of Ration Cards. Total.	No. of Ration Cards. Attached to Co-operative Depots.	No. of Ration Cards. Percentage.
Madras ...	Madras City ...	484	86	18·7	219,261	31,026	14·1
Chingleput ...	Belt area ...	81	7	8·6	40,624	3,038	7·5
"	Chingleput ...	9	2	22·2	3,897	571	14·7
"	Conjeeveram ...	42	12	2·9	19,300	5,035	26·0
Coimbatore ...	Coimbatore ...	87	23	26·4	39,000	9,123	23·4
Vizagapatam ...	Vizagapatam ...	107	15	14	21,000	3,745	17·8
"	Vizianagram ...	67	10	14·9	18,500	2,750	14·9
"	Anakapalli ...	24	1	14·2	8,824	219	2·5
Salem ...	Salem ...	84	23	27·4	40,855	10,405	25·9
Nilgiris ...	Coonoor ...	28	4	14·3	7,497	1,522	20·3
Malabar ...	Colicut ...	71	9	12·7	27,802	2,751	9·9
"	Cannanore ...	32	2	6·2	10,448	483	4·6
"	Tellicherry ...	22	1	4·5	7,540	243	3·2
Tinnevelly ...	Tuticorin ...	39	12	30·7	22,253	8,021	36·4
Cuddapah ...	Cuddapah ...	20	10	50	7,403	2,726	36·8
"	Prodattur ...	14	14	100	7,283	7,283	100
North Arcot ...	Vellore ...	50	7	14	22,000	2,907	13
"	Gudiyatham ...	14	1	7	7,890	500	6
"	Tirupathur ...	16	1	6·3	7,395	...	...
"	Vaniambadi ...	18	1	5.5	4,697	...	...
"	Wallajapet ...	7	1	14	2,810	489	17
"	Tiruvannamalai ...	12	1	8	6,864	492	7
Trichinopoly ...	Karur ...	20	2	10	8,324	845	10
Anantapur ...	Anantapur ...	12	12	100	5,284	5,284	100
"	Tadpatri ...	7	7	100	3,583	3,583	100
"	Hindupur ...	8	8	100	4,300	4,300	100
Madura ...	Madura ...	135	20	15	64,925	8,988	13·8
Kurnool ...	Kurnool ...	26	26	100	10,639	10,639	100



THE LATE HON. V. RAMADAS PANTULU.

An Irreparable Loss.

We regret to announce the death, in the early hours of 16th morning, of the Hon'ble Mr. V. Ramadas Pantulu, B. A., B. L., Member, Council of State, at his residence in Mylapore, at the age of 70, due to heart failure.

Mr. Ramadas Pantulu was ailing for some time. He leaves his wife, two sons and five daughters.

The late Mr. Ramadas Pantulu was born in October 1873. He was educated at the Madras Christian College. He was a member of the Council of State and was the Leader of the Congress Party in that body. He was one of the pioneers of the co-operative movement in the Presidency.

Mr. Pantulu was a member of the Central Committee of the International Co-operative Alliance, London. He was the President of the Indian Provincial Co-operative Banks' Association and the All-India Co-operative Institutes' Association. He was the Editor of the "Indian Co-operative Review," and the "Year-Book and Directory of Indian Co-operation" (1942). He was President of the Madras Provincial Co-operative Bank from 1926 to May 1941. He was President of the Madras Provincial Co-operative Union from 1926 to December 1940. From January 1932 to August 1941, he was President of the South India Co-operative Insurance Society.

The late Mr. Pantulu was a member of the Indian Central Banking Enquiry Committee, and the Townsend Committee on Co-operation, Madras, in 1927. In 1939-40, he was a member of the Committee on Co-operation, Madras.

He was the Chairman of the Board of Experts appointed by the Congress Government for the Rehabilitation of the Co-operative Movement in Bihar. In 1934 he was a delegate from India to the 14th Session of the International Co-operative Congress in London. He was a member of the Indian Central Cotton Committee, and Chairman of the Rural Finance and Marketing Sub-Committee of the National Planning Committee. He was the President of the Andhra Provincial Board of the Harijan Sevak Sangh and also the Vice-President of the Madras Economic Association.

The late Mr. Pantulu was a member of the Governing Body of the Indian Research Fund Association. He was a member of the Senate and Academic Council of the Madras University and was Chairman of the Board of Studies in Telugu for several years. He was a member of the Court of the Delhi University, for some time. He was the Author of Commentaries on the Madras Estates Land Act (Land Tenures in Madras).

Mr. Pantulu, it may be mentioned, dedicated in trust a portion of his house in Mylapore, with the Library, to the Institute of Co-operative Research and Service.

The family of Mr. Pantulu has received messages of Condolence from far and near and has kindly allowed us to share them. They are from high and low, official and non-official, co-operators and non-co-operators, intimate friends and distant admirers and institutions and individuals. All bear testimony to the great contribution he has made for the development of the co-operative movement and the study of economic questions and the high esteem and regard in which he was held all over the country. Everyone speaks of the greatest respect for his views and for his work in the co-operative field. It will be invidious to publish some and omit others and exigencies of space prevent us from reproducing all the messages. Therefore, we shall content ourselves by adding our humble tribute of admiration to Mr. Pantulu's great contribution for the economic regeneration of the country and his untiring zeal for the uplift of the rural community. May his spirit ever guide workers in the field.

—*Editor.*

The death of Mr. V. Ramadas Pantulu has left a gap in the ranks of co-operators which it is difficult if not impossible to fill. And we are at once reminded of some of those qualities such as wide study, critical acumen, undying sympathy for the agriculturists, selfless devotion to their cause which helped to make his career one of outstanding merit and success. Above all, his close study and correct approach to the problem of agricultural co-operation in relation to the present structure of rural economy not only helped to raise the tone of discussion on subjects that came up before the conferences he attended or otherwise presided over but also served to infuse a new spirit into the Movement by developing an aptitude for research. And nothing is more heartening than to note that though no more with us, the ideas that he helped to radiate, ideas of research and service are to take concrete shape in the Institute of Research and Service dedicated in trust to the Movement by Mr. Pantulu. This should be a good beginning at a time when research in agricultural co-operation is almost undeveloped.

With 15 years of personal touch with Mr. Pantulu, I can say that nothing impressed me more than his personal qualities. The Movement has been in existence for about 5 decades. And if it still stands in the name of :—

" Thy poor whom men's eyes forget "

the need for good leadership is all the more greater.

SYED SHA ALI HUSSAIN,
Author of "Co-operative Land Mortgage Banks in Madras."

Village Uplift.

By KAMALA SATTHIANADHAN.

I would ask you now in the words of Shakespeare to "look here on this picture, and on this". The first is of the town—the Metropolis for preference—the grandeur of fine buildings on every side, the glitter and fascination of shops and stores, the attraction of picture palaces, the smooth running of fine roads, the pleasure of carefully laid-out streets, the glamorous bustle of buses, trams, cars and city trains, the cheering sight of well-dressed men and women, the satisfaction of fairly clean surroundings and good sanitation, in fact, all the regulated arrangements and orderly sights of a great city—; but very little of the charm of wild nature, in which alone the spirit can truly grow. No doubt, there are plots of gardens in many places, glowing with velvety verdure and blooming flowers; but the buildings blot out our view of the natural world of creation; the people are too bent on business and pleasure; there is too much sophistication and materialism everywhere; and so much of confusion, crowding and turmoil that the mind feels cramped and out of gear. Now, look at the other picture—lovely scenes of mountains and hills in serrated ridges, glowing in the sunlight, or dreaming in the moonlight, crowned with filmy clouds, their splendour enhanced by purple and grey shadows. In front of them and setting off their immense dimensions, rise the green crowns of tall palms, the waving plumes of cocoanut trees, the feathery groves of casurinas, the rich greenery of mango plants; and still in front of them wave rippling fields of paddy, with little atoms of humans working therein; sometimes the eye is delighted by silvery rivers, with noble bridges arching over. Over and above all, is the good breeze blowing freely, unhampered by buildings and uncontaminated by foulness; and still over all, is the calm peace and rest of leisure, in which the busy mind can relax and the spirit work out its ideals. As Shakespeare has it,

> " And this, our life, exempt from public haunt,
> Finds tongues in trees, books in the running brooks,
> Sermons in stones, and good in everything ".

Which picture would you prefer?

But, look further. There are serpents in this Eden, and they are in the shape of human beings, for, as Bishop Heber sang: "Every prospect pleases, and only man is vile". Of course "vile" is a very harsh term to use, but it comes very near the true description, in the outward aspect at least, of our paradise of nature. What do we often find there, as we go deeper? Dirty hamlets and unclean villages, with foul water lying about everywhere, in which innocent children wallow with dosing buffaloes, contracting perhaps terrible germs of death; there are straggling narrow streets, with cattle, goats, chickens and dogs, not only hampering movement, but also increasing the dirt and the dust; the huddled outside of huts, with smoke obscuring the vision and stuffing up the nose, make us guess at what must be worse interiors, unventilated, and crowded with human beings. These are our villagers; and this is where the sophisticated town scores over beautiful nature. This is where the mind of man triumphs over the evils of simplicity. And hence, this is where the responsibility of town-dwellers arises. It is left to the well-trained and well-educated Urban to inculcate civilised ideals into ignorant and simple rusticity.

The villager is there to be taught; so simple and un-lettered, so vacant and vacuous does he appear. Yet, he is a man withal, for he also has a mind and a soul; the trouble is that both are undeveloped. As Mr. Darling says in his book on the Punjab peasant, "like the winter stream of the river, upon which he often lives, he is sluggish in mind; but like the same river in summer, when roused, he will overflow with an energy and force, that make him as dangerous in peace as in war. His tenacity, his patience, his hospitality, his picturesque humour, make him a very loveable character". He is anxious and willing to learn; for he has the innocent faith and the confiding simplicity of childhood. What a structure of developed life, therefore, can be raised on him! And it is for us to do it, who have had the good fortune to receive a share of training, efficiency and education, which he has not had.

Now there are three obvious agencies to attend to the problems of village uplift. These are first the State, secondly outside agencies like the co-operative and allied societies, and thirdly the people themselves; and it would be splendid if each, in addition to individual service, can work together with the others, in intensive and extensive work.

Now, it is a known fact that about 75 per cent of the huge population of India live in villages. It has been recognised, therefore, that the first and foremost duty of service to India is to make a detailed survey of the villager's life and mind. A good deal has been done in this direction by Government, by responsible officers and by private citizens, who have tried to tackle the complicated problems involved, from different points of approach. Mr. Darling,

whom we have already quoted, was one of those, and as a result we have his very interesting book on "The Punjab Peasant in prosperity and Debt". He has given us there "a full picture of existing conditions among the peasantry, accompanied by a careful and dispassionate examination of the problems to which they give rise." As he himself says: "That there is need for enquiry can scarcely be disputed, not only to disprove the fallacies of political prejudice, but still more to assure the welfare of three-fifths of the population of the province". Further he notes—and I would emphasise this note—"development and progress (in the real sense of the word) are by no means identical and are sometimes opposed. It must be the aim of all those, who cherish the spirit of India, which abides more in the village than in the town, to make them one, so that what is good may be preserved, and only what is bad is eliminated".

What then are our problems? It is a known fact that most of our vast land is given up to agriculture, which is therefore its mainstay. But, agriculture is by no means a profitable concern; it is only a deficit economy, and has to be tackled chiefly as a mode of living. The reasons for this are many. The vastness of the population is one. As Mr. Darling says, "Nature is bountiful, but man is prolific. Throughout the Punjab area, the yield per acre is high, but the yield per man is low. The pregnant truth, discussed by Malthus, that 'the happiness of countries depends on the proportion which the population and the food bear to each other', has never been grasped".

The capriciousness of Nature, with the failure of seasonal rains on the one hand and on the other with the destruction of floods, the extreme heat on the whole, ravages by wild animals and the scourge of pests, are capable of doing tremendous damage to harvests. As has been said: "village harvests are like small sailing boats, which can weather the storms of the Atlantic, only if the boats are well-found and well-manned, assuredly sinking otherwise".

