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CONTENTS.

SUPPLEMENT TO THIS ISSUE.

PROCEEDINGS

OF THE

Meeting of the Board of Management of the P. C. U.

Held at the premises of the Union on Saturday, the 23rd July 1932.

PRESENT:

Messrs. 1. V. Ramadas Pantulu, (In the Chair).
2. Rao Bahadur T. A. Ramalingam Chettiyar,
3. V. Venkatasubbaiya,
4. N. Satyanarayana,
5. Rao Sahib T. Srinivasa Rao,
6. A. Venkatachalam Pantulu,
7. S. Krishnaswamy Iyengar,
8. Diwan Bahadur M. Ramachandra Rao,
9. V. Venkatachalam,
10. K. G. Sivaswamy,
11. Rao Bahadur A. Rajabadar Mudaliyar,
12. A. Sivananda Mudaliyar,
13. E. S. Sunda,
14. C. Subba Rau,
15. D. Venkoba Rau,
16. Rao Sahib V. Krishna Menon,
17. O. A. Narayanaswamy Iyer,
18. Dr. P. Gurumurthy,
19. S. Nagaswamy Iyer,
20. Dr. E. S. Ramasubbu,
21. K. L. Narasimha Rau,
22. G. Sriram Babu Naidu,
23. Rao Saheb M. S. Seshachala Iyer,
24. N. Kameswara Rau,
25. Y. Hanumantha Rau,
26. K. M. Singaravelu Mudaliyar,
27. Muthusankara Reddiyar,
28. R. Bunday Goud,
29. K. Venugopala Mudaliyar,
30. M. Chenga Reddi,
31. Rao Saheb K. M. Chinnarangayya Gounder,
32. A. Venkatasubba Rau,
33. K. Venkataratnam,
34. P. Kotiswara Rau,

Messrs. 35. V. B. Chenchu Reddi,
36. V. Chennakrishna Naidu,
37. M. Ramanunni Nair,
38. T. Malla Reddi,
39. R. G. Nallakuttalam Pillai,
40. V. K. Peer Batcha Saheb,
41. L. M. Kandaswamy Chettiyar,
42. M. M. Krishnaswamy Pillai,
43. I. Satyanarayana Pantulu,
44. C. Seshagiri Rau.

Mr. D. N. Strathie, I.C.S., the Registrar of Co-operative Societies, Madras, was present at the meeting on invitation.

Mr. Govinda Pillai, Registrar Designate, Travancore, also was present.

RESOLUTIONS.

Item 1.—Co-option of three Honorary Members to the Board of Management.

The following names were proposed:—

1. Sir K. V. Reddi Naidu, Kt.
2. K. C. Ramakrishnan.
3. K. V. Raghavachariar.
4. G. Harisarvottama Rau.
5. C. Gopala Menon.
6. J. N. Jayakaran.
7. Rao Bahadur M. K. Venkatachariar.

Votes were taken and

Messrs. 1. Sir. K. V. Reddi Naidu, Kt.
2. K. C. Ramakrishnan and
3. K. V. Raghavachariar,

having secured the largest number of votes, were declared elected to the Board of Management.

Item 2.—Election of three Members to the Executive Committee.

Resolution.—The following names were proposed and adopted unaniniously as members of the Executive Committee:—

Messrs. 1. Rao Bahadur A. Rajabadar Mudaliar (Conjeevaram).
2. C. Subba Rao (Vizianagaram).
3. E. S. Sunda (Madura).

Item 3.—Arrangements for the XX Madras Provincial Co-operative Conference.

Resolution.—" Resolved that the Conference be held at the time of the next General Body Meeting of the Provincial Co-operative Union and the Executive Committee do make the necessary arrangements in connection with it.

Item 4.—Publication of the Telugu Journal of Co-operation—Applications from the Rajahmundry and Bezwada Co-operative Training Institutes considered.

Resolution.—" Resolved that the Provincial Co-operative Union do arrange to publish the Telugu Edition of the Journal of Co-operation from Madras and that the Executive Committee do make the necessary arrangements.

Item 5.—The future of the Village Panchayat Journal—Closing and adoption of accounts of the Journal.

Resolution.—" Resolved that the Journal " Village Panchayat " be discontinued and its accounts closed."

Item 6.—Budget Estimates for 1932-33:

" Resolved that the budgets be passed* with the following modification :—

The sum of Rs. 1,200 provided for the publication of the vernacular Journal of Co-operation be utilised as follows ;—

Rs. 600/- for the Tamil Journal of Co-operation,

and Rs. 600/- for the Telugu Journal of Co-operation."

Item 7.—Travelling Allowance Rates for the members of the Board.

Resolution.—" Resolved that no Travelling Allowance be given for the next meeting of the Board which should be held at the time of the General Body Meeting; and that Travelling Allowance at the usual rate (second class) be paid for this meeting ".

(Sd.) V. RAMADAS,
President.

* *Vide* Appendix for the Budget estimates as passed.

APPENDIX.

THE MADRAS PROVINCIAL CO-OPERATIVE UNION.

Budget for 1932—1933.

A. Receipts.

—	Estimate for 1931-32.	Actuals for 1931-32.			Estimate for 1932-33.
	RS.	RS.	A.	P.	RS.
I. Annual Contribution from Members (a) Current ...	3,805	3,001	0	0	3,735
(b) Overdues...	1,585	1,459	0	0	1,535
II. Subscriptions and other Incomes for the Journals ...	5,240	4,997	11	0	3,360
III. Arrears of Bulletin Subscription prior to 30-6-23 ...	200	204	5	0	250
IV. Sale of Publications other than the Journals	55	40	6	0	40
V. Grants and Contributions ...	6,300	12,719	11	3	5,000
VI. Provident Fund Deductions ...	175	160	8	0	170
VII. Miscellaneous	475	507	1	4	500
VIII. Training Institutes' Examinations.	...	622	0	0	650
Total ...	17,835	23,711	10	7	15,240

B. Charges.

I. Publication of the Journals—					
A. The Madras Journal of Co-operation	4,370	4,353	6	9	3,735
B. Publication of the Vernacular Journals of Co-operation ...	...	...			1,200
II. Publications other than the Journals.	220	773	5	9	325
III. Office	5,460	5,457	5	3	5,145
IV. Propaganda and Meetings ...	2,900	2,805	8	6	3,200
V. City Classes	450	451	15	0	250
VI. Library and Reading Room ...	625	495	3	9	400
VII. Miscellaneous	250	312	4	9	300
VIII. Training Institutes' Examinations	...	596	10	9	600
Total ...	14,275	15,245	12	6	15,155

PROCEEDINGS

OF THE

Executive Committee Meeting of the Madras Provincial Co-operative Union.

Held at the premises of the Union on Saturday the 23rd July '32.

PRESENT:

Messrs.
1. V. Ramadas Pantulu, (In the Chair).
2. Rao Bahadur T. A. Ramalingam Chettiyar.
3. C. Subba Rao.
4. Rao Bahadur A. Rajabadar Mudaliar.
5. V. Venkatasubbaiya.
6. N. Satyanarayana.
7. E. S. Sunda.

Item 1.—Appointment of Treasurer.

Resolution.—"Resolved to appoint Mr. C. Gopala Menon as the Treasurer.

Item 2.—Appointment of Editor of the Madras Journal of Co-operation.

Resolution.—Resolved that Mr. S. K. Yegnanarayana Iyer be appointed as the Editor of the Madras Journal of Co-operation.

Item 3.—Appointment of a Secretary to the Education Committee.

Resolution.—Resolved that Mr. V. Venkatasubbaiya be appointed Secretary of the Education Committee.

Item 4.—Appointment of a Secretary to the Rural Reconstruction Committee.

Resolution.—Resolved that Mr. V. Venkatasubbaiya be appointed Secretary of the Rural Reconstruction Committee.

Item 5.—Suggestions of Mr. S. K. Yegnanarayana Iyer regarding the publication of a book called "Co-operation in Madras.

Resolution.—Resolved that the scheme be circulated to the members of the Executive Committee and opinion invited and the matter brought up at the next meeting of the Committee.

Item 6.—Letter from the President of the Namakkal Public Servants Co-operative Society suggesting that all publications of the Provincial Co-operative Union be given at a concession rate to all the members of the Union who pay a certain minimum of annual contributions and that the same be given free to those members, who pay annual contribution above that minimum.

Resolution.—" Resolved that the publications of the Provincial Co-operative Union be given at half rates to the members of the Union.

Item 7.—Affiliation of societies to the Madras Provincial Co-operative Union—Ratification of.

Resolution.—Affiliation of societies as per list appended is ratified.

Item 8.—Disaffiliation of the Maduramangalam Co-operative Union.

Resolution.—" Disaffiliation permitted "

Item 9.—Letter dated 31-1-1932 from the President of the Vasudevanallur Co-operative Society.

Resolution.—" Resolved that the Registrar be requested to bear the matter in mind when rules are framed under the new Act."

Item 10.—Letter No. 117/31-32, dated 4th July 1932, from the President of the Tenali Urban Bank and the Circular letter of the Director of the Ongole Urban Bank regarding the proposed amendments to the bye-laws of Urban Banks.

Resolution.—" Resolved that the papers be circulated to the members of the Executive Committee for opinion."

Item 11. Functions of the Treasurer.

Resolution.—" Resolved that the Treasurer shall operate on the accounts of the Union opened with the banks approved by the Executive Committee and shall pay out monies for bills sanctioned by the Secretary or the President.

Item 12.—Functions of the Manager.

Resolution.

1. The Manager is authotised to sign and issue receipts on behalf of the Union for sums not exceeding Rs. 50 and for sums exceeding Rs. 50 the Secretary and in his absence the Treasurer, do issue receipts.
2. The Manager is authorised to sign the Day Book.
3. The Manager is authorised to incur expenditure out of a permanent advance of Rs. 50 in anticipation of sanction.

Item 13.—Appointment of Sub-committees.

Resolution.—Resolved that Non-credit, Editorial and Propaganda sub-committees be formed with the following gentlemen as members.