Then again, there is often the trouble of absentee landlords from their lands, which, not only leaves ignorant ryots without proper guidance, but also cannot certainly conduce towards improvement and growth, or even to the carrying out of necessary repairs and alterations. Is it surprising, therefore, that the villager, simple and credulous, indolent and easily satisfied, as he is, should fall into the hands of money-lenders and of middle-men? This indeed is the greatest evil of village life. The primary cause of the villager's misery is of course his poverty. He is born poor, he lives poor, he acts poor and hence he thinks poor; and the poorer he is, the more difficult is it for him to emerge into better circumstances. And why? Because there is a terrible agency always pushing him back, *viz.*, the giant hand of the always present money-lender. Borrowing has become a habit with the villager; and the sad thing is, as Mr. Darling says, that "debt follows credit," and that the more valuable the property of the man, the more is his borrowing power; and when, as in India, there is no forethought or caution to control, the state of affairs is bad indeed. The ubiquitous money-lender is always ready to lend, especially when there is land to mortgage; he does not insist upon prompt repayment; and so the peasant falls into his clutches; and, the more he tries to get out of them, the deeper become the toils, while the high rate of interest charged makes it almost impossible for the principal to be repaid. Accounts are badly kept, the borrower is often forced to pay in service and labour, with the result that he has no leisure to work for himself. To this can be added the necessity, which seems to exist in India, for vast sums of money to be spent on marriage expenses and other ceremonials. Take for instance the following case. A poor ryot, who had borrowed Rs. 40, was forced to renew the loan several times and finally he found that his debt had accumulated to Rs. 400, upon which he was taken to court, and by decree deprived of all his land which, worth Rs. 1,000 before, was at that period of depression valued at Rs. 400. Such cases can be quoted in thousands. And, when to add to all this, there is a rise in living as now, is it not inevitable that the burden of indebtedness should go on constantly increasing? Some years ago, an enquiry into indebtedness in this province revealed that rural debt actually amounted to the astonishing figure of Rs. 200 crores.

Another drawback in the agricultural field is the fact that the holdings in India are far too small and scattered to be of much use. The large land-holder may be able to hold the wolf at bay, by virtue of the larger price obtained from his big produce, but the man with only a few acres can produce so little that he and his family consume nearly all he grows, and he has very little to spare for the market. "He is fighting a losing battle and he knows it", and very often his position is complicated by the fact that land is commonly owned in different places which are far apart, and so makes it difficult for him to cultivate all that he owns himself.

The rural problem in India is, therefore, chiefly the problem of small ryots and not of substantial farmers, as in America, and it is only when the former can group themselves under co-operative or

other organisations for joint effort that they succeed, for there is great need to consolidate holdings into compact lots. Moreover, extensions of service can be made at the same time. The rural people in Denmark have made a name for themselves by concerted effort through co-operative dairies, co-operative slaughter houses and co-operative poultry societies. Here indeed, therefore, is where help can come from outside agencies, especially the co-operative societies.

The economic needs of the rural population in our country generally fall under the following heads:—

(i) The need for better seeds, better manures, better agricultural implements,

(ii) The need for cheap credit,

(iii) The need to cut out the middle-men, that stand between the producer and the consumer, so as to give the producer the maximum fruits of his labour.

The first need is met by agricultural improvement societies, the second by co-operative credit societies and the third by co-operative sale societies. The first and second kinds of co.operative societies minimise the cost of cultivation to the ryots, while the third minimises the returns of cultivation to them. Through these societies, the villager can be saved from the clutches of the money-lender. He will not be compelled to borrow at high rates of interest; neither will he be forced to market his produce at sacrifice price to money-lenders. On the other hand, the provision of short-term loans by village credit societies will finance him adequately to work his holdings; provided that the co-operative ideal is kept up, of control, by which it is essential that whatever money is given must be spent on the land, and should be given in instalments, the second not imparted till the first is used, and the repayment made from the very next harvest, if possible, or at the utmost from the second one. There are also long-term loans, which can be extended even to 20 years, given by land mortgage banks, for doing away with indebtedness; but even here control is very necessary to ensure that the debts are paid off, not in part, but as a whole. Long-term loans can also be used for permanent improvements to land.

But all this is not enough, even if a good crop is produced, unless the crop is marketed at best advantage to the villagers. Here, marketing facilities must be ensured. In the first place, marketing intelligence should be published weekly in reachable centres, through the wireless, through intelligence bureaus, through local vernacular papers, and by means of public placards. Secondly, unscrupulous middlemen must be eliminated. Thirdly, the ensuring of proper weights and measures is very necessary. Here again, co-operative help comes in through the sale societies, which are the best media for marketing produce, not only by ensuring a loan on the produce, but also by storing the produce till a good market is ensured. Here is also, where the State can render great help by ensuring a well-planned tariff policy not to allow foreign stuff to come in too much, depress local stuff and swamp local prices. There is no doubt that Government has helped India a great deal, but it is obvious that much more can be done. Passable roads, better village communications for transport, irrigation facilities, the providing of good drinking water, adequate medical relief by arranging a system of rural medical officers and dispensaries, and a fine sanitary staff to attend to drains and latrines, all these and more can be done either directly, or through local bodies.

Moreover, there is a great need for the improvement of cattle used for agricultural purposes. Not only must bad stock be gradually eliminated, but also better stock must be introduced by the provision of good fodder and also by good and judicious breeding. In all these efforts, and in the eliminating of grainpests and insects, the Agricultural Department and the Veterinary department should work hand-in-hand with the Co-operative Department. Again, in the imparting of necessary agricultural education, and in the introduction of new machinery, new implements, good seeds and good manure, valuable service can be rendered.

When ryots organise themselves into co-operatives, the better traits of their character are drawn out. They learn to subordinate self-interest to the common good. They learn to work as a team in the *Panchayats* of their co-operative societies. Above all, they cultivate the habit of thrift, which is most important. Punjab, for instance, has developed a new type of co-operative society, called the "better-living society", whose sole object is to cut down expenditure on ceremonies, to discourage the dowry system and to reform social habits which are uneconomic. Instances have been recorded in the Punjab of such societies. The impact of foreign civilisation on indigenous culture, brought about by the return of military men from the last war, is said to have given a great impetus to the development of such societies. Stories are told of the Punjabi ryot, who cannot sleep without a cot and a mosquito net, who cannot do without his morning coffee and wheat-*atta*, who cannot stand the dirty habits

of villagers and must have his daily bath and change his clothes often and keep clean. The present war, which has drawn even the rural population of Madras into soldiery and brought them into contact with other civilisations, may work a similar change for the better among our ryot population and give better chances for better-living societies in Madras.

Now, there comes in the further problem how to serve India apart from her agriculture, which is, as we have seen, more a mode of living than a source of profit. It is obvious that industrialisation is necessary. Not only should agriculture be industrialised, but also direct efforts to improve industries must be definitely made. Yet, it should be remembered that the predominance of agriculture should not be forgotten, and that the complete industrial policy of the West should not be allowed to swamp agriculture. The country should not be brought to the town, not only because of the difficulty for the adequate provision of food and other necessary amenities in towns, but also because of the dangers of over-population there. On the other hand, the town should be brought to the country by a judicious policy of industrialisation. There are, as we know, three scales of industries, first large-scale manufactures like motor-making, iron and steel works, sugar-factories, etc. Then, there are medium industries, like motor-workshops, etc. Attention in villages cannot possibly be focussed on these two kinds, but has to be rivetted more on smaller industries, such as cottage industries. As Mr. Darling says, "for the small holder, there are only three ways of keeping out of debt. Either he must be as frugal and industrious as the peasant from sunrise to sunset, or he must grow what is called an industrial crop, such as tobacco, potatoes, or vegetables, or thirdly he must have some other source of income."

This is another line in which co-operative effort can do very important service. It can work the economic salvation of people through cottage industries. China provides a magnificent example of achievement in this direction, and Madras is following in its wake, helped by the circumstances of the present war. Hand-spinning and weaving, mat and basket-making, carpentering, pottery, tannery, tailoring, gardening, especially of vegetables, poultry-keeping, sheep-rearing, cattle-farms with milk depots and small dairies, hand-paper making, the manufacture of pickles, condiments, all these are being attempted on large or small scales. It is obvious that the peasant has a great deal of leisure in the year. Sometimes, for six months, when the fields are lying fallow, he has nothing to do, and he can use this leisure with profit in small industries, where he need not fear a clash with heavy industries. Since the standard of living is low, the wages also will be low; but, even with a rise in living, the wage bill in cottage industries will not preclude competition with big industries. Yet, it is necessary that such small industries should be regarded only as subsidiary or supplemental operations to benefit the farmer, not to speak of the farmer's women, who, by taking up some of the industries, can achieve independent means for themselves.

Last, but by no means least, comes in service by the people themselves, for there is no use in expecting the State as well as public departments to work alone. And here is where, colleges and schools can help.

First there should be made a careful economic survey of typical villages, taking stock of the needs of the villager, his rate of living, his indebtedness, his necessities, in the shape of food and clothing. Then, propaganda work should be undertaken, emphasising all the principles I have been enunciating. In the first place, there is instruction to be given in co-operative work. But, to get co-operation to obtain a firm hold among the rural population, a great deal of propaganda is necessary. Incessant instruction in the principles and methods of co-operation is needed and this can only be supplied by the educated classes. Many of these have taken to co-operation as a hobby; some as a vocation; but the more of such propaganda done by the educated classes the better will be the chances for co-operation in India and for rural uplift; for, as the Royal Commission on Agriculture have said, " we have great hopes that many millions of peasant proprietors may be led to a better life through a sound co-operative movement; if this is secured, much else is brought within the bounds of attainment. If co-operation fails, there will fail the best hope of rural India."

Then, some measure of educating the illiterate should be provided, for men and more, especially for women, in reading, writing and arithmetic; not to speak of physical culture, so that villagers can develop both in mind and body. The character of the villagers should be improved by teaching them to become conscious of their many defects and to seek to remedy them. Villagers should be taught to think, to get ideas and work them out, to become self-reliant, self-confident and take the initiative. Their pathetic submission to the supposedly inevitable decrees of fate should be discouraged as much as possible. Fate is the will of God; but fate

cannot be so rigid as mortals imagine; for the will of God has decreed free will to man. Hence, man can work out his own destiny, if he so wills it. Again, the habits of superstition should be eradicated. Finally, the habitual indolence and the inertia of the villagers, due to in a great measure to the climate, should be changed into forcible and interested energy. Selfishness can be transformed into public service, obstinacy can be changed to firmness, vacillation to quick decisions; indulgence into self-control. *Espirit-de-corp* and mutual help can be encouraged. There can be enumerated indeed innumerable instances of character-making and formation, just as in the case of children; for after all the villager, as I have said before, is but a child.

The evils of drink and of intemperate habits is another force to contend against. Extravagance in the matter of marriage and other important ceremonials can be discouraged. The excessive hoarding of money into useless jewellery can be reduced, though it must be confessed that jewels can be kept as a reserve for times of emergency. The evil of falling into easy debt should be pointed out. Then, villagers should be taught to avoid too much litigation. As Mr. Darling has pointed out, the people of the Punjab, for instance, are greatly addicted to litigation. " To people who are not only delighted to take advantage of the smallest chance of joining in an affray or trying their strength, but are also desperately fond of civil litigation, years of plenty offer an irresistible temptation and the craving to spend money in cases, which in the long run prove entirely ruinous to many of them."

Again, a word must be said as to the sheer necessity for harmless recreation for the villager, to spend his hard-earned leisure in. To the Cinema and the Radio can be added healthy games like cricket, football, hockey, badminton, and above all indigenous games which can all be made very popular. Even dramatic enterprise can be encouraged, as well as community singing, and musical entertainments.

Medical attention should be seen to Malaria and Filaria can be fought against by medicating waste ditches with their death-dealing puddles of foul waters with kerosene oil to eradicate mosquitoes, by the encouragement of mosquito nets, etc. There can be ensured methodical nursing in epidemics and the encouragement of inoculation and vaccination, while many illnesses can be avoided by a better system of dietetics. The use of *Ragi*, *Cholam* and allied grains, instead of the inevitable course of the filling-up, but practically useless, diet of rice, can be arranged. Child-welfare and maternity welfare must be carefully worked out. Finally, sanitation must be attended to. It should be carefully seen to that streets and compounds should be kept free from dirt and rubbish; for such like, we have seen that dustbins are provided, but not often used. Moreover, streets should not be, used as latrines, as so often done now. Then again, the interiors of houses should be kept clean. Repairs should be done; windows for ventilation should be not only provided, but kept open; chimneys for carrying away smoke should be constructed.

Bands of workers can be formed and taught to work in a regular manner. Men and women, adults and children can all do service here. I was much taken up with the account of a centre, where children were banded into workers for sanitation and cleanliness. Each child was given a few houses to attend to and a few streets to keep clean. The results, I believe, were wonderful. There is no reason why such a course should not be followed in other places. Of course, there should be incentives to arouse and keep up the interest of the children, such as the provision of liveries and the giving of prizes for efficient results.

In Rachiapuram, in the Anantapur district, is a model village, which it is a pleasure to look at and inspect. We find cleanliness and sanitation in the streets; and in the houses, good ventilation, good repair, clean and adequate clothing, as well as a healthy occupation for everyone;—old women working at charkas, young people busy at weaving and other small industries. There are good playgrounds and schools, good drinking water wells and fine patches of vegetable cultivation. Medical attendance is provided for and all is orderly and satisfactory. There are no doubt objections raised that intensive work only in a few villages will not be enough to cope with the enormous service needed. But, this village in Anantapur has become so wellknown for its efficiency, that it has been quoted by several outsiders as an example and a model for other places. One example, therefore, can well create another, for imitation is the sincerest form of flattery. And just as the progress of a nation depends on the development of each individual therein, so will the welfare of the thousands of villages in India improve by the welfare of each village by itself. If each college, school and social society can undertake to turn out a model village, vast indeed will be the improvement of our great country, and patriotic feeling can go hand-in-hand with individual satisfaction of work well and wholly done. Who can then utter a word against the ineptitude of India and her

rural people? Their regeneration will be ensured; for, just as the child is the father of the man, so is the villager the father of the country as a whole, the very backbone of it indeed; and there is no doubt that in his efficient growth lies the secret of the regeneration of our beautiful land.

These are the days of youth. It is youth, who should lead our country, youth with its freshness of thought, its eagerness for new things, its eternal hope, its beautiful confidence, its earnest faith, its pathetic carelessness of danger, its daring ambition, its fine arrogance. Yet, let not youth forget the older men and women, who have so faithfully laid the foundation for their progress; let not youth be intolerant of old age: In the words of Shakespeare, "let it not, when it once attains the topmost round, unto the ladder turn its back, look in the clouds, scorning the base degrees by which it did ascend." But, let it cultivate consideration and look with humourous kindliness on everything.

All honour, therefore, to educational and like institutions which have undertaken to prepare the youth of India for their onslaught on life. That they may lead our young hopefuls in the right path must be the earnest prayer of all well-wishers of India.

" Co-operative Middlemen."

By Mrs. S. Raghavan.

I happened to see the January number of your *Bulletin*. It was good of you to invite opinions on the point raised by Sir N. Gopalswami Iyengar. I am only sorry that he merely touched on the point instead of handling that and suggesting a way out of the tangle. With his vast experience his suggestions would have given much food for thought for those connected and interested in co-operative finance.

I had some connection with this Movement, unofficially of course, when I was in this province and I am happy to continue my connection in the sister province, Bombay. As such I consider it a privilege to pen a few lines.

Now, the efficacy of the co-operative movement depends on the efficiency of the village co-operatives is believed on all hands. As such none will put forth the plea that they are the " middlemen " in the co-operative sphere. Besides these primaries there are District Banks and Apex Banks in each province. The other co-operatives like those that go under the taluk unions or semi-taluk unions that are in the nature of fifth wheels do not go into the calculation. The attention should therefore centre round the financing institutions, both district and provincial. Which of the two is the " middleman " is the question. On the surface of it, it may appear that the District Banks may well come under that category; but if we go deeply into the matter that contention may not hold water. The District Banks are no rivals in the field and they do not set their lances against the Apex Banks. Instead they do help to tap the local resources that may lie idle otherwise; only they do not go about their business in the proper way. The reports of very many banks show that they do not depend on the Apex Banks for finance. Under these circumstances it does look strange that the ryot has to pay so much when the depositor receives so small part of it. The Central Banks now a days do not give more than 2½ to 3% interest but the ryot has to pay 6¼%. The reason, therefore, lies in the fact that the Banks have to meet heavy establishment and administrative charges.

In Madras the co-operative unions which are supposed to exist for mutual supervision really exist by trenching on the incomes of the Banks. This province has more number of societies than Bombay, but from what I gather many of them are in a state of suspended animation. Cannot the Banks do away with the unions, amalgamate small societies, and reduce the staff without endangering the

efficiency? When this question is decided effectively so much waste of money will be prevented and the Banks will be enabled to reduce the margin between the borrowing and the lending rates. They can then give an impetus to loans on short-term basis particularly on collateral securities on a lower rate than the prevailing one. But a general reduction in the lending rate is not a desirable feature. Cheapening the money unduly will only result in indebtedness on a colossal scale. Though the co-operatives have succeeded to some extent in reducing the rate of interest all round, invisible causes that govern private money lending are still there keeping the general level rather high. We should in the interest of the borrowers themselves keep them out of indiscriminate borrowing.

So in the co-operative field there is no " middleman " as such, but useful links for tapping the local resources. If instead, the District Banks are made so many branches of the Apex Bank, we will be introducing regimentation in the co-operative field also. The vital personal touch the primaries now maintain with their Central Banks will then vanish and the local knowledge may not be available. Branch Banking system may be efficient but efficiency alone is not sufficient in the matter of Co-operative finance.

So if any reorientation is necessary or desired, it should be in the direction of activating the primaries and encouraging the financing Banks to run their administration in a business-like manner.

Food Production and Co-operative Movement.

COLLECTIVE FARMING SOCIETIES THE NEED OF THE HOUR:

By A. V. Subramania Aiyar.

The problem of producing more food for the people has become a pressing one in our province. More food can be produced either by bringing in more acreage under the cultivation of food crops or by intensive cultivation of the existing area with a view to get a greater yield. The former method is a long range one and will not have immediate results. The "Grow More Food" campaign now carried on by the Government has not had any striking results in the absence of effective measures.

The object of this note is to indicate the contribution that the co-operative movement can make towards the production of more food in the province in the near future. It may be remembered that there are over 11,000 agricultural credit societies. These societies were started and worked not to tackle the problem of indebtedness of the ryots as such, but to provide them at cheap rates with funds for current agricultural operations. Even in this limited sphere there has not been success as it is found that most often the monies borrowed were not applied for the purpose for which they were got. The department had to introduce what is known as controlled credit and take precautions to see that the loans were spent by the ryots for the purpose for which they were given. The present unsatisfactory position of the agricultural credit societies has been discussed at length by the Committee on Co-operation which made two important recommendations to improve these societies and make them function effectively. These two recommendations were the making of these societies into limited liability ones and to develop them into multiple purpose societies so that they could tackle and control effectively the whole economic life of the village.

The official policy has been to make cautious experiments with the conversion of the agricultural credit societies into multiple purpose societies. It does not require deep reflection to show that unless there is considerably very much more propaganda and education in villages and ryots are made to realize the advantage of co-operative institutions, it will not be possible to develop multiple purpose societies. No wonder that no special start has been made in this direction.

The only way of reform lies in the path of converting a good number of these agricultural credit societies into collective farming societies, with the specific object of intensifying food cultivation. The work of cultivating the lands of the members should be taken up by the society itself. If this is taken up, the necessity for controlled credit disappears. Each collective farming society may start, say with hundred acres of wet land or 300 acres of dry land and can go on adding to it. It should have an exclusive officer with adequate staff. A group of such societies should have the free services of an agricultural technical adviser. The society should buy all the agricultural implements, seeds and manure necessary and cultivate itself. If the owners of lands who are members are willing to work they can be paid for their labour. The expenditure which normally all the ryot members will be spending for cultivation at present, funds for which they will be borrowing from the society, will have to be borrowed in a lump and placed at the disposal of the society. In addition to this, the Government should give a regular subsidy to these societies to cover extra cost. Such collective farming societies, if they work well, can market their own produce and may obviate the need for the existing sale societies and marketing societies, which in spite of their useful work cannot be said to be a success.

The details of the constitution of the collective farming societies can be worked out by the Registrar. Either the members can be asked to lease their lands to the Societies or they may be allotted shares in the shape of a unit acreage or its capitalised value. After meeting the expenditure and taking a portion to the reserve, the net profits can be distributed to the members. If the collective farming societies are worked fairly effectively, the ryots will get certainly better yield and better return. In case of need the societies can advance to the ryots for any necessary expenditure. The ryots can, of course, retain their title to the land and it will not be difficult to make suitable arrangements for transfer or sale should that be found necessary by any member. When once the successful results are known over a few successive years, then all the ryots will flock to the society. If there is need the bigger villages can have more than one collective farming society.

The scope of the transactions of the present agricultural credit societies will not permit of any large scale managerial paid establishment. Very few villages can boast of panchayatdars, who will work full time in a missionary spirit. The Co-operative Department which is undermanned is not in a position to spare its Inspectors for the work of guidance and help. The present machinery of Union supervision is cumbersome. The conversion, therefore, of these societies into collective farming societies will make them business organisations, which will have enough income to support an efficient paid establishment. The collective farming societies will themselves be potent instruments of education in co-operation and modern methods of agriculture. The Government should take up the responsibility for supply of good seeds and manure not only in war time but in peace time also. To start with at least one thousand societies can be converted into collective farming societies immediately and these will in a short time develop into multiple purpose societies on which the Committee on Co-operation laid so much emphasis. It is time the Government moves in the matter.

Reviews.

The Report on the Co-operative Marketing of Agricultural Produce in India—A Retrospect.

The Report commences with a preliminary review of the several methods of 'co-operatives' native to the soil in this predominantly agricultural country—our India, and after tracing the several stages of statutory enactments like the Co-operative Act of 1904, its later development in the Act of 1912 and more recent provincial Acts passed on the introduction of constitutional reforms of 1919, it passes on and observes that all such State efforts were made on the realization that borrowing is a necessity for the ryot and that rural credit and financing, through co-operative agencies run by efficient methods only, can help the agriculturist to overcome his indebtedness and find adequate finance for the several stages of agricultural economy. The place of credit in the marketing of agriculture products is next dealt with and as marketing is closely bound with credit, an organization to link credit and marketing is a desideratum, and on proper workings of such organizations lie the success of co-operative marketing. The Banking Enquiry Committee of 1931 recognised that the organization of co-operative sale societies should form an integral part of agricultural marketing and on their recommendation, the loan and sale societies were registered and Madras became the pioneer to start such societies and to effectively combine a system of controlled credit along with, so as to carefully disburse finance to the producer at the several stages of crop production and to bring about maximum advantage to the ryot. To co-ordinate the activities of these loan and sale societies a central organization known as the Provincial Marketing Society was formed at Madras and later at Bombay. Along with organising co-operative marketing, it is desirable to examine co-operative supply of producer's requirements of all kinds like implements and seed.

A brief history of the several co-operative societies in British India and the States is given with special reference to the successful societies by explaining their present position, their scope of operation, their membership, the products handled by them etc. The report finds that the present method of classification of societies is defective and pleads for a more rational method of classification so that a grouping of societies on their functions may be made and their activities co-ordinated to best advantage.

At present co-operative marketing is linked to handle the following products—crops other than fibres, fibre crops, fruits and vegetables, milk and dairy products, eggs and poultry. Societies arrange for the sale of these agricultural products by providing facilities, credit, warehousing and pooling. Better prices are obtained by withholding crops from immediate sale. In the working of the societies, the Madras scheme of controlled credit as obtaining in the loan and sale societies is much commended for adoption by other provinces.

In a brief outline of the consumers' co-operative movement, the report holds up the T.U.C.S. as a model for the interest taken by members in developing this form of co-operatives. Two other similar institutions at Bombay also receive their share of praise. These societies recognise the value of democratic control, cash sales at market rates, distribution of bonus to members ratably to purchases. The stores movement in Madras has of late received a great impetus by Government support and if it could develop well it will stay.

The co-operative marketing as obtaining abroad is dealt with, and the constitution of some very successful societies of Denmark, and U.S.A. is described and the report rightly stresses the necessity of emulation on the lines of these foreign 'co-operatives'. These co-operatives have allied associations and all are linked in the several stages of crop production, assembling, processing and distribution in regulated markets through a net work of branches where sales are made on careful study of prices within the country, or by the grading of products.

In the concluding portion of the Report, recommendations are made for better system of classification based on the main functions of the agricultural marketing societies. The linking of co-operative marketing of agricultural products with credit preferably on the controlled credit system is insisted upon. The necessity of organising co-operative supply of producers' requirements, *i.e.* seeds, manures, implements, is recommended. Greater loyalty to the principles of co-operation in not allowing non-members to join agricultural society is also called for. Government assistance by way of grants for the construction of godowns to stock grains is also found necessary. Repayment of dues in kind is encouraged, as well as marketing of newly introduced variety of the commercially important crops. It is also found desirable to extend the activities of Sugarcane Growers' Societies, Ghee and Milk Societies, Egg and Poulty societies and such other producers' societies. The development of consumers' movement is in the interest of producers and consumers and producers' societies should be linked up. Price control boards are sought to be started by statutory enactment, if necessary. The Report concludes with finding the need for federating producers' and sales societies with a view to introducing such methods of marketing as pooling members' produce and its joint sale after grading.