1. Non-credit Committee—
   Messrs. (1) K. L. Narasimha Rao, (*Convener*).
   (2) G. Sriram Babu Naidu.
   (3) Rao Sahib M. S. Seshachala Iyer.
   (4) S. K. Yegnanarayana Iyer.
   (5) V. Venkatachalam.
2. Editorial Committee—
   (*a*) English Journal—
   Messrs. (1) V. Ramadas Pantulu.
   (2) S. K. Yegnanarayana Iyer.
   (3) K. C. Ramakrishnan.
   (*b*) Telugu Journal—
   Messrs. (1) N. Satyanarayana.
   (2) Dr. P. Gurumurthy.
   (3) V. Venkatasubbaiyya.
3. Propaganda Sub-Committee—
   Messrs. (1) V. Ramadas Pantulu.
   (2) Rao Bahadur T. A. Ramalingam Chettiyar.
   (3) N. Satyanarayana.
   (4) V. Venkatasubbaiyya.

Rs. 1,000 be spent for the northern districts and Rs. 1,000 be spent for the southern districts. In case of urgency, the President may depute any member for propaganda and sanction expenditure.

Item 14.—The annual statement of receipts and disbursements for 1931-32.

Resolution.—" Passed."

(Sd.) V. RAMADAS,
President.

LIST OF SOCIETIES AFFILIATED AND RATIFIED.*

From 16th February to 23rd July 1932.

1. The Swadesha Vastu Nilayam,
Bhimavaram, West Godavari District.

2. Rajahmundry Local Co-operative Union,
Rajahmundry P. O.. East Godavari District.

3. The Innispeta Urban Bank,
Innispeta, Rajahmundry,
East Godavari District.

4. Rajahmundry Co-operative Central Bank,
Rajahmundry, East Godavari District.

5. The South India Co-operative Insurance Society Ltd.,
No. 1, Armenian Street, G. T. Madras.

6. The Alamuru Co-operative Land Mortgage Bank, Ltd.,
Alamuru P. O., East Godavari District.

7. Cocoanada Co-operative Stores,
Cocoanada P. O., East Godavari District.

8. Addada Local Co-operative Union,
Addada, Kistna District.

9. Local Co-operative Union,
Undi P. O., West Godavari District.

10. The Local Co-operative Union,
Vizagapatam.

11. Kulitalai Co-operative Urban Bank,
Kulitalai P. O., Trichinopoly District.

12. Pithapuram Local Co-operative Union,
Kolanka, East Godavari District.

13. Pulivendla Local Co-operative Union,
Pulivendla P. O., Cuddapah District.

14. Local Co-operative Union,
Polepalle. Vizagapatam Dt.

15. Mangalore Catholic Co-operative Credit Society, Ltd.,
Mangalore, S. Kanara Dt.

16. Berhampur Urban Bank Ltd.,
Berhampur, Ganjam Dt.

17. Pallikonda Co-operative Urban Bank, Ltd.,
Pallikonda P. O. N. Arcot Dt.

*Vide resolution No. 7 on page 6 herein.

18. Local Co-operative Supervising Union,
Pittlavanipalem, Tsandole P. O., Guntur Dt.

19. Cuddapah Co-operative Town Bank, Ltd.,
Cuddapah P. O., Cuddapah Dt.

20. Bodinayakanur Co-operative Urban Bank, Ltd.,
Bodinayakanur P. O., Madura Dt.

21. Mukundagiri Co-operative Supervising Union,
Mukundagiri P. O., Chingleput Dt.

22. Local Co-operative Supervising Union,
Yerraguntla P. O., Cuddapah Dt.

23. Local Co-operative Union,
Dharmajigudem P. O., W. Godavari Dt.

24. Karur Town Co-operative Bank Ltd.,
Karur P. O., Trichinopoly District.

25. Prakasapuram Co-operative Credit Society, Ltd.,
Prakasapuram, Nazareth P. O.,
Tinnevelly District.

26. Gudlavelleru Co-operative Land Mortgage Bank Ltd.,
Gudlavelleru P. O., Kistna District.

THE

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Editorial Notes.

The New Co-operative Societies' Act.

Ever since Co-operation was made a Provincial subject in accordance with the Montagu—Chelmsford Reforms, there has been felt a desire to have the provisions of the old Act modified in the light of accumulated experience. The detailed enquiry conducted by the Townsend Committee also revealed many defects and that Committee suggested certain alterations in the existing law. The Minister in charge of Co-operation therefore introduced a Bill "to consolidate and amend the law relating to co-operative societies in the Presidency of Madras" and, in the statement of objects and reasons, he pointed out the following matters requiring urgent attention and also stated that the Bill has been drafted in the light of the recommendations of the Townsend Committee.

The points provided for in the new Bill according to the Minister were:—

1. Prompt arbitration and conditional attachment of property with a view to effectively deal with the ever-increasing overdues in credit societies;
2. Empowering the Government to make rules for the levy of fees for the settlement of disputes and for the enforcement of awards;

3. Converting prior claim which a registered society has in respect of loans from a lien into a charge;
4. Giving more powers to the liquidators in order that the process of winding up might be considerably expedited;
5. Making non-compliance with the provisions of the Act and Rules a non-cognisable offence.

The Government invited public criticism on the Draft Bill and the Provincial Co-operative Union took up the task and invited views on the draft from prominent co-operators. At a joint meeting of the Boards of Management of the Provincial Bank and the Union, a suggestion was made to appoint a Committee to go into the materials collected, analyse them and present the viewpoints of the non-officials. At the Provincial Co-operative Conference held a few days later, the appointment of a Committee was ratified and Messrs. T. A. Ramalingam Chettiyar (who presided over the Conference) and A. Ranganatha Mudaliyar were deputed to place the recommendations of the Committee before the Legislative Council. The Committee which consisted of eminent co-operators met on three days, went through the papers kept ready for them and drafted a report, in which they summed up the general features of the Bill and published an annexure to the report, wherein amendments and additions were recommended by them to the various sections of the Bill with short notes thereon.

In the report it was made out that the Bill was in general a retrograde measure, inasmuch as the acccepted policy of progressive de-officialisation of the movement was neglected and the general tendency of the Bill was to strengthen official hands. It was further pointed out that divided responsibility in financial matters was introduced which would ultimately weaken the existing institutions; that very few statutory powers were given to non-official organisations; that, for example, there was no statutory provision for co-operative training and that the Bill which purported to follow the recommendations of the Townsend Committee did not accept the spirit of some of its good and progressive recommendations. Later on, the report dealt with the nature of unlimited liability and financial provisions of the Bill, wherein the discretion of the financing banks was sought to be restricted by means of executive rules. The Registrar's powers of interference with non-official organisations, which in the opinion of the Committee were already

excessive, were further increased. They also recommended that statutory provision should be made for appeals against the decisions of the Registrar and that non-official organisations may be invested with more powers in accordance with the recommendations of the Townsend Committee.

Mr. R. G. Nallakuttalam Pillai, one of the members of the Committee, expressed his difference from the views of the majority of the Committee in a separate minute of dissent, wherein he tried to make out that the recommendations of the Committee went to strengthen the financing institutions more and that due importance was not given to Supervising Unions, Federations and other non-financing co-operative institutions.

The Select Committee of the Legislature, in dealing with the Bill, gave due consideration to the recommendations of the non-official Committee mentioned above and many of the important recommendations were accepted, due mostly to the championship of Rao Bahadur T. A. Ramalingam Chettiar. The Select Committee also formally acknowledged its indebtedness to this non-official Committee in the following terms :—

> "We have subjected the provisions of the Bill to a detailed and careful scrutiny and have made numerous amendments therein. In doing so, we have derived much assistance from the report of the Committee of the Nineteenth Madras Provincial Co-operative Conference and the annexure thereto containing amendments and additions recommended by that Committee."

When the Bill was taken up for discussion at the Legislative Council, after its emergence from the Select Committee, the President of the Provincial Co-operative Union sent a further note to the members of the Legislative Council, wherein he pointed out how the Select Committee had failed to incorporate some important amendments, and suggested some changes, partly substantial and partly of a formal nature. Some of his important suggestions were accepted in the second reading of the Bill. The Legislative Council, after discussing the draft as amended by the Select Committee, passed the Act (Act VI of 1932). In this connection we desire to acknowledge the progressive outlook shown by the Registrar during the progress of the Bill through its various stages in the Council. The Act received the assent of H. E. The Governor on the 9th of May and of the Governor-General on the 16th June 1932, and has now come into full force, having been published in the Gazettee on 5th July, 1932.

This Act VI of 1932, which hereafter will be applicable to the Co-operative Movement in this Province, differs from the old Act repealed by it in very many respects. In the light of experience gathered and difficulties felt, many changes have been introduced, of which the following are some of the most important:—

The preamble itself has been amplified so as to bring in Better Living, Better Business and Better Methods of production among the aims of Co-operative Societies. There is an appeal to the Local Government against the refusal of the Registrar to register a society. (Section 10). Provision has been made for the amalgamation of two or more existing societies into one, or the division of an existing society into two or more societies under certain conditions (Section 13). The financing bank has been given the power to request the Committee to call a General Body Meeting of the Society (Section 15). The principle of "one man, one vote" has been strictly adhered to and the provision for plurality of votes contained in section 13(2) of the old Act has been done away with. The Registrar has been given power to attach or sell the defaulters' property, whenever a decree or award has been obtained (Section 28). The present practice obtaining in certain banks of giving loans to depositors, who may not be members, on the strength of their deposits, has been statutorily recognised (Section 32(3)). Payment to a member for work done as Secretary or clerk has been recognised as a legitimate item of expenditure (Section 35). The old famous Section 35 dealing with Enquiry has been modified giving larger powers to the Registrar in the matter of summoning persons and asking them to produce records etc. (Section 38). The right of inspection, of and of calling for information from, societies by the financing banks has been statutorily recognised (Section 40) and the Registrar has been given powers to award costs of inspection to the financing banks. (Section 41). The Registrar has also been invested with powers to supersede the existing societies, if in his opinion they are not functioning properly, after *consultation* with the concerned central bank in the case of primaries and with the *concurrence* of the Provincial Bank in the case of the central banks (Section 43); and to surcharge subject to appeal by the aggrieved party before District Court (Section 49). Certain acts—such as (1) wilfully making a false return or furnishing false information and (2) disobeying wilfully or without any reasonable excuse, any summons, requisition or lawful written order issued

under the provisions of this Act or not furnishing any information lawfully required from a member by a person authorised in this behalf under the provisions of this Act,—which hitherto could not be taken cognizance of and punished, have been declared to be offences and made punishable. (Sections 52, 53 and 56). The Registrar and the Local Government have been given the power to call for and revise any decision or order passed by the Subordinate Officer, (Section 57). The Government have also taken power to frame rules with a view to prescribe in the case of a financing bank (1) the proportion of individual members to society members in the constitution of its General Body or of its Committee; and (2) the maximum number of members of its committee (Section 60 (h) i, ii,) and also to prohibit a society from appointing a defaulting member to its committee (Section 60 (j).)

A perusal of these powers with which the Registrar has been invested will indicate the truth of the opinion of the Conference Committee that the general tendency of the Act is towards strengthening official control and interference, that is, arming the Department with more powers instead of devolving more functions on non-official bodies in accordance with the previous declarations of policy by the Central as well as the Local Governments.

Among the recommendations of the Conference Committee which were not accepted by the Legislature, the following are the most important:—

1. The Committee by a majority recommended that unlimited liability should be enforced even before liquidation; but the Act, following the Bombay Act, has declared that unlimited liability comes into force only on the liquidation of a society, as an ultimate contributory liability.

2. The old idea of an ordinary society being confined to some class, caste or occupation and the Registrar being given the power to say to which sect, class or caste a member belongs, are both retained, notwithstanding their obvious undesirability.

3. The Committee recommended that in case of dissolution of societies, the Provincial Co-operative Union should be made the residuary recipient of the undisposed off assets, as the Bombay Institute is under the Bombay Act; but this was not accepted.

4. The Committee recommended the constitution of a Board of Appeal consisting of officials and non-officials to hear appeals under the Act. But the Local Government is made the ultimate sole appellate authority under the Act.

5. The Conference Committee, in pursuance of the Townsend Committee's recommendations, suggested the centralisation of the functions of Co operative Education and Training in the Provincial

Co-operative Union, but the Act leaves Co-operative Education and Training in the same unsatisfactory position it has been before.

6. The Conference Committee proposed certain limitations on the plenary powers of the Registrar under clauses 52 to 56 of the Bill; but they were left above.

7. The Committee also finally wanted that the rules framed under the Act should be placed before the Legislative Council for their *approval.* That too unfortunately has not been accepted.

The Act, with all these changes, some for the better and some not, is in force to-day. We are, however, of opinion that, if it is properly worked in a true spirit of co-operation and with a genuine desire on the part of the Government to let non-official organisations function in an atmosphere of co-operative freedom, so as to stimulate in them the spirit of self-help and self-reliance, the Act may still on the whole be fruitful of good results in promoting the movement in the Province.

The Reconstituted Provincial Co-operative Union.

Elsewhere would be found the proceedings of the meetings of the Board of Management and of the Executive Committee of the Provincial Co-operative Union held on 23rd July '32. Particular importance is attached to this meeting of the Board of Management, because this is the first meeting of the Board constituted according to the revised rules adopted at the last General Body Meeting held in April, 1932. The most outstanding feature of the changes brought about in the constitution of the Provincial Co-operative Union was that, by introducing the system of postal voting, all the constituent bodies, whether they send their delegates to be present at the General Body Meeting or not, are in a position to take part in the matter of sending members to the Board of Management. While a desirable advance was made in this direction, the General Body by its resolution retained the composite nature of the constitution of the Provincial Co-operative Union, throwing open its membership to practically every class of society, except the unlimited liability rural societies.

Now that the thoroughly representative nature of the Provincial Co-operative Union and its governing body has been established beyond dispute, we hope the opinions expressed by this Board and its Executive will carry with them hereafter, both with officials and non-officials of the province, the wight they deserve. We say officials and non-officials advisedly, because even non-officials have got a habit of not standing by the resolution of the provincial organisation, not recognising that they will thereby weaken the movement itself. We have in mind a clear example of the Provincial Conference passing a resolution about the abolition of Honorary Assistant Registrars and many Unions when approached individually expressing opinion for the retension of the office—a point about which

much has been made by those who are belittling the importance of non-official organisations. We hope therefore that the Provincial Co-operative Union and its Board and Executive will be looked upon as the recognised exponent of non-official opinion.

When the Bill, which has since become an Act, was being discussed, there was a suggestion to constitute a Committee consisting of important co-operators, who would be consulted on all important occasions, when policies come up for discussion. It is a pity that this good suggestion has not been accepted; but we hope that the Provincial Co-operative Union will be virtually looked upon as that body, whose opinion ought to weigh with all co-operators concerned.

Urban Co-operation in Bombay.

It is well-known that our sister province of Bombay is leading in the matter of Urban Co-operation. She has over 82 urban banks with a working capital in the aggregate exceeding three crores of rupees and of these banks, the People's Co-operative Bank at Surat is one of the most leading one and it has recently celebrated its completion of 10 years working. Extracts are given elsewhere of the addresses of the Chairman of the Reception Committee and of the President. From a copy of the report sent to us, we see that the bank has progressed and prospered in every way and it has now two branches. The turnover in the current account section alone reached the very high sum of over 60 lakhs of rupees paid in and over 60 lakhs paid out, which shows that the existence of the bank is fully utilised by the people of the locality. The method of working the Bank will be found from the following extract of the Secretary's report:—

> "The most important and difficult task in the management of a bank is its loan business. The Discount Committee helps the Board of Directors by fixing the credit of our members. The Valuation Committee values the properties on the collateral security of which advances are being made. The work of examination of title deeds is attended to by the Bank's Pleader; and the Managing Director, after making proper enquires regarding other matters, recommends the loan for the sanction of the Board. In this way, every reasonable precaution is being taken by the bank."

We give below a few salient features of the good progress made by the bank:—

	31-12-1922 Rs.	31-3 1932 Rs.
Number of Members ...	134	1,170
Share Capital	9,815	1,48,320
Reserve Fund	...	30,885
Fixed Deposits	14,251	7,11,810
Savings Deposits	10,105	3,46,028

	31-12-1922 Rs.	31-3-1932 Rs.
Current Deposits	17,828	2,26,805
Loans	12,004	4,70,671
Overdrafts	17,712	2,71,625
Working Capital	52,450	15,14,950

Education Minister and Rural Reconstruction.

It is one of the happiest signs of the times that the gulf which once existed between the intelligentia boasting of Western culture and the villager who is ignorant of such culture is getting bridged. The politician is no longer satisfied with appearing on the Congress platform once a year and indulging in rhetorical flourishes. He seeks the approbation of his action from the villager, who has been roused from his age long lethargy and has been made aware of his own importance in the scheme of things. It was therefore quite appropriate that the Minister in charge of Education in this province, who is the ex-officio Pro-Chancellor of the University of Madras and who was called upon to give the convocation address this year, should have dealt in that address, amongst other things, with that subject which is dear to the heart of every co-operator, namely Rural Reconstruction. The Minister appealed to the young graduates to go back to the villages and impart to their brethren the spirit of Western culture, which they have acquired by their University education. He exhorted them to inspire the docile villager with that divine discontent which is at the foundation of all progress. The following extract from the Minister's speech would be read with great interest by every co-operator :—

"I would ask you to regard as the first and foremost of your duties the task of rural reconstruction, which is the most urgent need of the country to-day. It is to this noble task that you the educated young men and women of our country should apply yourself with the utmost devotion and thereby render back to the community at large some at least of the wealth of knowledge which you have acquired with the aid of its resources. It was the village that formed the cradle of Indian civilisation in the past; and in the future it will undoubtedly be the village that will serve as the centre from which must radiate the light and life of a greater India.

"At no time was our country so much in need of a band of selfless workers as it is to-day; and believe me when I assure you how deeply and gratefully our countrymen are beginning to appreciate such services. Turn to the great Missionary organisations around you, and you would doubtless be struck by the simplicity and self-sacrificing spirit in which they work, be it for education, health, religious revival or mass uplift. May it not be that some at least of you will be fired by the same missionary zeal and dedicate your lives to the service of your fellowmen?"

The Third Indore Co-operative Conference.

INAUGURAL ADDRESS

BY

HIS HIGHNESS THE MAHARAJA OF HOLKAR.

The unique characteristics of the system of Co-operative Credit are now well recognized; and it would be superfluous for me to dwell at any length upon abstract principles, with which you are already well acquainted. There is, however, a plain and practical consideration which is sometimes overlooked, which yet lies at the very root of the whole co-operative system, and which I would, therefore, like to emphasize to-day as strongly as I can. No worker in Co-operative Credit, however unselfish and disinterested his motives may be, should ever forget that his real object is simply to teach the villagers a lesson in practical common sense in shrewd hard-headed business, in self-help of a demonstrably profitable kind. Many social and moral advantages may, and will, and do, accrue, at a later stage, from the establishment of a Co-operative Credit Society; but this is a by-product, at which it is wiser not to aim directly. The first objective, in forming a Society, is to convince the members that they will gain a definite financial advantage but that this defintie financial advantage is to be secured, not by the self-sacrifice of others, nor by the benevolence of Government, but by their own self-help and determination to be thrifty and honest. To give a simple instance: The individuals who form a Society have hitherto, let us say, been compelled to pay 18 per cent per annum, or one rupee eight annas per month, for their loans from a local capitalist. They are assured that, on forming a Society, they will be able to borrow at one rupee per month. Now why do they obtain this more favourable rate? Many Societies think it is simply due to the generosity of Government, or to the good offices of a Central Bank. In this they are quite mistaken. They get the lower rate of interest because they are believed to be honourable men, who can be trusted to order their affairs wisely with a view to strict and prompt repayment of the loan. In a word, it is simply because their *credit*, that is to say, their reputation as honest men, is good that they gain the difference between 18 and 12 per cent. They will continue to enjoy this lower rate of interest only so long as they maintain their reputation and their credit; and they will forfeit this advantage as soon as they lose their credit and good name. Here is a plain and businesslike proposition, which any shrewd hard-headed cultivator can understand—but how few of them really understand it.

You may discuss at length the social and moral advancement of the masses; and you may be inspired by the keenest enthusiasm for Rural Uplift and for the advancement of your fellowmen; but, in the field of co-operative credit, your efforts will be all in vain unless you constantly keep before your minds that you are engaged in the business of practical finance, for which the only sound and last basis is a plain financial *profit*. It is the prospective benefits in hard cash which you must set before the members of a Co-operative Credit Society; and you must at all costs make sure that the members are prepared *themselves* to make the necessary sacrifice, by being thrifty and sensible and honest, whereby alone they will *earn* the advantage of a lower rate of interest. This, let me assure you, is the secret of Co-operative Credit. Once this fine seed of sound business is sown in the minds of the members of a Society, the plant will flourish; and, in the end, will, of itself and without assistance, put forth those flowers of social and moral uplift we all so devoutly wish to see.

12

The Commercial Crops Marketing Bill.

BY MR. V. RAMADAS PANTULU.