The Report deserves careful study as it contains useful information and statistics and diagrams which are compiled after serious attention.

The tables and diagrams show by comparison with the methods of marketing as obtained in India and other countries. Methods of co-operative marketing as obtained in Denmark and U. S. A. are very instructive and their methods of successful working are worthy of emulation.

On the whole the Report is a very valuable record of the present position of co-operative marketing of agricultural produce and contains an exhaustive treatment of the subject.

Just as the Report has explained the growth and development of co-operative movement in India, it could well have briefly discussed the current methods of agricultural marketing as a whole with a discussion of its nature and scope, the several stages it passes through in the process of assembling and processing. The lack of good system of communications—roads and railways—might have been mentioned. These things are left to the reader to imagine for himself. It would have been better to inform unenlightened readers as well, by devoting a chapter for an exhaustive study of agricultural marketing as it obtains at present. The Report should also have recommended the necessity for concessions in railway freights, necessity for better and more roads, and need to control monopolistic tendencies of buyers. Perhaps, the framers of the Report felt that all these are beside the point.

K. S. J.

Languages and the Linguistic Problem by Suniti Kumar Chatterji (Oxford Pamphlets on Indian Affairs. **As. 4.)**

This book is edited by Prof. Suniti Kumar Chatterji who is an eminent authority on Linguistics and Phonetics. It is a very valuable contribution for a proper elucidation of the subject. The author opines that language in India is not a problem of first line importance. He no doubt evaluates the place of languages as media for the spread of knowledge and progress and also the necessity of a common language for the whole of India for political and commercial purposes. He agrees with many other politicians and scholars of our time that Hindi should be the *Lingua Franca* but offers a solution with regard to its script by suggesting a Roman script in place of the Devanagari or Urdu. He argues that sentiment is against the importation of a foreign script but is necessary to set at rest the great controversy between Urdu and Hindu. Even the Hindi he recommends is the Hindi commonly understood by most of the people throughout India. He gives a historic perspective of the origin and development of the 15 major languages of India—11 of the North, Aryan, 4 of the South—Dravidian—groups them in their respective places and concludes that provincial languages shall develop in their respective areas as effective media for eradicating illiteracy. The map on the inside cover page is educative as it shows the language groups of particular areas.

K. S. J.

The Aboriginals by Verrier Elwin (Oxford Pamphlets on Indian Affairs. **As. 6.**)

This book is written by a great scholar of Anthropology who has devoted a good part of his life for studying the condition of the aboriginals from a scientific point of view. He gives the human touch to his scientific studies and he groups the 25 millions as follows:—those who retain their customs to the full, unperturbed by civilization—others who have won the battle of culture contacts and a third group who have lost nerve by the proselytising methods imposed on them by Missionary influences etc. He finds that these tribes have nurtured great virtues like communal life economically sharing with one another, tribal organization, unimpaired traditions and a mythology forming an institution to vitalize the healthy organism of the tribal life. He next contrasts this with those who have fallen low by civilizing influences—and also describes others who have won the battle of culture contacts; pleads for retaining all that is great sociologically in these "organized groups" and offers a scientific solution by urging the retention of these groups of men numbering 25 millions of India, till a better civilization on the face of the earth could assimilate this fine and virile race into the society. He concludes that the aboriginals were here first and so should have our first regard.

K. S. J.

Working of Societies.

(Contributed.)

(1) Razole Co-operative Land Mortgage Bank, Ltd.
(2) Kumbakonam Do.
(3) Tindivanam Do.

The Razole (Godavari District) and the Kumbakonam (Tanjore District) Co-operative Land Mortgage Banks are typical of deltaic areas while the Tindivanam (South Arcot District) is typical of the non-deltaic areas of the Province. They have had a successful year though there was a small decline in business. Their main financial particulars as on 30—6—1943 are given below:—

BANKS.	Share Capital.	Reserve Fund.	Borrowings from C.L.M.B.	Loans due from Members.
	Rs.	Rs.	Rs.	Rs.
1. Razole ...	36,670	4,067	5,39,761	5,48,960
2. Kumbakonam ...	28,237	10,920	3,31,301	3,38,442
3. Tindivanam ...	7,888	447	1,13,690	1,13,881

None of the Banks had overdues to the Central Land Mortgage Bank. The members' overdues to the Bank were *nil* in Tindivanam; in Kumbakonam Bank there was a small sum of Rs. 496 under principal and Rs. 116 under interest overdue; in Razole Bank while the Directors' Report says that "there were no overdues in the ordinary loans at the end of the year", the Audit Certificate shows Rs. 9,209 under principal and Rs. 21 under interest as overdue.

The contributory causes for the decline in the loan business are stated to be a fall in the prevailing rates of interest in rural parts, a great rise in the prices of land and commodities, the comparative ease with which money can be had from private lenders. A number of borrowers are selling their lands and discharging their loans. In the Razole and the Kumbakonam Banks there have been substantial advance repayments and the loan outstandings have declined somewhat in the latter. These features are found to exist almost all over the Province.

In this connection, we are reminded of a talk we had with a shrewd landholder, years ago. It was in 1930 when some land mortgage banks were proposed to be started in Salem District. He observed, "These banks may be useful in one way. They will enable an indebted ryot to hold up lands for a better market. He can obtain loans from the L.M.Bs., discharge the private creditors' dues, and wait till a good price for land is obtained. Lands need not be disposed of in a hurry." His words have now been proved to be true.

T.R.N.

The Coral Mills Workers' Co-operative Stores, Ltd., for 1942-43.

The Coral Mills Workers' Co-operative Stores, Ltd., Tuticorin (Tinnevelly District), is a very successful and an ably administered institution. The membership of the Stores is open to the employees of the Madura Mills Co., Ltd., and all concerns managed by **Messrs. A. & F.** Harvey at Tuticorin. On 30-6-43, the Stores had a membership of 3,799 which was 84·4 per cent of the total mill workers. The paid-up capital was Rs. 37,355, each share being a rupee. The members are entitled to credit up to 75 per cent of the monthly salary or wages, including dearness allowance, and that is a very great facility in these difficult times.

2. During the year 1942-43, Goods were purchased for Rs. 6·84 lakhs, and the sales were Rs. 6·62 lakhs. The stock held on 30-6-43, was Rs. 1·27 lakhs, equal to about 3 months' probable sales. The stores made a gross profit of Rs. 40,832 and a net profit of Rs. 13,203, after creating Reserves for Rs. 8,403. The management charges works out to 3·5 per cent on sales.

3. The Madura Mills Co., Ltd., are rendering very substantial help to the stores in the following ways :—

(i) The grant of overdraft for the business at 4 per cent Interest; the stores owed Rs. 88,988 on that account on 30-6-43;

(ii) The grant of subsidy by which sufficient Reserve may be created in the finance of the stores to meet unforeseen loss owing to sudden fall in prices. The subsidy given for 1942-43 was Rs. 36,000, and the total given so far was Rs. 74,000;

(iii) Rent free (practically) Premises for the stores; only a nominal rent of Re. 1 per mensem is paid.

(iv) It nominates a member to the Board of the Society, thereby placing at its disposal a person with business experience and ability. The President of the Society is the present nominee of the Mills.

4. The stores has been able to build up good Reserves; it has a Price Equalization Fund of Rs. 44,920, Special Reserve of Rs. 7,000, a Bad Debt Reserve of Rs. 8,403 and a Reserve Fund of Rs. 413. There was no need to draw on the Price Equalization Fund, during the year. It was drawn upon only during the first and the third year of working to the extent of Rs. 500 and Rs. 22,700 respectively.

5. The prices are generally fixed on the first of each month. They are not altered unless the local market goes down, in which case prices are reduced to that level. If they go up, the benefit goes to the members at the expense of the stores, thanks to the magnificent subsidy.

6. The stores organized Deepavali piece-goods sales. The dues were collected in 3 monthly instalments. The Madura Mills were pleased to contribute two annas in a rupee and the members paid the balance only. The Deepavali sales alone amounted to Rs. 30,902 and the contribution of the Mills was Rs. 4,648.

7. "Our trade has increased out of all bounds. From the accounts one can easily discern the soundness of our position. Two or three years of hard working has landed us in a very satisfactory position." These claims extracted from the Report are quite justified. The Stores are undoubtedly doing good work.

T.R.N.

The Tiruchengodu Co-operative Union, Ltd. (Salem District) for 1942-43

The Co-operative Supervising Union has, after many vicissitudes, settled down as an annexe of the Central Bank. It is now provided with both men and money by the Central Bank. In the heyday of its popularity, we had some 600 of them, and now, we have, perhaps, about a third of that number.

2. The report is a sample of the work of what a good Union can do. We had the pleasure of knowing this Union as an infant of 5; it has now grown to vigorous manhood. The Union now holds the first place in the Salem District. The Silver Cup instituted by the Central Bank became the Union's own in 1941-42, by three successive years of good work. The Central Bank has now instituted a shield to be competed for, and the Tiruchengodu Union has secured it for 1942-43.

3. The Union has a membership of 80, of which 62 are rural credit societies. The affiliated societies had on 30-6-1943, a membership of 14,758 and a working capital of Rs. 7·25 lakhs, made up of share capital of Rs. 1 lakh, deposits Rs. 1·23 lakhs, borrowings from Central Bank Rs. 4·26 lakhs, and Reserve Fund of Rs. 74,509. During the year, 21 societies took no steps to obtain finance for their members from the Central Bank. 51 Societies sent up loan applications to the Central Bank for about Rs. 7 lakhs. That is an index of activity of rural credit societies whose main function now-a-days is the provision of short-term finance. Repayments of loans were good. Principal arrears were Rs. 40,000 out of about Rs. 3·90 lakhs due by members, and interest arrears were Rs. 6,900 out of Rs. 41,500 due. 13 primary Societies have been able to secure deposits. It is extremely gratifying to note that 2 societies, Mallasamudram and Morangam, worked entirely on deposits. Mallasamudram Society was given a grant of Rs. 101 by Government for the maintenance of a library. It is also running a Veterinary Hospital. Morangam Society runs a Rural Dispensary for which the District Board gave a grant of Rs. 60. These are typical examples of what rural co-operatives could do.

4. The "Grow More Food" week was celebrated in 25 Societies. 17 iron ploughs were purchased from the common good fund of Societies and presented to 17 members (at the rate of one per society) who grew more than what they did in the previous fasli. The Salem Central Bank instituted a prize of Rs. 100 to be awarded to the Society in the district which best celebrated this week. The prize was obtained by Elachipalyam Society of this Union.

5. The controlled credit scheme was worked in this Union but the ryots did not obtain its full benefits, as a good number of them sold their produce direct to dealers in contravention of the conditions of credit. Mallasamudram Society purchased wholesale the yarn required by its weaver members. 10 Societies obtained licences for the sale of food-stuffs and sold stuffs worth Rs. 16,125 to their members and non-members.

6. The Tiruchengodu Sale Society, which is an affiliated society, sold the produce of its members for a total of Rs. 4,96,922 and earned a commission of Rs. 4,000. This Society, together with the Konganapuram branch, sold produce for Rs. 11,17,000 and earned a commission of Rs. 12,531. There were 7 Stores in the Union's area and they sold stuffs for Rs. 1,32,000. There is a Bee-growers' Society at Tiruchengode. 300 boxes were distributed in about 100 villages and about 1,000 lbs. of honey was gathered and sold. Efforts were also made to popularize the growth of Co3 cotton in this Taluk. About 32,000 lbs. of seed were obtained from Agricultural Department and distributed to 343 ryots for sowing in 1,250 acres.

The Union was ably administered during the year.

T. R. N.

The Triplicane Urban Co-operative Society Ltd. Report for the Half-year 1st July 1942 to 31st December 1942.

The Report of the Society pertains to the period when the Madras City was being re-peopled after its evacuation in April—May 1942. It was estimated that, out of the normal City's population of about 7½ lakhs, those that remained was about 1½ lakhs (this is based on the death rate that prevailed). Many of the City's shop-keepers had closed and those that remained held scanty supplies, as their customers had left. Even rice was unobtainable except at the Stores, with the opening of the Courts and Schools and Colleges in July 1942, the movement back to the City began and by the end of the year the old population had returned. The shops re-opened gradually; but they did not obtain or maintain the normal stocks of food-stuffs, owing to the uncertain demands. The T.U.C.S. was the only place where one could obtain the essential stuffs. It is in that background that we have to consider this report of the Society; it played a notable part in those anxious days. The Government arranged with the Society to have additional branches

(Emergency Depots) opened in the different parts of the City. During the half-year the Society's Branches numbered 35, and the Emergency Depots numbered 30. At the instance of the Government the Society held reserve stocks of stuffs, for which the Government provided the necessary funds. The T.U.C.S. has now a leading role in the City's distribution machinery, and its operations have assumed large proportions.