It was considered at one time that the Bill for the establishment and better regulation of markets for commercial crops would not be proceeded with by the Government. It is gratifying to note that this impression is not correct, as the Minister for Development and the Director of Agriculture have been going about the province to ascertain the views of the producers and the merchants and are doing very useful spade work in connection with the Bill. It is however regrettable that while the commercial interests seem to be ranged against the Bill, generally speaking, the producers' voice is making itself heard but very feebly in support of the Bill. It has been the longstanding grievance of agriculturists in many provinces that there are no regulated markets, no market committees, no licensed brokers, no rules governing the conduct of sales, no regular methods of settling disputes between purchasers and sellers and no control over the marketting allowances and deductions. I, therefore, fail to see how any one can really object to the principles of a measure like the one contemplated which is intended to remove those admitted grievances of producers, whatever objections there may be to its details.

The question of establishment of regulated markets under Provincial legislation on the lines of the Berar Markets Act was the subject of very careful investigations by the Royal Commission on Agriculture, the various Provincial Banking Enquiry Committees and the Indian Central Banking Enquiry Committee. There was no difference of opinion among these various committees in regard to the necessity for such legislation.

These Committees are agreed that a properly constituted Market Committee, anxious to do its duty and to keep close control over those who do business in the market, can prevent the occurence of the numerous abuses of which the producer generally complains.

The Bill when it is passed into law might perhaps be used to organise markets for cotton in the first instance and then as experience is gained, extended to other crops. There can be no objection to such a course. I do not, however, agree with the view that it is impracticable to organise markets for groundnuts or tobacco even later. I am of opinion that markets for some kinds of oil seeds and other products can also be organised. The plea that the Bill places restraint on the ryot is untenable, in view of the fact that the explanation to Clause 4 takes out of the scope of the Bill cases of sales of their own crops by ryots. The Bill moreover, is only an enabling measure and it is hardly likely that it will be so worked as to cause unwarranted and serious loss to local interests, unless (the market conditions in that area are so bad as to require interference in the interests of the producer, in which case no sacrifice of any vested interests should be considered too drastic. The fact that there are well organised trade interests who might be adversely affected by the measure is, indeed, an argument in its favour. The Bombay Provincial Banking Enquiry Committee rightly observes as follows:—"The Producer's main difficulty arises from the fact that while he is unorganised and has to act by himself, he is confronted by an organised body of distributors and exporters." I am therefore of opinion that the opposition to the measure is unsustainable.

The Bill is however a very imperfect and incomplete piece of legislation. There are several factors which contribute to the promotion of orderly and profitable marketing of agricultural products and the establishment of regulated markets is only one of them. The other factors which are enumerated at pages 213-214 of the Indian Central Banking Enquiry Committee's Report, which are summarised below, will necessarily have to be tackled by the Local Government in connection with the promotion of orderly marketing of Agricultural products.

(1) Establishment of regulated markets under provincial legislation on the general lines of the Berar and Hyderabad (Deccan) Markets Act. (This is attempted by the present Bill).

(2) Improvement of transport facilities including rural communications.

(3) Lowering of Railway freight rates and grant of other Railway facilities.

(4) Standardization of weights and measures.

(5) Adoption of measures to secure improved quality of produce by organization amongst buyers and traders, and to guard against adulteration.

(6) Fixation of standards and grades of commodities.

(7) Promotion of co-operative sale societies and other suitable organisations for purposes of sale.

(8) Holding of auction sales by agricultural departments to ensure increased price to cultivators who produce improved varieties.

(9) Appointment of expert marketing officers on the staff of the Agricultural Department who should be able to understand the language of the market and be conversant with the customs connected therewith.

In finally settling the provisions of the present Bill, due regard must be had to the factors mentioned above as they have a very great bearing upon the successful functioning of the markets, proposed to be set up by the Bill.

Another very important matter which the Local Government has to consider in connection with this measure is the creation of a Marketing Board. The question, whether there should be a Central Marketing Board for the whole of India with provincial branches or whether there should be marketting Boards on a Provincial basis, was the subject of careful investigation by the Indian Central Banking Enquiry Committee. The Committee came to the conclusion that Marketing Boards should be established on a provincial basis. I am in entire agreement with that conclusion. Proposals for the constitution of the Marketing Board should naturally be examined by the Provincial Governments in connection with the creation of regulated markets by provincial legislation. The functions of such a Provincial Marketing Board were set out as follows by the Indian Central Banking Enquiry Committee. "The Marketing Board would have many important duties to perform. It would be one of its functions to bring about co-operation of the various interests in the building of godowns and warehouses throughout the Province. In consultation with the Co-operative authorities, the Board would assist and support the promotion of Co-operative Marketing. The Board might also help in the marketing of products of cottage industries. It will be one of the main duties of the Board to make a survey of the conditions which govern the marketing of the various products from the ryot to the final market. In fact, by standardising and organising the country's supply of the agricultural products, the Marketing Board would help the agriculturists to get a full and adequate return for their production."

In view of what I have stated above, the Bill must be made more comprehensive. It is therefore not necessary to offer any detailed criticism on the several clauses of the Bill as it stands. Again the Bill, as it stands, is a skeleton measure and everything that is of importance or benefit to the persons concerned has to be filled in by executive rules made under the Act. I consider this to be a very unsatisfactory feature of the Bill. Public opinion must express itself very clearly in favour of the Bill being made more explicit on many of the points which are now left to be legislated by executive rules. Definition of commercial crop might be made a little more indicative of its scope, though not exhaustive. An indication might be given as to the test that the Local Government has to apply in declaring any particular crop as a commercial crop. As regards the composition of the Market Committee, I feel it is not quite satisfactory. The growers of the commercial crops must, in my opinion, have a preponderant voice in the control and regulation of the Market. Then comes the representation of the trade interests. Representation of Local Bodies seems to be unduly large.

The most important clause in the Bill is obviously clause No. 4, which not only creates a preference to a market established under the Act, but also restricts the rights of the public to open a market at or near the markets established under the Act. I think that express exemption ought to be embodied in the clause in favour of Co-operative Societies for marketing agricultural products, instead of leaving them to seek exemption from the Local Government as contemplated by the clause. Such Co-operative Marketing Societies being under the statutory control of the Registrar of Co-operative Societies and being mostly organisations of the producers, can be easily trusted not to frustrate the beneficial intent of the Act.

I hope the producers' point of view will be put forward with greater vigour and insistance than has hitherto been done.

"The Rameswaram Co-operative Stores Ltd." Rameswaram.

BY MR. V. MATHRUBHUTHAM IYER.

Few are the successful Co-operative Stores in India and Madras deserves the credit of running a good many of them. The Triplicane Urban Co-operative Stores Ltd., "The T. U. C. S." as it is popularly called, takes the first place in this category. The All-India pilgrim centre of Rameswaram has the proud honour of running a Co-operative Stores successfully. Registered on the 23rd June 1920 by the Assistant Registrar, Mr. G. Srinivasaraghava Chariar, it started work on the 15th of October of the same year. Even from the second year of its activities it began to flourigh, because there was a long-felt need for its existence in that locality. The island of Rameswaram, cut off as it were from the main lands, where competetive prices were ruling, was under the bitter mercy of a class of traders, who fixed the prices of commodities arbitrarily, at as high a level as they could, and thus earned considerable profits like usurers in money markets. The difficulties of the local residents and pilgrims going to Rameswaram were heavily taxed as regards their purchases. The incoming of the Co-operative Stores therefore had the double advantage of lowered prices in the stores—consequent on fair profits—but had the most salutary effect of steadying the market prices in general. This result was taken advantage of by some of the local institutions, some of them very big even, that were carrying on charitable purposes in the island itself to become members of the stores and thus benefit themselves by good quality and lowered prices for their purchases. Thus to-day of the 169 members on the list of the stores on 30-6-1931, 8 of them are members representing the following institutions:—

(1) Rameswaram Temple Devastanam; (2) Tanjore Raja's choultry, under the management of the Tanjore District Board; (3) Pamban Chattiram; (4) Cochin State Choultry; (5) Pudukottah State Choultry; (6) Sethupathi Raja's Choultry; (7) Pachayappa's Charities; (8) Rameswaram Temple Tiruppani (rennovation.)

Of the above 8 institutions the first named viz., Rameswaram Temple Devastanam was doing business with the Stores till 11-12-1930 to the extent of about Rs. 25,000 every year. It has afterwards diverted its business to a private contractor on the alleged score of the quotations of the stores being rather high, which has yet to be proved. Even though the stores was prepared to sell off its goods to the Devastanam at cost prices plus a margin of 9 pies in a Rupee for establishment and contingent charges, the Devastanam authorities have not seen their way to continue their business. In thus acting the Devastanam authorities have overlooked the fact that in business "the best is always the cheapest and not the cheapest the best."

It is hoped that when even local shop-keepers make some of their purchases in the Stores owing to their cheapness and better quality, the Devastanam authorities would *reconsider* their resolution and continue to be its active member as they were before and bring credit to themselves and to the Stores.

The Stores till now had no branch and was located in a rented building near the Temple. On the 4th of December, the main Stores was shifted to a building of their own in West Car Street allowing a branch to continue in the old building. The establishment in both the main stores and the branch consist of a Manager, 3 clerks and 4 salesmen, of whom 2 act as watchmen at night by turns. The total establishment charges per month come to Rs. 172. That the success of a co-operative stores depends entirely upon an efficient Manager has been very well borne out in the case of this Stores. All the success of the first 8 or 9 years have been entirely due to its Manager, Mr. Ramaswamy Ayyar, who sacrificing his profits in a private business conducted by him at Rameswaram itself took readily to work this Stores and gave the nucleus and stimulus for this Stores. Owing to lack of encouragement by the Board of Directors, he had to leave the Stores to seek his fortune at Madura with the result that during his absence the Devastanam ceased to be its purchaser and the transactions and profits were considerably affected during the administration of a new and inefficient Manager. The result was that the old Manager was recalled and he is now once again at the helm of the administration. It is during his period that the Stores has come to possess a building of its own and the transactions are bound to rise up and make up for the deficiency caused by the Devastanam business.