2. The sales during the half year amounted to Rs. 23,44,000, as against Rs. 5 or Rs. 6 lakhs in the pre-evacuation period (comparative figures have not been furnished in the report). The regular branches of the T.U.C.S. sold goods for Rs. 15,87,000, and the Emergency Depots for Rs. 7,57,000. The gross profit jumped from Rs. 50,256 in the previous half-year to Rs. 2,06,024 in the half-year under notice, the increase being almost fourfold; the Society's share of the net profit increased from Rs. 9,741 to Rs. 85,002 correspondingly.

3. The finance for this huge business is provided partly by the members as share capital, and largely by Government in the shape of Advances and Loans. The paid-up share capital of the members on 31-12-42 was Rs. 1,00,400, their number being 8,254. The Government had given an interest-free advance of Rs. 1 lakh, and a loan of Rs. 2 lakhs at 2 to 2¾ per cent interest. The Government had also advanced funds amounting to Rs. 8 lakhs for the purchase of Reserve Stores. The Society has a Reserve Fund of Rs. 1,10,000 but that is invested in Society's own buildings. The bulk of its special funds like the Security Deposits and Provident Fund of Employees amounting to Rs. 1·09 lakhs are separately invested. The owned capital of the Society is not sufficient for the size of its present business. Fixed Deposits are now being accepted from members. The finances of the Society are being prudently handled.

4. The Society held on 31-12-42, working stock for Rs. 4·35 lakhs and reserve stock for Rs. 5·76 lakhs under the Emergency Scheme. The purchase, transport, storage and distribution of the numerous stuffs dealt with at the stores is no ordinary affair and is managed creditably.

5. Production Activities:—The Gingelly Oil Mills of the Society turned out good work. The oil produced was valued at Rs. 82,631. The Society had buying and milling arrangements for rice and paddy at Nellore.

6. The Society made a record profit. A sum of Rs. 25,000 was transferred to Business Reserve, and Rs. 10,000 set apart for Income Tax; dividend on purchases by members was paid at 6 pies per rupee; the staff was paid a bonus of 2 months' salary; interest on share capital was paid at 3⅛ per cent. The statutory additions to the Reserve Fund and the Common Good Fund were also made.

The Society had indeed a very useful and successful half-year. In 1943, the business must have exceeded all records and we await their report.

T.R.N.

The Melur Co-operative Urban Bank, Ltd. (Madura District) Silver Jubilee Souvenir.

The Melur Co-operative Urban Bank, Ltd., celebrated its Silver Jubilee in November last, and the Society has issued a Souvenir Booklet to mark the occasion. Like all Co-operative institutions, it began in a small way, and is now a flourishing bank, doing good to those who seek its help.

2. It is a modest bank with a working capital of a little over Rs. one lakh. The maximum working capital that it ever had during the last 25 years, was Rs. 1,22,000. It is not by the size of the figures in the Balance Sheet that we should judge any Bank—whether Joint Stock or Co-operative. A Co-operative Bank has many limitations on its business. Its operations are confined to a small area, which, in the case of an Urban Bank, is generally the Municipal area. Members should be residents of that area. The economic condition of the locality determines a bank's size. The bulk of the bank's dealings are in small units—whether deposits or loans. It is not profit-making banking. Notwithstanding these factors, we, in this Province, have some Urban Banks conspicuous by their size.

3. The Melur Urban Bank has indeed done well within its environments. On 30-6-43, the Bank had 463 members, paid-up capital of Rs. 24,400, Reserve Fund of Rs. 11,700, and deposits of Rs. 78,160. From the classification of loans, we find that loans on Personal credit preponderate. 406 loans for Rs. 37,450 were surety loans, and 107 loans for Rs. 30,053 were mortgage loans. That is the true co-operative way. The Report states, "Many poor labourers, artisans, menial servants, craftsmen and petty traders have been benefited by this institution. Loans are issued and collected in convenient daily, weekly, monthly, and yearly instalments. In our experience, our encouragement in granting loans on this well-known ideal (lending moneys on the invaluable security of a person's honesty and thrift) have proved that such loans are more regularly repaid than loans on the security of property." That is what a co-operative bank is created for. What distinguishes a co-operative bank is its loan policy and methods. It would have been interesting if the figures of loans *disbursed* from the commencement of the bank had been given in the report.

4. All banking activities have been introduced such as collection and issue of drafts, acting as transmitting agency between the central

bank and its affiliated societies, collecting agency for insurance companies, current accounts, individual cash credit facilities, jewel loans, produce loans. These facilities enhance the value of a bank's services, especially in areas where the joint stock banks have no offices.

5. Tributes are paid to the Pioneers, and the past and present Directors of the Bank for their invaluable services. The President Dr. M. N. Venkatraman, and the Vice-President Mr. K. Mahamed Siccander Rowther Sahib have been the longest connected with the management of the Bank ; the former was Hony. Secretary from 18-7-1926 to 10-4-1943 and is the President from that date onwards, and the latter was Director from 1929 to 1936, President from 1936 to 10-4-43 and is the Vice-President since that date. The other 5 of the present Directors have been on the Board from 1936 onwards. This has secured to the Bank a continuity in management which very few co-operative societies are able to enjoy.

T.R.N.

Annual Reports for 1942-1943 of

(1) The Coimbatore City Co-operative Bank, Ltd.
(2) The Coonoor Co-operative Urban Bank, Ltd.
(3) The Dharapuram Co-operative Urban Bank, Ltd.

These three Urban Banks are in the area of the Coimbatore—Nilgiris Co-operative Central Bank, and their reports are noticed together. On 30-6-43, the Coimbatore City Bank had a working capital of Rs. 5,53,000, the Coonoor Urban Bank of Rs. 4,76,000, and the Dharapuram Urban Bank of Rs. 79,000 ; the membership was 1,970, 1,269, and 468 respectively. The main financial particulars are given below :—

	Coimbatore City Bank	Coonoor Urban Bank	Dharapuram Urban Bank.
	Rs.	Rs.	Rs.
1. Share Capital ...	49,000	44,600	17,300
2. Reserve Fund ...	14,200	15,600	12,400
3. Deposits ...	4,89,600	4,20,900	49,400
4. Cash and Investments...	1,96,000	3,83,600	39,000
5. Loans ...	3,60,200	1,03,200	46,700
6. Net Profit ...	1,450	4,484	1,964

2. The Coimbatore and Coonoor Banks are typical of our bigger Urban Banks: deposits growing inspite of reduced rate of interest, loans decreasing, and lack of remunerative investments in or out of the co-operative movement. They held heavy cash balances—out of all proportion to their requirements. The Coimbatore Bank had on 30-6-43, a cash balance of Rs. 39,600, Coonoor Bank Rs. 1,74,900 and Dharapuram Bank Rs. 25,900. Co-operative loans cannot, in their very nature, increase as fast as deposits, nor is that desirable in the interest of safety and soundness. The Coimbatore Bank proposed to take power to lend on produce and increase the limit of the jewel loans to Rs. 1,000. The

Department has not accorded sanction to any of the two. The Urban Banks are constantly advised and exhorted to increase loans on personal credit. But is it realized that there are limitations to surety loans and that such loans cannot be granted in large amounts or for long periods. Loans beyond a certain amount cannot, should not, be granted except on the security of property. Unless the bigger Urban Banks have facilities to lend on all varieties of security that banks generally accept, they cannot carry the smaller personal loans on their books profitably. A joint stock bank would, with the resources of the Coimbatore and Coonoor banks, have easily made a profit of about Rs. 10,000, as against Rs. 1,450 and 4,484 made by the co-operatives. The Coonoor Urban Bank has given special encouragement to savings accounts by the distribution of hundi boxes among the working classes and has netted in about a lakh of rupees that way.

3. The loans granted and repaid and overdues are given below.

	Loans Issued.	Loans repaid,	Overdues.	
			Principal.	Interest.
	Rs.	Rs.	Rs.	Rs.
Coimbatore City Bank ...	2,70,400	2,87,600	31,000	7,102
Coonoor Urban Bank ...	1,57,400	1,48,800	8,100	855
Dharapuram do. ...	54,600	53,100	4,400	965

The overdues are decreasing and the necessary steps are taken. In the Coimbatore City Bank, there were advance repayments to the extent of Rs. 83,000, and this has, it is stated, reduced the profits considerably. It is pointed out, in their report, that the need for credit is not felt, and even if the accommodation is had, it is kept only for short periods, and that loans are repaid in advance. These are tendencies in the right direction, and the efforts of people to get out of debt are indeed praise worthy. Only those in business can require loans all the year round.

The Banks have done very well within their limitations.

T.R.N.

Stores Movement in Madras.

A Review for January—by the Registrar of Co-operative Societies.

Wholesale Stores.—The paid-up share capital of all the Co-operative Wholesale Stores on 31-1-1944 was Rs. 12·22 lakhs. It continues to be below Rs. 50,000 in the Co-operative Wholesale Stores at Anantapur, Vellore, Cuddalore, Chittoor, Cuddapah, Malabar, Nellore, Tanjore and Vizagapatam. The share capital position of the Wholesales at Anantapur, Chittoor and Calicut is very unsatisfactory. Only the three Co-operative Wholesale Stores at Coimbatore, Madura and Tinnevelly have been able to collect share capital of over Rs. 1 lakh. In every review the need for building up the capital structure of stores is being emphasised; but the response has not been satisfactory. The directors of central stores are once again requested to launch a drive to collect more share capital and the Registrar hopes that by the end of March 1944, the stores would have collected adequate share capital so that they may depend more on their owned capital than on top-heavy borrowing.

Business.—During the month, the wholesale stores purchased articles worth Rs. 24·74 lakhs and sold articles to the value of Rs. 34·67 lakhs as against Rs. 34·69 lakhs and Rs. 42·69 lakhs respectively during the previous month. There has been a fall in the business of the Wholesales during the month. The directors of the Co-operative Wholesale Stores are advised to examine the reasons for the fall and concert ways and means to improve the position.

The book value of the stock held by the Central Stores on 31-1-1944 was Rs. 95·25 lakhs. The borrowings outstanding against them were Rs. 95·27 lakhs from Central Banks and Rs. 7·96 lakhs from other sources.

Primaries :—The number of primary stores on 31-1-1944 was 1,144 as against 1,131. Their membership and paid-up share capital were respectively 2,83,810 and Rs. 33·65 lakhs as against 2,68,805 and Rs. 31·71 lakhs respectively in the previous month.

Their purchases and sales during the month were Rs. 56·52 lakhs and Rs. 61·91 lakhs as against Rs. 55·87 lakhs and 64·28 lakhs respectively during the previous month. Their sales showed a shrinkage in the month. The stores should take effective steps to develop their business. The total population served by these primaries is 12,33,859 out of a total population of 1,40,92,486, which work out to about 8·76 per cent that is almost the same as last month. The percentage of population served is very unsatisfactory in the districts of North Arcot (1·5 per cent), Godavari East (1·50 per cent,) and West Godavari (2·0 per cent), while it was above 12% in the districts of Anantapur, Bellary, Coimbatore, Kurnool, Kanara South, Madras, Madura, Nellore, Nilgiris, Ramnad and Vizagapatam. The present difficult times have afforded ample opportunities to the stores to serve the public and to develop their business. They should make the best use of these opportunities and try to become important and effective agencies in the retail distributive system of the Province.

Judgment.

HAPPEL, J.
9th February 1944.

Chingleput Co-operative Urban Bank, Ltd.,
vs. Thirupurambal Ammal.
S.A. No. 250 of 1943.

Mortgage—Award on by Registrar of Co-operative Societies in favour of a Co-operative Society—Award not executed and allowed to become barred by limitation—Subsequent suit even against persons not implicated in the award—Proceedings barred.

A Co-operative Bank having already obtained an award from the Registrar of Co-operative Societies against the mortgagor for the amount due under the mortgage cannot file a second suit on the mortgage. Once an award has been obtained, the cause of action becomes merged in the award and the only remedy is to enforce it by execution. But a mortgagee who has executed his decree (or award as in the present case which can be treated on the same footing) and allowed it to become barred cannot bring a second suit even against a person not impleaded in the first. His cause of action is the same. It is founded on the mortgage; and the mortgage having been extinguished, no fresh suit will lie.

V. Ramaswami Aiyar for Appellant.

P. V. Rajamannar and K. Subba Rao for Respondent.

M.L.J.

Appreciation of Co-operatives in Madras.

Canadian newspapers have of date been carrying reports of a grave shortage of food in India which is causing much suffering by the people. It is a condition arising mainly out of war activities, although poverty, unfortunately, is an ever-present condition in India. In such a time of dire need it is interesting to note how the service motive of co-operatives is appreciated.

The August issue of the "Madras Journal of Co-operation", publishes in full a long memorandum " on the present rice position in Madras Province prepared by the People's Food Committee." The Committee reports that "the import of rice into Madras during the last five months has fallen short of the quota by more than 30 per cent. The balance of 70 per cent has not all gone into immediate consumption some of it has been hoarded."

As to the licensing of food distributors the Committee says: "The greatest care will be required in the selection of retail licensees. Every co-operative store or depot which applies for a licence *should get it automatically.*" The report continues: "The Committee would recommend that in addition to these co-operative organisations there should in each division of the city be at least one retail shop run directly by Government agencies and it should, where conditions require it, cater exclusively for those of the poor whose earnings are below the minimum income limit, and who consequently qualify for getting their rations at a concessional price."

Another significant recommendation in the report is that "whenever in a district it becomes necessary for the collector to arrange for distribution of the supplies available to retailers by wholesale agency the *work should be entrusted to wholesale co-operative stores where they exist in preference to mere private traders and merchants.*"

In a time of extreme distress and of great food shortage in India it will be noted that an organisation acting in the public interest has to throw over private enterprise and the profit motive in food distribution, and encourage non-profit distribution by co-operatives interested only in serving the people.

(Extract from 'The Canadian Co-operator' Vol. 34, No. 11, November 1943.)

Recent Utterances.

The Seventh All-India Regional Cattle Show.

W. R. S. SATTHIANADHAN, M.A., I.C.S.

It is indeed a privilege and an honour that you have given me to declare open the Seventh All-India Regional Cattle Show. All the world over, cattle shows have a great value; and, in a country like ours, which is predominantly agricultural, they will be of particular benefit, because the prosperity of agriculture depends to a large extent on the cattle wealth of the land. The collection together at one central place of cattle of outstanding quality; the inspection of them by competent judges and the awarding of prizes for the best among them, will throw open naturally a vast field for competition. The owners of prize-bulls or cows go back to their villages proud of the distinction they have been able to achieve and determined to win prizes again in the coming years by breeding superior cattle. Ryots in the neighbourhood look upon the prize-cattle with esteem, and try to purchase at least their offspring and compete with them at succeeding cattle-shows. Hence a healthy spirit is created which is bound to be a national gain.

2. Cattle shows also bring together a vast concourse of people, some of whom come with the sole object of purchasing quality cattle for drawing their parts, tilling their soil or providing milk for them. They know that a cattle-show is not a place like a cattle fair, where animals are brought for sale, either out of need for money, or in order that their owners might get rid of them. They are sure that the prizes awarded at cattle shows are sure certificates of merit. They have a chance of being able to purchase the progency of animals certified in previous years. In most cattle shows, animals are bought and sold as the son or grandson or daughter or grand-daughter of a good animal which has won a prize in the past; and, thus breeders of good cattle also benefit by securing special prices for their stock.

3. Tiruppur has won for itself a reputation for cattle shows; and the Coimbatore district is regarded as the "stud-farm of South India." Many prominent people have contributed their share towards this happy result—the All-India Cattle Show society, the Veterinary Department of the Government of Madras, the organizers of local cattle shows and the cattle breeders and ryots of the district. Particular mention should be made here of the Pattagar of Palayakottai who, through splendid work and achievement, has rightly earned for himself a great reputation as a fine breeder of cattle. I wish we could have more men like him. I realise, however, that it is not every one that can rise to his level of excellence. Limitation of finance, grazing grounds and initial stocks are some of the hindrances in the way; yet given the enterprise and the will to improve, in addition to the determination not to be daunted by obstacles, there is no reason why capitalistic enterprise in cattle-breeding should not succeed elsewhere in India, as in Kangayam.

4. My Co-operative Department is not yet in a position to parade before you arresting figures of the contribution we have made towards improving the cattle of the country. We have only 7 cattle-breeding co-operative societies in the Province; two of them are situated in Madura, 2 in Guntur and one each in Kistna, Kurnool and Salem. The society at Anchetty in Salem district has probably done the best work. It owns 15 stud bulls. It serves an area, where with the assistance of the Veterinary Department, about 2,000 cows have been selected for breeding purposes. A Veterinary Assistant Surgeon visits the society periodically. Cattle feed is provided. Records of services are maintained. Pedigree stock is raised. In a period of six years, the Society has given to the country 1,330 heads of pedigree cattle. A much grander enterprise has recently been attempted by my Department with the hearty co-operation of the Veterinary Department. A scheme has been evolved at Puduvoyal near Madras for breeding cattle on a co-operative basis, subsidised by Government. The idea is that a cattle farm should be raised on the lines of the cattle farm at Hosur, but run by non-officials with the assistance of Government. 20 Scindhi cows and 20 Mura buffaloes, with a stud bull for each, are to be stationed at the farm and pedigree cattle are to be raised. The farm will provide grazing ground, cattle fodder, sheds for housing the cattle and a dairy for collecting the milk. A Veterinary Assistant Surgeon and an Agricultural Demonstrator will be stationed at the farm, so that they may be in constant attendance. This proposal is under the consideration of Government. There is a prospect of starting a similar scheme in your own district near Mettupalayam where investigations have been made.

5. But I must confess that I am more interested in milk and milk products than in draught cattle. This is because the co-operative movement has done splendidly with its milk supply societies and milk supply unions. At the end of 1943 there were 144 such, which were able to handle Rs. 17 lakhs worth of milk and milk products. The milk supply union at Madras alone is able to dispose of 2·87 lakhs rupees worth of milk in a year and is the sole supplier to the 9 State Hospitals in the City. The Milk Supply Union at Coimbatore is another prosperous union whose annual sales amount to Rs. 1·40 lakhs. My visit to this district just now is in connection with the supply of milk on a much larger scale by this Union.

6 The emphasis I have put on milk and milk products is due to three considerations. First and foremost, milk is the most nourishing diet for human beings and the health and strength of the South Indian will improve in proportion to the increased consumption of good milk. You and I want our children to grow healthy and strong, and this can be best achieved if the milk diet of every child is going to be sufficient and of the highest quality. Secondly, from the point of view of the cattle-owner, milk pays well and pays immediately. Scindhi and Ongole cows which yield large quantities of

good milk will build up his economic prosperity. In the third place, good milch cattle inevitably lead to good male calves as well.

7. This last point of securing good calves from cows brings me to a great experiment, which we are about to launch in Madras, namely, the scheme for salvage of dry cows. Though one of the objects of this scheme is to remove dry cattle from the City of Madras and spare the City the nuisance of innumerable cows wandering about everywhere, the real object of the scheme is to prevent slaughter of good dry cows and to secure calves out of them. For this purpose, the proposal is for a co-operative society to take over all serviceable dry cows in the City and march them to neighbouring forests near Chittoor or Nellore, where they will remain during the dry period under the watchful care of the Veterinary Department and where they will be served by pedigree bulls. It is expected that this scheme will result in dry cows returning to the City, ready again for milking, and also in an increase in the number of superior cows. A scheme like this need not be confined to the City of Madras alone. An experiment is already being worked out on informal lines in Madura in collaboration with the Co-operative Milk Supply Union there. Others can be organised, not only for cows in a town, but also for cows in villages.

It is impossible for me to overstress the importance of good cattle in this country. We are passing through difficult times. We possess a vast number of cattle, mostly of poor stock and generally underfed. Fodder is scarce and our cattle are suffering. Breeding is indiscriminate. I wish we can realise that it pays to breed good stock and to feed our animals well. Is it not obvious that one good animal will turn out as much work or yield as much milk as two or three of the miserable specimens we are confronted with everywhere?

May I appeal to one and all of you to co-operate in seeing that good cattle breeding and efficient feeding are practised, and that strenuous efforts are made for better and more grazing grounds, for more fodder crops and for the scientific use of cattle feeds like oil-cakes and cotton seeds supplemented by such special additions as bone meal and shark liver oil where necessary. It should not be difficult in India for us, Indians, who venerate the cow to devote more of our thought, more of our money and above all more of our kindness to our cattle. We want men of influence and enterprise, to lead us and I trust that shows such as this will awaken us to our real and pressing need in this matter.

I have now great pleasure in declaring this show open.

The Fourteenth Conference of Land Mortgage Banks, 30th January, 1944.

ADDRESS BY

DEWAN BAHADUR C. S. RATNASABHAPATHI MUDALIAR, O.B.E.

* * *

Agriculture is our basic industry and it should be the policy of the State to see that the producer gets the maximum benefit of his labours. During the period of the depression the agriculturist has suffered most, as the price of agricultural produce fell very low. Since the year 1941 there has been a rise in the prices of agricultural produce. This advantage, however, has been whittled down by the rise in the price of cattle, implements, seeds, manure and other necessities which the agriculturist has to buy. At the early stages of the rise in prices, the middlemen appropriated to themselves a good part of the enhanced value. Even now, the agriculturist is not able to reap the full benefit of the high prices. There should be a close approximation to the prices that the consumer pays for rice and that paid to the producer for paddy after allowing for transport, milling and other charges. Any disparity, over and above this, should be curtailed and the full benefit passed on to the producer. It has been found that there is a great variance in the prices paid for paddy in different districts and in different localities of the same district after allowing for transport charges. The Government have to remedy such anomalies and see that the producer, who has been denied so long, gets the maximum benefit.

The war boom and the inflated currency have accumulated savings in the hands of a few. For want of safe avenues of investment some of the people have taken to buying land at high prices. Absentee landlordism has all along existed in this country, much to its economic disadvantage. This process has now been accentuated and it is for consideration whether such a state of affairs is conducive to our national economy. In the long run, it will repress the yield from the land, as the tiller of the soil has no interest in the land. If this tendency has to be effectively checked, agriculture should be made to be a remunerative occupation and pressure on land has to be relieved by finding new avenues of employment for the large surplus population who are perforce sticking to the land and living on a subsistence level.

I hope I will be pardoned for my adverting to one or two problems of Agricultural development and standard of life of the rural masses. Welcoming the members and delegates to the 4th Session of the Indian Society of Agricultural Economic Conference held recently near about Poona, Mr. Walchand Hirachand said "The new world that will emerge out of the present war will demand constructive thinking. The problem of our country is not merely one of reconstruction or rehabilitation. It is one of quickening the pace and widening the basis of our economic progress not merely through improvements in Agriculture, but also through a co-ordinated policy of Industrial development". Sir Manilal Nanavati, Ex-Deputy Governor of the Reserve Bank of India speaking on the same platform said that there were three main items of reform if a new orientation of Agricultural policy and a new drive to reach the farthest village was going to be launched. These were (1) Land reform, (2) Tax reform, (3) Administrative reform. He rightly stressed that the initiative for this drive must come from the Government with the aid of the best experts. The problem of land reform is one of making the cultivator the owner of the land and also of promoting consolidation of holdings so as to bring them up to a fair economic size. Again the scheme envisaged by Sir Purushothamadas Thakurdas and other leading Industrialists and Economists at the Bombay Press Conference also contains some fundamental agricultural reforms of a far reaching character. Their scheme includes co-operative farming, the liquidation of agricultural indebtedness, the tackling of soil erosion, and the extension of the area under cultivation. They also provide for soil conservation and other permanent improvements to the land. Without entering into the feasibility of launching the whole scheme all at once it must be admitted by all tackling the problem of agrarian reforms that some schemes on these lines may have to be launched by the Government at an early date. I commend the above to the delegates of this Conference and I am sure in any such scheme of rural development in this Province the resources of this bank will be harnessed by the Government.

There are at present 119 Land Mortgage Banks, serving 15,364 villages in the province. Since its inception, to the end of 1943, the Central Land Mortgage Bank has issued 23,337 loans for a total sum of Rs. 3,78,97,545. All high interest bearing debentures issued in the earlier years have been redeemed and those at present in circulation bear interest at 3 per cent. and 3½ per cent. The interest charged on loans, which in the beginning was as high as 8½ per cent. was in course of time, reduced, as the debentures with high rates of interest were redeemed. The loans now in force bear interest at 5 to 6¼ per cent. The interest rates on loans in rural parts have, to some extent, been influenced by the bank's lending rate. It can, therefore, be said that though the bank has served so far only 23,337 families by directly issuing loans, it has served others indirectly by exercising its influence in reducing the level of interest rates in

general and in steadying money lenders who would otherwise have precipitately realised their loans by selling away the properties of the indebted in the period of depression.