The business of the Stores is showing a downward tendency and there is gradual falling off in members and share capital and this has to be arrested. Sales of the Stores soared high in the years 1923-1924 and 1924-1925 due to the fact that the Madura-Ramnad District Co-operative Conference was held then at Rameswaram and also due to great official patronage. On 30-6-1931 the Reserve Fund of the Stores stood at Rs. 7,512-10-0 paid up; the building Fund at Rs. 5,948-10-0 and paid up share capital at Rs. 2,792-4-0. The Stores has throughout been paying 9 per cent dividend on paid up Share-Capital and high bonus until last year. It has a few deposits and is maintaining a current account in the Madura Ramnad Co-operative Central Bank Ltd., with which it is affiliated. It is obtaining all its articles—from provisions, oilmenstores, clothing to stationery—in bulk from various places favourable for purchase. It has

not obtained any loan from the Central Bank. The net profits for all these 11 years have amounted to Rs. 34,341. The Stores is maintaining a Dividend Equalisation Fund in which has accrued Rs 509 till last year. From the Common Good Fund, a few dailies are sent for but it is desirable in a cosmopolitan place like Rameswaram town to have a well-equipped Reading Room out of the said fund. In this connection it may be remarked that it might be well for the local Co-operative Credit Society also to contribute from their C. G. F., for this purpose. *It is also desirable to* locate the Credit Society in the same building as the stores for convenience of al the members. As Mr. S. Nagaswami Ayyar has remarked in the visitors' book: "I find further that in a cosmopolitan place like Rameswaram a well-equipped public Reading Room and Library will be a blessing and attraction to the visitors whose attention will incidentally be drawn to the work of the Stores. The management may well utilise a portion of this C. G. F., for this purpose."

This is true because persons of varied nationalities coming from all over *India and going to stores for* purchases demand for Newspapers to cater news to them. Mr. V. Venkatasubbiya, Hon. Joint Secretary, Provincial Co-operative Union, Madras, who visited the stores along with Mr. S. Nagaswami Ayyar on 23-3-1932 has left his remarks in the visitors' book as below:—

"Visited the Stores this afternoon. Most pleased with its working. It is undoubtedly one of the best store societies in the Presidency. It is also serving a real want in a place of pilgrimage like Rameswaram, where large numbers of people ignorant of the language and ways of South Indians congregate. When I was in the stores, I saw several Marathi speaking *people purchase from* it. They can have confidence in the Stores but not in the bazaar man. Its accumulation of Reserve Fund is very satisfactory and I trust it will get back some of the custom it has lost and will continue to serve the public for a long time to come".

The Stores has been visited by many prominent men and one and all of them testified to the excellent work that it has all along been doing.

There is no questioning the fact that the stores has served a great need and is bound to serve accordingly in future to come. A few suggestions may be made in this connection for further scope and development. The management being shifty in co-operative institutions not to speak of stores—a business institution requiring great technical skill and continuity of management—it is absolutely necessary and desirable that some powers are given to the Manager who should be irremovable without being tossed by the whims and fancies of certain self-seeking and ignorant Directors. Though the credit for the past record of this institution is due to the various office bearers and some sympathetic officers of the Department, it is no less due, if not primarily, to the efficient part played by the Manager. Further from out of the profits in every year a cash bonus of a month's pay besides Provident Fund contribution ought to be given to the staff to enthuse them and to serve as an incentive for further work. So that all people may know the existence and location of this stores it should be advertised by big posters and permanent fixtures in or near the Railway Stations of Pamban Junction and Rameswaram so as to catch the eye of the pilgrims. Besides at every festival, printed leaflets in several languages should be also distributed and to keep this advertising business running, the excess profits may be collected in an "Advertisement Fund" This advertisement Fund may be treated as an asset in the accounts and may be written off over a period of several years. The articles in the stores most of them being combustible ought to be insured as a measure of protection. It is hoped that every co-operator and public-spirited gentleman will visit this stores when visiting Rameswaram on pilgrimage or on other business and contribute his might towards the success of this institution by way of purchases and by offering suggestions for improvement.

Statement showing the business transacted by the Rameswaram Co-operative Stores Ltd.,—From its starting.

Serial No.	Years.	No. of members.	Paid up share capital.	Annual purchases.	Annual sales,	Gross profits.	Establishment and contingent charges.	Net profits.	Annual turn-over.	Rebate pies in the Rupee.
			RS.	RS.	RS.	RS.	RS.	RS.	RS.	
1	1920-21 ...	77	1,760	9,940	6,399	985	586	399	24,134	3
2	1921-22 ...	108	2,590	48,779	53,792	6,241	1,943	4,002	1,41,560	6
3	1922-23 ...	138	2,772	55,781	61,662	6,122	2,618	3,447	1,82,868	5 1/8
4	1923-24 ...	152	3,091	72,049	75,846	7,572	2,601	4,362	2,38,834	5 3/8
5	1924-25 ...	162	3,208	79,912	89,327	6,987	3,693	3,319	2,42,699	3 3/8
6	1925-26 ...	170	3,515	73,250	77,205	6,084	3,619	2,465	2,02,636	2 1/4
7	1926-27 ...	231	3,843	63,681	73,618	6,026	3,363	2,698	1,84,994	3 5/8
8	1927-28 ...	204	3,245	53,115	60,712	7,842	2,775	5,158	1,63,066	9 3/8
9	1928-29 ...	191	3,277	48,470	56,361	6,239	2,632	3,769	1,56,456	7 1/8
10	1929-30 ...	178	3,209	54,159	60,521	6,119	2,815	3,526	1,65,348	6 1/4
11	1930-31 ...	169	2,792	46,855	47,877	3,229	2,982	1,257	1,29,014	2 1/4

Recent Utterances.

URBAN BANKS IN BOMBAY*

By Hon. Sir Ali Mohammed Khan Dehlavi.

India being primarily an agricultural country Co-operation was naturally introduced first amongst agriculturists, and it is there that it has made the most progress in most Provinces. But it could not be confined to agriculture only. From the very start it made its way gradually in Urban areas, and we must all be proud to note that in no Province has Urban Co-operation made so much progress as in the Bombay Presidency, which carries the palm in that respect. A glance at the following figures alone would prove this fact:—At the end of March 1931, there were, if I mistake not, 82 Urban Banks in the Presidency, with the working capital of Rs. 3,24,00,000. Other Urban Credit Agencies had a working capital Rs. 55,00,000.

The development of the Urban Co-operative Banking is really one of the most important contributions this Presidency has made to Co-operation in India. In this connection, I may make a timely reference to the name of Mr. Rothfeld, to whose drive and initiative is due the progress of Urban Co-operative Banking in our Presidency. Happily, our Presidency shows signs of setting up, in course of time, a regular net work of Urban Banks. As it is, I think, every important urban centre has at least one Co-operative Bank, doing I hope, for the small man, what the Joint Stock Banks do for the big man. That is also a further sign, if appearances are not deceptive, that those Urban Banks have not only tapped a large amount of capital, which otherwise lay idle, but have encouraged thrift; and what is important, have given various banking facilities; such as loans on favourable terms, facilities for remittances, over-drafts and advances on property. These Banks are real People's Banks in that respect, and some of them will compare favourably with the best Banks of that type in Europe.

It will perhaps not be inopportune now briefly to discuss the general aspect of Co-operation, and its banking, and how far they

* Extracts from his Presidential Address at the First Decennial Celebration of the Surat Peoples Co-operative Bank.

have succeeded or failed to influence the economic condition of the people.

I have already said that my remarks should be taken as coming from a friend. Further, what I can say on a subject, which has come under repeated discussion, in all quarters throughout India, for nearly a quarter of a century, will after all be to re-echo opinions, which have appealed to me as important. It is also doubtful whether expert co-operators, who have long devoted their thoughts to the movement, will find much in my remarks.

Societies often start and invariably exhibit enthusiasm with certain avowed objects, mainly of encouraging thrift, self-help and co-operation; but have they really during the course they have already run, seriously acted upto their solemn professions?

It is a serious statement to make, but is it not honesty of purpose to admit the sad fact that in most cases those who need the advantages of co-operation least, get the most; and those who need them most, avail the least? I trust, this has already arrested the closest attention of every sincere co-operator. I think, there can be no two opinions that it is better to have a smaller number of societies, which can work upto their ideals and with the required efficiency, than a larger number of those, which flourish not in consonance with the true aims of co-operation.

Turning to another point, I trust, the eye of every co-operator is fixed on the small trader, the small producer, and the small consumer, whose interests need first help, whether he comes within the influence of Rural or Urban Societies. The best hope of the small man, who has to contend with his miserable and ever scanty means, lies in Co-operation. In this connection, a suggestion made elsewhere, may with advantage be repeated, that a survey should be made, in the area of influence of a Banking Society, of men who are being wasted for want of means of living, and yet possess the capacity or skill, and above all, the willingness to take to some useful occupation. These are the real persons stranded in life, who need help. An introductory remark made in the Report of the Bombay Provincial Banking Enquiry Committee may be usefully quoted here. They very rightly remark:—"Before we proceed with the consideration of the questions referred to us, we should at the outset like to express our opinion that no improvement in the existing credit system and banking facilities is likely to be effective, unless it is accompanied by measures for raising the standard of living and economic condition of the mass of the population, and for building up its productive strength. Economic progress and development of banking being interdependent, banking cannot make any advance in a community sunk in poverty, ignorance and helplessness."

It must be acknowledged that the claims of the small man should have preference over the demands of the bigger man on the Urban Co-operative Banking. Several Banks, however, have funds to cater for the needs of both; but care must be taken that the extension of help to the bigger man should never be carried on to the detriment of the interests of the smaller man. These banks must, in the first instance, be to the small trader, what the other banks, run purely commercially, are to the big trader and the big merchant. The same Enquiry Committee has remarked:—"Even in big urban areas, like Surat, there is considerable and increasing scope for Co-operative Banks. Persons, who cannot be financed by other banks, can and do go to the Urban Banks."

The proper test of a typical Co-operative Bank ought to be in its clearness and definiteness of the purpose for which it has been launched, and more than that, in the unflinching endeavour, it makes to avoid deviation from the path it has chalked out for itself. A diversion from this wholesome and underlying principle has, perhaps, brought upon many a bank, the stigma that it contributes more to economic deterioration than to the uplift, of its members. If the force of this statement is accepted, one would rightly feel inclined to advocate a rigid adherence to this principle and do his utmost to prevent a bank transforming its true co-operative activities into those of a city commercial bank. One may go a step further and emphasize that the dangerous point of a successful Co-operative Bank, like the last straw on the camel's back, may be reached when it finds itself unable to cope with the expansion of its activities. A halt has then to be called. I would hesitate to tread on grounds, which may be more in the province of experts to do with a firmer foot, but might suggest that an Urban Bank, which relies more on its own funds than on outside investments, which come in their own interests, rather than in those the Bank has at heart, serves a more permanent and a more potential cause, than the one which may be tempted, in the wake of a commercial concern, to seek customers, who draw it outside its sphere and destination. From this, I should

not be misunderstood to be going counter to the natural growth of banking, if circumstances permitted it, and especially if the Co-operative principles were not undermined. In fact, I would rather like to note an important point about your bank in particular that, being co-operative it does not, like Joint Stock Banks, work only in the interests of its shareholders, but while paying a reasonable dividend on its share-capital, it looks to the interests of the borrowers as well as the depositors. Thus, your bank pays out of its profits, a rebate on interest to borrowers and a bonus to its depositors. It is really an excellent example of a people's Bank of the 'Luzzatti' type.

In these depressing and indeed oppressing times, when everything seems to be in a state of dislocation, the salaried men, the agriculturists, the merchants, the small traders the artisans, the labourers, in short, every member of society stands non-plussed, the out-look of a well run bank, like yours, should, therefore, make itself useful with a vengeance, in regaining mainly and solely the economic prosperity of its members. It should, therefore, further be examined whether there is scope for increased activity, and whether it would be possible for such banks to support the small producer and the industrialist more than it has done so far. I think that one of the main causes of the ruin of these small men has been the exorbitant terms on which they have to borrow their capital. If they could be supported by urban banks, their state, and that of the cotton industries, especially in Gujerat, is likely to improve. It is also for consideration whether in urban areas, which are often centres of trade of agricultural produce and industrial products, the marketing of these commodities cannot be financed to a greater extent than at present.

It would be in the fitness of things on an occasion like this, and in a gathering of men interested in the cause of Co-operation to turn for a moment to the question of carrying on co-operative propaganda in the country.

I have no doubt that it has struck co-operative workers that there is much spade work to be done in this direction. The mission of Co-operation has yet to be carried home to the man who stands most in need of it. For, has not preaching been done so far to those already converted?

Of late years our young men have given proof of their organising ability and enduring capacity to a remarkable degree. In fact it is a discovery to me to find what they are capable of. Can we not, with far reaching results, utilise that sure and certain energy, and express a hope that if our young men turned their attention to the economic uplift of our country, they would be doing the real nation building work and laying firmer foundations of the prosperity of our Motherland; for, it must be admitted that on the economic regeneration depends the future of India. If they once took up the advocacy of the co-operative cause, I feel no doubt in my mind that the benefits of Co-operation and its redeeming potency would be carried to each cottage; and the public at large would soon come to realise the power of our Societies in general, and of the Rural and Urban Banking in particular, as an effective factor in the advancement of common good, morally, socially and economically. With their devotion for the welfare of the country, they need no preaching on the all important question that their first duty lies in creating a wide awakening amongst the people at large, and making them realise that there are no better means than Co-operation, of ridding themselves of all their evils and particularly of the usurious Sowcar.

Here is a clarion call to them for the diffusion of knowledge which will lead to the regeneration of our submerged masses. What nobler response could they give than to come forward as true nationalists, and work as a selfless team, irrespective of race and religion, for the common good of humanity?

Urban Banks *

By

DIWAN BAHADUR THAKORRAM KAPILRAM MEHTA, C.I.E.

In the year 1921 the Gujerat Divisional Co-operative Conference was held in our city under the Presidentship of Sir Chunilal V. Mehta the then Minister in charge of Agriculture, Co-operation and Excise. The need for an Urban Peoples Bank as one great need of the time in Gujerat, was being pressed on the attention of all those who were interested in the Co-operative Movement in reports and official talks and discussion by Mr. Otto Rothfeld when he was the Registrar of Co-operative Societies, whose enthusiasm, for the cause, whose go and zeal and interest, we all remember and the lack of which we all deplore. Bombay Presidency has lost his services and the utmost loss has fallen heavily on the department thereby. To-day away from India, away from the scene of his active life work, he is now and then reminding us of the loss by sending very interesting and pleasant contributions in the Times of India, now from Italy, now from Spain and now from France on a variety of subjects of public interest. A few extracts bearing on the point from his Annual Reports will not be out of place. In the year 1920 he writes as under about Urban Banks:—

"In this Presidency, the successful working of Urban Banks is essential, if the economics of the country are to be modernized and an impulse given to development of local trade and industry; and every means should be taken to organize and support these valuable institutions."

Mr. Rothfeld then gives the figures of the working of Urban Banks during the year ending 31-3-20 and then says—"The growth is one which must be eminently satisfactory to all interested in a movement so fraught with promise to the artisan, to petty commerce and to local industry, as well as so conducive to national progress and prosperity by its achievements in drawing into circulation local capital previously hoarded or buried in the ground.

* Extracts from the welcome speech at the first decennial celebration of the Surat People's Co-operative Bank.

At present practically no banking facilities exist anywhere except in the Presidency City. It is hoped, that these Urban Credit Societies will succeed in providing those facilities and thereby supply for the whole world an example of a country in which all the banking of the vast majority of the people, should be undertaken by the people for the people through a co-operative organization." In the year 1922, he is again found remarking as under:—

"On the system in force in this Presidency, such Urban Credit Societies as have a working capital of Rs. 50,000 or over are required to submit quarterly financial statements to Government and are audited by special auditors with advanced training as accountants. Such societies are classed as Urban Banks, and the aim of co-operators in this Presidency is to raise such societies to the category of real People's Banks, able to cope with every branch of banking. At the same time, it is hoped, year by year, to increase the number of societies falling in this category. Nothing perhaps is so much required in modern India, if the country is quickly to develop to the fullest of its possibilities and to take its place in the line of progressive countries, as a properly developed indigenous banking system. It is felt by Co-operators that the Co-operative Movement is quite as well fitted to meet this need as any system of Joint Stock Banks, and it is obvious that Co-operative People's Banks will have the further advantages of being democratically managed by the people themselves and of dividing their profits equally among customers as well as shareholders."

District Conferences—Resolutions.

THE THIRTEENTH NORTH ARCOT DISTRICT CO-OPERATIVE CONFERENCE

Pallikonda, 29th & 30th May, 1932.

RESOLUTIONS PASSED.

1. Resolved to request the Government to invest office bearers of local co-operative unions, either the Secretary or the President, with powers of executing decrees, just as they are invested with powers of passing awards under arbitration.

2. Resolved that the by-laws relating to the maximum borrowing power of societies including societies rectified be so amended as to make provision for the repayment of loans as under:—3/5 of the entire maximum borrowing power be utilised for short term loans; of the remaining, 1/5 be made repayable within 3 years and the balance 1/5 be made repayable in 5 years.

3. The Central Bank have completely stopped the issue of long term loans to societies on the plea that Land Mortgage Banks are being organised specially to cater to the needs of the ryots in this respect. This has at present resulted in much inconvenience to the agriculturists. To remedy the situation this conference is of opinion that more number of Land Mortgage Banks be started, and to request the Government to take early steps to start large number of Land Mortgage Banks and render them adequate financial assistance so that they may provide long term credit for the benefits of the ryots.

4. Resolved to request the Government to take up adequate steps for the furtherance of the non-credit activities of the movement by arranging to start co-operative cattle breeding societies, milk supply societies, poultry farming societies, egg producing societies mat-weavers societies and coir spinning societies with a spinning societies view to increase the earnings of members and thus create sufficient repaying capacity in them.

5. Government have issued a G. O. prescribing half fees for registration of documents executed by members of co-operative societies. But in practice it so happens that the whole amount of fees is being paid to Government in as much as one half of the registration fees is paid by the members executing bonds to societies and the other half by the societies executing bonds to Central Bank. The concession of half fees being therefore more nominal than real, this Conference is of opinion that the entire fees be remitted for registration of documents, either it be by the members to societies or by societies to the Central Bank.

6. In order to exercise effective supervision over co-operative societies and to centralise supervision by co-ordinating the activities of the supervising agencies through the District Federation, it has been established that Local Supervising Unions and District Federations are the best suited institutions for the purpose. This conference observes

that it is therefore but right that supervision should be entrusted to supervising unions and federations only and it is strongly of opinion that on no account the Central Banks who are exclusively financing agencies should take up or interfere with this work of supervision.

7. With a view to expose disinterestedly and impartially the defects in the working of societies and with a view to effectively check the maladministration of societies, this conference is of opinion that the function of audit should continue to be under the direct control of the Government and that the question of transferring this power to Banks is out of question. This conference therefore condemns the proposed transference of audit under the agency of the Provincial Co-operative Bank and earnestly request the Government to adopt measures immediately to check this transference of powers.

8. When immovable properties of defaulters of co-operrtive societies are purchased by societies themselves, the insistence of the Revenue department requiring them to not only pay the initial deposit but also the balance of the sale amount within 30 days in cash, creates much hardship to societies. This Conference therefore resolves that Government be requested to make provision for accepting receipts given by the plaintiff societies in lieu of cash deposits of the sale amount.

9. Just as rectification is of dire necessity to rectify the defects in societies, so also propaganda is of 'paramount necessity to educate the members of societies and to eradicate the evils that exist in co-operative institutions. The Government, who have been hitherto pleased to render assistance in this direction by granting subsidies for the purpose, have since stopped the grant as a measure of retrenchment. This conference regrets that this aspect, which forms a part of the educational activities, should suffer on account of retrenchment and resolves to request the Government to continue granting a subsidy of at least Rs. 2,000 per year to the district federations.

10. Resolved to request the Government to relax the minimum of Rs. 150 prescribed for remittance to be made into Sub-Treasuries and to lower the minimum to Rs. 50.

11. Out of the six co-operative institutes now working in our Presidency, the Gray Co-operative Institute of our District also usefully trains a large member of students for serving the movement. Further, Vellur, our district Headquarters, has been chosen as the central place for running the Police Training School, as also the Medical Training School for women for the Presideny. It is therefore necessary that the Central Co-operative Training school be established at Vellore. It is resolved to request the Government to establish the Central Institute at Vellore in the place of the present institute, and if, for any reasons, this is found as not feasible, resolved that the Government be pleased to run this Institute as a permanent feature.

12. Resolved that in societies working satisfactorily in profits, ¼ of the net profits be given as remuneration to the member doing the scriptor work of the society and that Government be requested to introd provision in the by-laws of the society.

THE EIGHTH EAST GODAVARI DISTRICT CO-OPERATIVE CONFERENCE

held at Rajahmundry on 10-7-1932.

RESOLUTIONS.