Various banking committees that examined the problem of rural indebtedness in this province have estimated that the amount of total indebtedness would be between 100 to 200 crores. Mr. Satthianadhan, in his report on rural indebtedness estimated that the total indebtedness of the province would be about 210 crores. The great depression had deepened the problem and many agriculturists parted with their lands to their creditors. The Agriculturists Relief Act reduced the debts in many cases. It is possible that some of the indebtedness would have been cleared since that Act came into force. With the rise in prices, the agriculturists are taking full advantage of the situation and are fast clearing off their debts. All these factors would have contributed effectively to reduce the figure of indebtedness. Even so, the existing rural indebtedness in the province would amount to several crores, whereas the land mortgage banks have lent less than Rs. 4 crores. Out of 35,703 revenue villages in the province, only 15,364 villages are included in the jurisdiction of the land mortgage banks. Loans have been advanced only in 7,695 villages. This shows that in as many as 28,000 villages no loan was issued by land mortgage banks. The pattadars in the province number 61.7 lakhs. As against this, only 23,337 loans have been issued. If the ideal is to make land credit available to every indebted ryot living in the remotest village, the land mortgage Bank system has a very large ground to cover. But the fact is that not every indebted borrower can obtain a loan in the Land Mortgage Bank. As a banking institution, it has first to see to the security of the loan proposed to be given. The security that could be offered by many of the agriculturists for the loan required by them, is not adequate. This can be well understood when it is realised that over 48 lakhs of pattadars pay Rs. 10 and less as land revenue to the Government. The repaying capacity of many of these small holders is found to be poor. Such persons can never hope to obtain loans from land mortgage banks unless their standard of living and earning capacity are increased.

In order to raise the standard of living and the purchasing power of the rural classes, it is necessary that industries should be developed side by side with agriculture. At present our agricultural and other raw materials are being exported to foreign countries and sent back to us in the shape of finished goods. Industries should be started to utilise the raw materials that are now being exported and to produce the finished products that are now being imported. This will find employment for the unemployed and the under employed and put more purchasing power in the hands of the people. This increased purchasing power will be reflected in the increased prices of agricultural produce. It will then be possible and profitable for the agriculturist to take to his profession with greater enthusiasm. India with its teeming millions provides a very large market capable of incessant expansion, as the peoples' productive capacity, purchasing power and consuming ability increase.

The land under cultivation at present is giving a very poor yield. In other countries where a progressive agricultural policy has been adopted, it has been possible to produce three to four times the crop that is produced on an acre of land in our country. Intensive cultivation of land by the use of improved and scientific methods of agriculture, use of fertilisers and above all, timely adoption by the Government of policies which assure an adequate return to the agriculturist, have been responsible for the increased out-turn in those countries. India has all the resources and the raw material required to improve the land and make it yield as much as in other countries. Only lack of a bold policy and a well thought out plan is standing in its way in achieving the much desired result. Extensive use of fertilisers should be encouraged by producing them in the country in large quantities and making them available at a price at which it would be profitable for the agriculturist to make full use of them. If a bold policy to this end is adopted I have no doubt that the agriculturist would take full advantage of it and produce ears of corn where now only one is produced. This increased out-turn has become an urgent necessity now on account of the inadequacy of the food grains in the country.

At present there is a vast acreage classed in Government accounts as uncultivated land and current fallows. In the year 1941–42, the extent shown under these heads was 20·615 million acres as against 31·979 millions of acres actually under cultivation. Much of the land now left uncultivated could be brought under cultivation if proper measures are adopted to clear the land and arrangements made for irrigating them. Government should initiate necessary measures to bring the vast tracts left fallow for want of assured seasonal supply of rain and irrigation facilities by the construction of wells and by starting irrigation projects. Such measures may be undertaken as a part of the "grow more food campaign" and the necessary material found on the footing of urgent measure of war effort.

In Zamindari areas some of the villages still remain unsurveyed. Land mortgage banks as public institutions cannot sanction loans unless the property to be mortgaged is properly ascertained and defined in the records to which the public have access. Large numbers of ryots living in these unsurveyed villages, who are in need of

loans, both for repaying their old debts and for effecting much needed improvements to their land, are thus debarred from making use of the credit facilities offered. It is necessary that the name of the holder of the land should be registered in the revenue accounts and pattas issued in his name. One of the difficulties felt in the zamin areas in issuing loans was that the pattas were in many cases joint and applications for issue of separate pattas were taking unduly long time, resulting in the ultimate rejection of the loan. Hence banks in the zamin areas, where there was difficulty in getting pattas have not developed the business that they would otherwise have done. I hope that the Government would take note of the special disabilities of land mortgage banks in zamin areas and take effective steps to remedy them.

Due to the prolongation of the war and inflation, the prices of agricultural commodities and the land values have increased. The borrowers of the bank took advantage of the improved conditions and began making advance repayments. During the year 1942–43 a total sum of Rs. 37·84 lakhs was received from the banks, out of which a sum of Rs. 24·44 lakhs was paid in advance of the due date. Of this amount, a sum of Rs. 14·41 lakhs was received in complete clearance of the loans. An analysis of the resources from which the amount was obtained and the period within which these loans were cleared shows that Rs. 7,56,672 was paid by sale of land, Rs. 1,33,457 by remortgage of the hypotheca, and Rs. 5,50,980 from other sources including extra income from the land. The total number of loans cleared in the above year was 1,454, of which 442 were cleared within three years of their borrowing, 635 within 6 years, 381 within 10 years and 96 loans after 10 years. Though these premature payments have created problems for the Central Land Mortgage Bank, from the point of view of the agriculturist, it is a healthy sign.

There has been a fall in the number and the amount of loan applications. During the year 1942–43, 1,714 loans for Rs. 23·65 lakhs were disbursed by the bank as against 2,968 loans for Rs. 40·32 lakhs in the year 1941–42. With the fall in new loan business and increased advance repayments, there has been a shrinkage in the loan amount due to the bank at the end of the year 1942–43. Since the close of the year also there has been a steady inflow of repayments and fall in loan disbursements. During the first half of the current co-operative year, the amount of loans disbursed was Rs. 8,44,610, the amount of principal collected was Rs. 18,15,259, out of which a sum of Rs. 14,28,660 was received in advance. This fall in transactions is partly due to the better prices the agriculturist is now able to get and partly to the easy money conditions prevailing in rural parts. The rate of interest now charged by land mortgage banks is 6 per cent. This rate had to be maintained, as the Government have insisted that there should be a margin of 3 per cent between the debenture rate and the lending rate. Borrowers of standing who can get credit in land mortgage banks are able to get simple loans from others at low rates of interest ranging from 3 to 4½ per cent. There have been cases where applications were withdrawn after the sanction of loans, as the applicants were able to secure loans at lower rates of interest. A borrower in a land mortgage bank has to pay 5 per cent of the loan amount as share capital besides paying entrance, encumbrance and legal fees and furnish all documents of title, many of which obligations private parties do not insist upon and has to wait for the sanction of the loan finally, which even when attended to very promptly at every stage, will take at least two months to complete. Considering the security offered by an applicant to a land mortgage bank and the rigid tests which they have to satisfy before the sanction of a loan, it may be said that loans can be got only by persons having the very best security and credit. Such persons can easily secure loans from private parties with or without security at a rate lower than the bank's lending rate. Institutional credit is always good for the agriculturist and land mortgage banks have been brought into existence for his benefit. By keeping the lending rate at a high level, we are again driving him to the private money lender with its attendant dangers. With a view to reduce the rate of interest, I have addressed the Government to permit a reduction in the margin by at least ½ a per cent., so that the lending rate may be reduced to 5½ per cent. I hope that the Government would consider the need for the bank adjusting its rates to suit the times and allow a reduction in the margin for the purpose.

Though the Bank has largely lent for the redemption of prior debts, it has always kept before it the ideal of financing for productive purposes. The banks were requested to bring prominently to the notice of the members that they should make use of the credit facilities offered for improvement of their lands. The response, has, however, been poor. Generally speaking, it may be said that in the deltaic areas the scope for land improvement is very limited. In the dry districts, there is real scope for improvement of land and irrigation facilities by digging wells and installation of electrical machinery for baling out water. In the Ceded Districts, Government are now obliged to spend lakhs of rupees for relief during famines. It will be of great benefit to the people of these districts if the Government have a plan for providing irrigation facilities in these areas. In this and in other schemes of colonisation and reclamation of waste lands, the Government should plan with the land

mortgage banks as an integral part of the scheme for financing the improvements to land.

The Bank is maintaining separate sinking fund accounts for each series of debentures as advised by the Reserve Bank of India. With the approval of the Trustee the bank has from the beginning paid into these accounts not only the equated instalments as per the terms of the Trust Deed, but the entire principal collections including advance payments. If the bank paid into the sinking fund accounts only the equated instalments and invested the surplus principal collections in its own business, it would have been able to realise much better income than by investment in sinking fund accounts. In the Bombay Provincial Land Mortgage Bank, where they have got the same provisions in the Trust Deed in regard to sinking fund, the method adopted is to pay into the sinking fund account only the equated instalment irrespective of the recoveries and utilise the advance collections in the grant of fresh loans. In June 1943 I addressed the Trustee to permit the bank to adhere to the conditions of the Trust deed and to invest the surplus collections in its own business, as is done in Bombay. If this is permitted, the bank will be able to realise better income on the amounts invested in loans. If the above procedure had been adopted all these years, the bank would have earned an additional income of Rs. 1,32,428.

There are three Deputy Registrars and 34 Co-operative Sub-Registrars working for the benefit of Land Mortgage Banks. The Co-operative Sub-Registrars investigate the loan applications and appraise the value of land offered for mortgage and frequently inspect the banks to set right any irregularity noticed and to advise the banks in matters of detail. The Deputy Registrars are inspecting officers and do the same type of work in respect of land mortgage banks as is done by the District Deputy Registrars in respect of other co-operative societies. However, the bank has been asked to pay the cost of the Deputy Registrars and their staff. The bank has been meeting this charge from 1934-35. In the year 1941-42, the Government passed orders directing the bank to pay half the cost incurred on the Co-operative Sub-Registrars for a period of three years. The cost of these officers of the Government charged to the bank during the year 1942-43 amounted to Rs. 68,000 Government have been often urging upon the bank the need for speedily building up its reserve fund. It would greatly help in achieving this objective if the Government waive their claim for the cost of these officers. The three years' period in regard to the cost of the Co-operative Sub-Registrars mentioned by the Government in their order comes to a close with the current financial year. I have addressed the Registrar informing him that the financial position of the primary banks does not admit of any extra expenditure. During the year, 24 banks worked at a loss. 51 of the 91 banks that worked at a profit, earned only a nominal profit, their net profit being below Rs. 1,000 each. The transactions of the primary banks are going down rapidly on account of the heavy advance repayments and if at this stage they are asked to bear the cost of Government staff, it will mean an unbearable strain on their resources and impair their vitality permanently. I trust that the Government will consider the difficulties of primary banks at this juncture and withhold from asking for a contribution towards the cost of these officers. The agricultural population forms the numerical majority of the people and so it contributes in a large measure to the finances and revenues of the province. Every institution which hopes to help to strengthen the financial and economic position of the agricultural population is therefore strengthening the resources of the whole province. The cost of District Deputy Registrars is not charged to the Provincial and Central Co-operative Banks. I do not know why land mortgage banks, which serve the interests of the same agricultural population are asked to bear the cost of the officers. The cost incurred on account of these officers is a legitimate charge on the provincial revenues and should be met therefrom.

The Bank has now a share capital of Rs. 10,72,300 and its several reserves amount to Rs. 11,09,377. During the current year, a sum of Rs. 1,37,256 will be added to the Reserve Fund, which will bring the total owned resources of the bank to Rs. 23,18,933. Fourteen years have elapsed since the inception of the bank and the need for a permanent building of its own is greatly felt. To meet this need, the General Body of the Bank, after setting apart the statutory reserve of 40 per cent. from the net profits and after paying the permissible dividend, has set apart (from profits) a sum of Rs. 1 lakh towards its building fund. The Government insisted that this amount should be added to the general reserve. These orders were considered at the last General Meeting and in deference to their wishes, it was decided that a sum of Rs. 65,000 should be withdrawn from the building fund and added to the Reserve Fund and that the Government should be requested to waive their objection to the reduced building fund. Even this modest proposal of the bank has been vetoed by the Government. After all, the building fund was constituted from funds left over in the profit account after adding the required amount to the statutory reserve and meeting other charges. A building fund or a building when acquired, is not money

wrongly spent or a doubtful investment. It is an asset of the first rank and it is but fit that a bank of standing like the Central Land Mortgage Bank should have a building of its own. I hope the Government will see their way to agree to this modest proposal of the bank. I may in this connection be permitted to mention that in this and in some other matters, the Government have thought it fit to interfere with the decisions of the Board and the General Body, which decisions were within their competence and were taken after much deliberation and with due regard to the financial and business aspect of the bank.