1. This Conference requests the Government to audit all unlimited liability societies without levying any audit fees.

2. This Conference approves of the audit scheme passed at the recent Bankers' conference at Madras and requests the Central Banks and Urban Banks in the District to co-operate with the Provincial Bank to carry out the scheme.

3. This Conference requests the Registrar of Co-operative Societies to change the by-laws of Urban Banks that join the audit union, exempting them from payment of supervision fund to Local Co-operative Unions.

4. This Conference requests the Registrar of Co-operative Societies to fix the maximum of supervision fund payable by unlimited liability societies to one hundred and fifty rupees, and amend the by-laws accordingly.

5. As members in societies are unable to clear their overdues at present, this conference requests the Central Banks and the Provincial Bank to grant extentions after proper scrutiny and on adequate security, so as to enable the members to repay their dues without undue inconvenience.

6. This conference requests the department to arrange for the construction of godowns at suitable centres in the district to help the agriculturist to stock their produce, as has been done at Cuddalore to encourage the loan and sale societies.

7. This Conference requests the Government to exempt Co-operative Societies and their members from payment of the half-registration fees on documents and encumbrance certificate charges recently imposed as a measure of retrenchment.

8. As members in societies have been unable to pay off their dues in time consequent on the unavoidable causes brought about by the present economic depression, this Conference recommends to societies and Central Banks to remit the payment of penal interest in cases where proper security is offered.

9. This Conference requests the Provincial Bank to advance long term loans extending to five years, as the repaying capacity of members has considerably fallen, owing to the present financial and economic depression and large defaults are therefore made in the repayment of short term loans.

10. This Conference requests the Registrar of Co-operative Societies to register separate Co-operative Societies for working classes wherever necessary and help the uplift of the artisan classes.

11. This Conference requests the Registrar of Co-operative Societies and the Deputy Registrar of Co-operative Societies to register co-operative stores wherever necessary.

12. This Conference resolves to request the Ramadas Co-operative Training Institute Ltd., to take up the publication of the "Sahakari", hitherto published by the Andhra Sahakara Sammelanam and recommends to the Provincial Co-operative Union to subsidise the Institute with the necessary funds for the purpose.

13. This Conference requests the Central Banks and societies to advance crop loans where facilities exist for the storage of the produce pledged so as to give effective custody thereof to the financing institutions.

14. It is resolved to hold the next session of the District Conference at Amalapuram.

(Sd.) V. RAMADAS,
President.
10-7-'32.

Co-operative News.

1. (INDORE CONFERENCE).

The Third Co-operative Conference of Indore was held on the 16th and 17th of March last under the Presidency of that veteran social worker and co-operator Mr. G. K. Devadhar, President of the Servants of India Society. His Highness the Maharajah of Holkar was present and inaugurated the Conference in a short speech, portions of which are reproduced elsewhere. There were the usual welcome address and the Presidential Address and the whole Conference went into committee and after an elaborate discussion adopted twenty resolutions which were later on formally passed by the Full Conference. We hope to be able to publish extracts from Mr. Devadhar's address on a later occasion.

We wish the Co-operators of Indore all success.

2. A CO-OPERATIVE HOME FOR TRIVANDRAM.

Trivandrum has now got a Co-operative Home, the first of its kind in Travancore.

The Trivandrum Co-operative Home which has just commenced work, has been opened in a building not far from the Public Offices and is intended to provide board and lodgings to visitors from out-side sojourning in the capital of the State.

The institution is registered under Regulation X of 1089 M.E., and its management has been vested in a board of fifteen with Mr. Justice Changanacherry Parameswaram Pillai of Travancore High Court as President.

The Home provides decent accommodation and the rooms, besides being provided with good furniture, are all fitted with electric lights. The daily charges (inclusive of board) have been fixed at Rs. 1-12-0 and Rs. 1-4-0 with reference to the two classes of rooms that are available.

The opening ceremony took place on the 6th July 1932 when the elite of the town were present. Mr. T. Austin, I.C.S., Dewan of Travancore, presided on the occasion and declared the Home open.

The sponsors of the scheme have left nothing to be desired and are to be congratulated on their enterprise.

V. SRINIVASAN, M.A.

3. THE THIRTEENTH NORTH ARCOT DISTRICT CO-OPERATIVE CONFERENCE.

Pallikonda, 29th and 30th May 1932.

In the Twelth North Arcot District Co-operative Conference held at Tiruvannamalai in April '31 it was resolved that medals should be awarded to the best co-operative societies working in the district. It was decided that three kinds of medals should be awarded; the first Gold medal worth Rs. 25 should be given to societies whose members have fully cleared their overdues and the 2nd gold medal worth Rs. 15 to societies whose arrears do not exceed 15% and the third a silver medal worth Rs. 7-8-0 to societies whose arrears do not exceed 25%.

In pursuance of this resolution the following 17 societies were selected for the whole district and they were awarded medals on the 30th May '32 at the co-operative conference held at Pallikonda. The medals were presented to the representatives of societies by Sir K. W. Reddy Kt., B.A., B.L., the distinguished president of the Conference.

Names of the Societies.

1st Class Medals.

1. Girijapuram C. S.
2. Vanapuram C. S.
3. Muniyangudisai C. S.
4. Gudiyattam Teachers C. S.
5. Mahendravadi C. S.
6. Aiyathambattu C. S.

2nd Prize.

7. Ananthalai C. S.
8. Thelluavandal C S.
9. Sundarapuram C. S.
10. Perayambattu C. S.
11. Valathoor C. S.
12. Kodakkal C. S.
13. Ayyampalayam C. S.
14. Vadanangur C. S.

3rd Prize.

15. Arni Public servants C. S.
16. Arni Palayam C. S.
17. Mathoor C. S.

Reviews.

A.—BOOKS.

"FINLAND—A NATION OF CO-OPERATORS."

By Mr. Thorstera Odhe.

Translated from the Swedish

By Mr. John Dewine (William and Norgate, Ltd.), Price 3sh. 6d.

The Book is the result of an investigation by Mr. Odhe of Sweden and is a convincing proof of the immense possibility of the Co-operative Movement as a means of salvation to a nation, poorly blest by Nature and oppressed by spiritually and materially stifling Czardom.

The author traces the beginnings of Co-operation in Finland from 1899, when its pioneer and founder Dr. Hanner Gebherd started the 'Pellerro,' the Central Institution which directed and conducted effort and made the most effective use of power and resources. Our attention is drawn to this special feature in the spread of the movement in Finland, where, unlike in other countries, Co-operation mainly progressed according to a pre-conceived plan, from an established Centre outwards, systematically and methodically.

We find from the study that there is not one sphere of the economic life of the nation that is left untouched by co-operation. There are Consumers' Societies, supplying the towns and groups of villages, which have reduced the cost of living. Co-operative Production on a large and successful scale is carried on and there are factories for producing matches, sweets, woodwork and flour,—all "models ot modern efficiency and organisation." The Co-operative Banks supply credit; and there is careful and expert supervision along with extensive lending.

Finland is a land of small landholders and it is the way in which agriculture has been co-operatised that is of great significance to us in India. All agricultural requisites are supplied by special societies and the sale of home-grown produce is also profitably organised; while the Co-operative Creameries produce butter and supply milk to the towns.

We read also of egg-sale societies, telephone and land-purchase societies, bull-societies, cattle insurance societies, forestry associations and co operative insurance societies, which embrace small landholders and peasants.

The result, according to the author, is that "to-day, the middle man has almost disappeared." Further the social influence of the poorer classes is markedly in evidence. The "Co-operative Spirit" is nation wide, as it can be seen in no other country. The grand children of the squatters, the old shiftless dregs of an agricultural population, have become a race of keen, foresighted intelligent landholders, striving earnestly to achieve independence and comfort,—recognising co-operation as a means of raising their standard of life, both materially and morally and participating in the fruits of culture and progress.

Even though 'the grip that co-operation has had in Finland, is incredible to outsiders,' it need not be considered 'naturally peculiar.' Finland is 'an example and encouragement to co-operators and the poor of every land,' and 'other nations will have much regard to Finish Co-operative progress and be eager to learn their lessons,' conveyed in this masterly study.

G. Sundaram.

B—REGISTRARS' REPORTS.

(i) ANNUAL REPORT ON THE WORKING OF CO-OPERATIVE SOCIETIES IN THE UNITED PROVINCES OF AGRA AND OUDH.

For the year 1930-31.

We referred in our review of the last year's administration report of the United Provinces to the eminently interesting personality of the Registrar beaming through every line of it, and that remark holds goods even with regard to the report for the year 1930-31 under review. Mr. P. M. Kharegat does not mince matters. He is not interested in white washing. He is prepared to state facts as plainly as possible. "So far as the credit societies are concerned, roughly it may be said that one-third are bound to go sooner or later, another one-third are on the border line, whose future depends on circumstances, while the remaining one-third are in the main thoroughly sound." That is how he sums up the achievement of the credit section of the movement. We are sorry to note that even in these days of great financial stringency many societies indulge in the luxury of over-loaning, which shows, as the Registrar has remarked, that the majority of societies have not developed an adequate sense of their responsibilities and for these supervisors are largely to blame. "Though the money of depositors may be perfectly safe, it cannot be denied that the financial position of many banks gives cause for anxiety." That is what the Registrar has to say about the working of Central Banks and the only solution for the difficulty is "to push on the work of collection from liquidated societies and pay off some of the depositors so as to reduce the burden of interest."

Financing banks that have hitherto been doing supervision have handed over their supervision (some of them) to the central institute and he points out by taking statistics of societies under two categories, i. e., those under banks' and those under Institute's supervision, that there is very little to choose between these two. This has its own lessons to us in Madras, where the present tendency is the other way round and where supervision is passing from the hands of Federations into those of banks. The limited liability societies intended mostly for employees did good work, as they stood to gain by the fall in prices. Those started for selling sugar-cane and ghee seem to have done good work also. Better Living Societies that arrange group conferences and take up such questions as agricultural improvement and irrigation, consolidation of holdings, sanitation, education of members and their children and promotion of thrift and curtailment of expenditure on social functions, have been doing useful work. The

method of work has slightly been changed. What is known as the Benares system started by Mr. Mehta aims at selecting villages all over the district and trying the experiment of rural reconstruction. The latest experiment is to take up compact areas and concentrate activities there, as M.R.Ry. Diwan Bahadur R. Ramachandra Rao has done in the Rasipuram area in our province; the Registrar reports that in one group of 10 villages where favourable conditions are obtaining, the work has been satisfactory. But we should like to know whether people themselves appreciate the work, which can be found out by the simple test, that is, whether they are willing to shoulder a portion of the financial responsibility. Our own experience of Rural Reconstruction work in this province is that people appreciate this work so long as they do not have to pay for it. But once the financial burden is shifted on to them, they like to drop off item after item. Moreover, the workers employed by the society take it as a kind of avocation. They do not look upon it as a sort of life's mission and approach their task with the enthusiasm of a missionary. There is not, so far as we know, that great urge behind the movement for rural reconstruction, that you find in great religious movements, an urge that enables countless youths of both sexes to undergo enormous sacrifices without minding in the least the cost, an urge that patriotism is able at present to create in the minds of the youth of the country. Until this stream of national enthusiasm is deverted into co-operative channels and workers look upon co-operation as an effective means of rural uplift, there is very little chance for this movement to succeed.