Before I close I wish to emphasise the turn that events may take on the victorious termination of the war. With the demobilisation of the military there is bound to be a slump unless planned and prompt action is taken to avert it. It is of the utmost importance from the point of view of the agriculturist that such a slump should be averted, as he has not been able to recover fully from the effects of the last depression. The prosperity of the agricultural population in a country like India is of prime importance and it could be maintained only when the purchasing power of the rural population and their standard of living are considerably increased. It has been recognised on all hands that the problem of improving the economic position of the masses is possible only by tackling it from all angles simultaneously. The development of industry and improvement of agriculture must go hand in hand in order to provide for India's growing population and raise the standard of living. Social services, such as education, health and medical services and communications have a large part to play in raising the standard of living of the agriculturist. I trust that at the end of the war, Government would be ready with a comprehensive plan for post-war reconstruction for the benefit of the villagers, so that there may not be a repetition of the hardships that they had to endure after the close of the last war.

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RESOLUTIONS.

1. "This Conference resolves that in view of the availability of money at cheaper rates of interest in the rural parts with or without security, the lending rate to the ultimate borrower should be reduced to 5 per cent. Resolves further that the Central Land Mortgage Bank be requested to address the Government to permit a reduction in the margin between the borrowing and lending rates for the purpose."

2. "This conference resolves that the cost incurred on the Government Staff employed for Land Mortgage Banks' work should not be collected from the Central Land Mortgage Bank or the primary banks, as it is a legitimate charge on the provincial revenues, as the Land Mortgage Banks are only doing the work of the Government in financing the basic industry of the Province, *viz*, agriculture and as the Government officers are only doing work similar to that performed for the benefit of the ordinary Co-operative Credit Societies."

3. "This Conference resolves to request the Registrar of C.S., to move the Government to make it obligatory on the part of land holders (zamindars, etc.), to issue pattas within a specified time, say a month, if ryot applicants apply for pattas to land mortgage banks."

"*Referred to the Board.*"

4. "This conference resolves that second loans may be issued for all purposes for which first loans have been given to borrowers on the same property, if the security is adequate, (the land valuation being based on power values) and that the amendment to by-law No. 43 of the model by-laws that the encumbrance in favour of the bank shall not be deemed to be an encumbrance within the meaning of the by-law, may be registered by the Registrar."

5. "This conference resolves that the Registrar be requested not to insist upon taking coercive action against borrowers in cases of unauthorised alienations where the value of the unalienated portion of the hypotheca is sufficient security for the amount of loan outstanding and if the reduced repaying capacity is found adequate as the bank's rights as the first mortgagor are in no way affected and as it is not possible to foresee at the outset all the possible needs of the borrower for the duration of the loan."

"*Accepted. The Board will address the Government.*"

6. "This conference resolves that the Government be requested to cancel their G.O. Ms. 1960 dated 28-3-43 in which they have ordered that the period of repayment for loans over Rs. 5,000 should be reduced from 20 to 16 years, as this reduction in the period is inconvenient to borrowers who require large amounts as loans. Resolves further that the Central Land Mortgage Bank do keep in abeyance its resolution dated 26-11-43 to issue loans for over Rs. 5,000 for 16 years only till the revised orders of the Government are received."

"*Referred to the Board for consideration.*"

7. "Resolved that loans for improvement of rainfed lands should be granted by valuing the lands at the improved rate or at a higher percentage of the present value allowed."

8. "This conference resolves to request the Registrar of C S., to move the Zamindars to authorise the Supervisors of Land Mortgage Banks to peruse, accounts, etc., at Thana offices of zamindars for the purpose of rental arrears even as the Board of Revenue has authorised them to peruse records at the Taluk Offices."

9. "This conference resolves that all the C.S.Rs. for L M.Bs, should be authorised to send loan files of Rs 500 and below direct to the Central Land Mortgage Bank."

10. "This conference is of opinion that the Central Land Mortgage Bank's circular No. 7—43—44 dated 7-12-43 regarding production of pattas or chitta extracts need not be insisted upon, as the Co-operative Sub-Registrars, for L.M.Bs., are inspecting the lands and verifying the village accounts, etc., and the village officers are giving certificates."

"*Board to take necessary action.*"

11. "Resolved that provision may be made in the by-laws of primary banks for constituting a building fund, a common good fund, bonus to staff, honorarium to Secretaries, a dividend equalisation fund and a bad debt reserve."

"*Resolution Nos. 2 and 3 passed in the last year's conference are reiterated.*"

12. "This conference requests the General Body of the Central Land Mortgage Bank to amend the by-law No. 22 (*a*) to allot one seat in the Board of Directors from among the individual members for Chittoor and Ceded Districts, reducing one (that is from 3 to 2) from those residing within the city of Madras."

"*Recommended to the Board.*"

13. "Resolved that the keeping of accounts in primary land mortgage banks and maintenance and destruction of records may be systematised and incorporated in Land Mortgage Banks' Manual. To facilitate easy and systematic correspondence, model forms may be suggested for each kind of subject usually dealt within Land Mortgage Banks."

"*Referred to the Board.*"

14. "Resolved that the Government be requested to allow fresh electrical units where electricity is available to encourage improvement of irrigation, especially with a view to help the 'grow more food' campaign."

News and Notes.

First Conference of Stores Societies in Chittoor District.

Under the auspices of the Chittoor District Wholesale Co-operative Stores, the above Conference was held on 16-1-1944 in the premises of the Board High School, Chittoor, presided over by Rao Bahadur Sri V. Raghunatha Reddy, President of the District Board. The Conference was largely attended by officials and non-officials of the district including 23 representatives of stores societies. Rao Saheb Sri G. Guruvappa Naidu, President of the Wholesale Stores welcomed the guests. Mr. A. R. C. Westlake, C.I.E., I.C.S., opened the Conference and assured them, all co-operation in all that is calculated to promote the usefulness and satisfactory working of the Stores. Mr. G. Viswanatham Chettiar, Deputy Registrar of Co-operative Societies, traced the history and development of the Stores and exhorted the delegates to rise equal to the task assigned to them with business efficiency tempered with a spirit of selfless and unostentatious service to the public. Few others also spoke for the better working of the Stores. A number of resolutions were passed seeking in general to remove the hardships and difficulties to which the stores societies are subject to in the purchase and distribution of controlled commodities.

First National Credit Union Conference in Canada.

The above Conference was held in Levis, Quebec on September 11 and 12, 1943 by officials and leaders of the Quebec Credit Union Movement. The Conference was attended by representatives from every Province in Canada, and was opened by the Hon. C. Vaillancourt, Director of the Quebec Federation des Caisses Populaires. Rev. Fr. A. Couture of St. Boniface, Manitoba, was appointed Chairman.

Resolutions requesting the National Committee to take action to protect the interests of the Credit Union Movement on a national basis were passed.

The estimated total assets of all credit unions in Canada was approximately 45 million dollars with rural and semi-rural credit unions controlling approximately $25,000,000.

Vriddachalam Co-operative Stores.

The Stores Day of the above Stores was celebrated on 9-2-1944 under the presidency of Sri K. Sitarama Reddiar, B.A., B.L., M.L.A., President of the South Arcot District Board. Addresses of welcome were presented to the President of the Day and to Sri A. Palaniappa Mudaliar, M.A., Deputy Registrar of Co-operative Societies by Mr. A. Ratnasabhapathy Pillai, B.A., B.L., President of the Stores. After the presentation of the annual report of the Stores, Mr. A. Palaniappa Mudaliar addressed the audience on the 'Stores and its importance.'

The Stores which was started on 15-11-41 with 23 members and a share capital of Rs. 335 has now a strength of 207 members with Rs. 1,965 as its share capital. The sales also have increased from Rs. 10,123 in 1942 to Rs. 31,256 in 1943.

Tanjore Co-operative Central Stores.

During October 1943, owing to the restricted supplies of chillies, the merchants of Tanjore had been selling a bag of 1½ maunds of chillies at Rs. 22 to 23. The Central Stores obtained large quantities and placed their stock in the market at Rs. 15 per bag which resulted in the immediate fall of the local prices to Rs. 16 per bag. Likewise at Tiruvarur when merchants were selling sengal dhall at Rs. 34 a bag, the Central Stores released their stock at Rs. 31 per bag resulting in the fall in the prices of this commodity. The Central Stores, Tanjore, has thereby demonstrated how effectively the Co-operative Stores could control the prices if they are provided with the necessary stocks.

First Conference of Primary Stores in South Kanara District.

The above Conference was held in the Co-operative Buildings at Mangalore on the 13th November 1943. Delegates from 29 Stores, the Deputy Registrar of Co-operative Societies, Mangalore and other officials and non-officials attended. Mr. M. Shiva Rao, President of the Central Wholesale Stores, presided. A number of resolutions touching the working of stores were passed.

(Registered under Madras Act VI of 1932, formerly Act II of 1912)

HEAD OFFICE:	**379, China Bazaar Road, Madras**	**Phone No.**	**2390.**
MYLAPORE BRANCH:	**Luz Church Road, Mylapore**	**"**	**3334.**
EGMORE **"**	**Ebrahim Colony, Egmore**	**"**	**8510.**
TRIPLICANE **"**	**111, Big Street, Triplicane**	**"**	**86196.**

President: SRI T. A. RAMALINGAM CHETTIAR, B.A., B.L., M.L.C.

Secretary: SRI T. RAGHAVENDRA RAO.

The Bank is the chief organisation for providing credit to the agriculturists of the Province.

The Bank acts as Bankers to the Madras Corporation, University of Madras, Andhra University, Annamalai University and the various Local Boards and District Municipalities.

For rules and terms of business, apply to :—

THE SECRETARY, HEAD OFFICE, OR
ANY OF THE BRANCHES.

The Madras Provincial Co-operative Marketing Society, Limited. (D.M.S.)

5/14, Stringer Street, "Loane Square" G. T. Madras.

Sri Rao Bahadur M. GIRIAPPA, *President.*

For Sale of Rice, Wheat, Wheat Products and other Provisions.

1.	Wall-Tax Road Branch ...	No. 19, Wall-Tax Road, G.T., Madras.
2.	Purasawalkam Branch ...	No. 25-B, Subramania Mudaly St., Purasawalkam.
3.	Kilpauk Branch I ...	No. 14/7, Ormes Road, Kilpauk.
4.	Kilpauk Branch II ...	No. 11, Rajaratnam Road, Kilpauk.
5.	Chetput Branch ...	No. 33, Harrington Road, Chetput.
6.	Nungambakkam Branch ...	No. 1, New Street, Nungambakkam.
7.	T. Nagar Branch I ...	No. 27, Pondy Bazaar, T. Nagar.
8.	T. Nagar Branch II ...	No. 53, Oosman Road, T. Nagar.
9.	Triplicane Branch ...	No. 1/63, Big Street, Triplicane.

For Sale of Kodur Sathukudi Oranges, Etc

10.	G. T. Branch ...	No. 38, Bunder Street, G. T., Madras.

For Sale of Standard Cloth.

11.	Standard Cloth Depot ...	No. 39, Malayaperumal Street, G. T., Madras.

For Sale of Firewood and Charcoal.

12.	Barbers' Bridge Firewood Depot ...	Mylapore.
13.	Mambalam Firewood Depot.	Sivaprakasam Road, T. Nagar.
14.	Nungambakkam Firewood Depot ...	Avenue Road, Nungambakkam.
15.	Wall-Tax Road Firewood Depot ...	No. 130-A, Wall-Tax Road, G. T., Madras.
16.	Triplicane Firewood Depot.	No. 2, Bandi Venkatesa Naicken Street, Triplicane. (near Ganganna Mandapam).
17.	Mylapore Firewood Depot.	No. 18, Mundakkanni Amman Koil St., Mylapore.
18.	Alwarpet Firewood Depot ..	Mowbray's Road, Alwarpet.
19.	Chintadripet Firewood Depot ...	No. 10, Mangapathi Naicken Street, Chintadripet.
20.	Purasawalkam Firewood Depot ...	Gangadeswaran Koil Street, Purasawalkam.

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