The Registrar's remarks about the function of departmental officers deserve to be read by such officers all over the country. "*It does not appear to be generally realised that the principal work of departmental officers is not so much to do things themselves as to get them done by others, which is often more difficult. Their business is to educate the societies to a sense of their responsibilities and to give them guidance and help, and prevail on them to take suitable action.*"

It is a great pity that the need for retrenchment has necessitated this excellent report to be cut down to two-thirds of its previous length and we hope with the Registrar "that the progress made may not be commensurate with the efforts put forward owing to adverse economic conditions; but it is nonetheless genuine and it is hoped that the fruits of the work that has been put in will appear more clearly, when normal times are restored."

S. K. Y.

(ii) REPORT ON THE WORKING OF CO-OPERATIVE SOCIETIES IN THE CENTRAL PROVINCES AND BERAR

For the year ending 30th June, 1931.

A man steeped in misfortune sometime derives a questionable kind of consolation in the fact that there are others worse off than himself. Perhaps we in Madras can get some such consolation if we read the report of the Registrar of Co-operative Societies for Central Provinces and Berar for the year ending 30th June 1931. There has been in spite of cautious advance a net decrease in the number of societies and members and in the working capital as the following table will show :—

		1929-30	1930-31
1.	Number of Societies ...	4,137	4,108
2.	Number of members ...	1,28,800	1,25,614
3.	Working Capital ...	Rs. 5,37,49,425	Rs. 5,31,72,418

The Registrar draws up a balance sheet for the co-operative movement as a whole in the province and tries to show that it is quite sound and that the total liabilities including paid up share capital exceeds Rs. 2 crores, the total assets, both liquid assets and building and stock exceed the liabilities. The very fact that he has been attempting to prove by means of statistics that the movement is sound itself shows there was room for serious alarm on the part of depositors. We agree with the Registrar, when after giving the statistics, he tells us that 'From the purely banking and financial point of view the movement is thus yet capable of redemption with the restoration of better economic conditions within a reasonable time. That, however, is absolutely conditional on all concerned straining every nerve to bring back as much as possible of the debts from the harvests every year and by prompt action against the more heavily indebted members." If we go a little into the details, we see the cause for alarm. We are told that the total collection by central banks comes to only 16·9 leaving overdues to the extent of 83·1, which is certainly alarming. We are not surprised therefore to be told that for the first time after many years, there was a fall in deposits. As a matter of fact, during the last quarter of the year withdrawal of deposits occurred on a larger scale than ever during the previous 7 or 8 years. This withdrawal, as the Registrar assures us, was due only to the general shortage of cash and to the Government itself borrowing at a high rate of interest and this was

stemmed by the timely increase of rate of interest, and by Provincial Bank coming to the rescue of the central banks.

Of the two territories over which the Registrar holds sway, Berar seems to be comparatively worse than the Central Provinces. "The more one sees the working of the Berar Banks, the more despondent one becomes of their future." The situation is thus summed up by the Registrar: "The inveterate practice of utilising short term deposits for long term loans, the persistent failure to make recoveries proportionate to the harvests, grant of renewals on a lavish scale, repeated over-financing in spite of poor repayments, the heavy annual accumulation of overdues and failure to take coercive action till it is too late; all these coupled with adverse agricultural conditions in some areas have created the present grave financial position, particularly in Berar." The creation of Land Mortgage Banks which would take off the long term loans from the primary societies will be one method of easing the situation and we are glad to be told that preliminaries for starting two banks are ready and let us hope they will be started, as soon as the financial situation becomes easier.

We see that the urban banks and house building societies which are compartively well off in the neighbouring province of Bombay have not got such record to boast of here.

The Central Co-operative Institute is described as having done good work and we hope next year's report will be less gloomy and the very effective and cautious steps which banks have taken under the advice of the Registrar in the matter of giving cash advance to solvent members etc., will bear good fruit, when normal conditions are restored.

S. K. Y.

iii) ANNUAL REPORT ON THE WORKING OF CO-OPERATIVE SOCIETIES IN TRAVANCORE.

For the year 1106 (1930-31).

It was just a few months back that we reviewed (though rather late) the Administration Report of the Travancore Co-operative Department for the Malabar year 1105. Now we have before us the report for 1106 (1930-31). The following table will give an idea of the quantitative progress achieved by the movement in the year 1106.

	1105 (1929-30)	1106 (1930-31)
Total number of societies ...	1,806	1,813
Total number of members ...	2,13,027	2,20,989
Aggregate Working capital ...	Rs. 63,74,901	Rs. 69,33.897
Total paid up share capital of societies	„ 30,82,571	„ 33,26,489
Total Reserve fund of societies..	„ 5,62,900	„ 5,86,232

The Registrar's request to constitute three circles and put them in charge of Assistant Registrars who would look after the good deal of minor details and leave him completely free to chalk out general policies and programmes remains yet uncomplied with and the Government gave him only some additional Inspectors. The Registrar has been asking for the appointment of an impartial committee to study the working of the movement and suggest methods of improvement. It is over 16 years since the movement was started and certainly it is time to review the situation.

In many respects this report is like its predecessor. We find the same complaint of increasing overdues and the same suggestion that co-operative societies should confine themselves exclusively to short term and intermediate loans. The Registrar has recommended that Government should advance some money through the central bank and primaries to enable them to tide over the present economic crisis, as they did six years ago, when a good deal of the country was devastated by floods. We hope this recommendation will be given the consideration it deserves.

House Building Societies have not yet become popular and a Land Mortgage Bank has just been started. But co-operative societies undertook all sorts of interesting work and acted as agents to the Agricultural Department for the sale of manures and to the Forest Department for carrying on teak plantation in areas leased out by the Government. Some societies have executed contract works of a petty nature in the P. W. D.; some societies working under the supervision of the Fisheries

Department obtained licenses to conduct fish markets and certain others got fishing leases in the name of societies. Conducting chitties, colonisation on a small scale, conducting night schools and reading rooms, settlement of disputes by arbitration etc., are some of the activities of the Co-operative Societies in the State.

Though there are 46 Urban areas according to the latest census, the number of urban banks in a flourishing condition is not high. As we remarked in the review of the last year's administration report, the financial structure is not yet well organised. There is an anamolous institution known as Taluk Bank, which borrows money from central bank and lends to primaries. It has also a number of individual members spread all over the taluk who are financed directly, that is, it is a combination of a primary bank and a financing central bank and so long as these taluk banks are not clearly to'd to confine themselves to finance primaries, Urban Banks, which are flourishing in other parts of India, are bound to suffer by competition with these hybird Taluk Banks.

There are special classes of societies for Teachers, societies for Government Servants, Artisans, Municipal Employees, Factory Employees etc., We note that some societies intended for Government servants are running Benefit or Provident Fund Business. We also note that this work is gaining in popularity and applications from other departments for similar societies are being rececived. The Government of Travancore will do well to get expert advice from an actuary in the matter of allowing more of these Provident Fund societies springing up. Our experience in the presidency is that some societies were started without any technical advice and after they have been allowed to work for some years, we feel that some drastic changes are necessary, if they are to continue to function efficiently. It is better therefore to get the previous advice of an actuary than allowig societies to come into existence and then get their bye-laws radically altered after they have been working for 6 or 7 years.

We are sorry to note that the Local Unions and the Central Institute are not financially well off. So long as Unions appoint their own supervisors and have not got finance enough to pay them regularly, good work may not be expected from them. Centralisation of supervision under the Institute or the bank is the only effective remedy and if the Bank does not want to saddle itself with the additional duty of supervision, it must finance liberally any other organisation like the Central Institute which undertakes to do that work. The Central Institute has got [illegible] important duty of running the Journal and of conducting training cl[illegible]es, which latter it has yet to take up.

The report under review is the last that Mr. Vaidylingam Pillai will bring out and the movement has progressed satisfactorily during the ten years he was in charge of the department. The Registrar designate, Mr. M. Govinda Pillai, B.A., is now on a study tour in British India and let us hope that when he takes charge of the department, he will bring to bear upon his task a freshness of outlook and genuine enthusiasm and let us also hope that he too will be given an opportunity to make his mark and will be allowed to work undisturbed in the same field for a sufficiently long time, so that he may leave the impress of his personality on the Department.

S. K. Y.

(iv) REPORT ON THE ADMINISTRATION OF THE CO-OPERATIVE DEPARTMENT IN THE COCHIN STATE.

For the year 1106 (1930-31).

"The Primary Societies, the Supervising Unions and the two Central Banks have no doubt done their level best to keep the movement going on sound progressing lines and to avoid pitfalls in spite of the adverse circumstances of the year." This remark of the Registrar of Co-operative Societies, Cochin, would sum up the impression that one would gather in reading his report of the movement in Cochin for the year 1106 (1930-31).

The following table will give the summary of the general progress:--

	1105 (1929-30)	1106 (1930-31)
Number of societies ...	214	235
Nunmber of members ...	21,474	24,580
Working Capital ...	Rs. 19,98,855	Rs. 21,22,935
Total Transactions ...	„ 70,40,474	„ 73,35,382
Reserve Fund ...	„ 2,44,745	„ 2,82,827

In many respects, circumstances here are the same as in British India and the movement is showing the same symptoms of healthy and unhealthy developments. The same policy of consolidation rather than hasty organisation, the same question of overdues owing to economic depression and the willful neglect on the part of panchayatdars, and others with which we are only too familiar. We are very glad to note that the Central Institute, did very good work during the year by the publication of a Co-operative quarterly, by the holding of the 4th All-Cochin Co-operative Conference, by maintaining a library and reading room and by celebrating the International Co-operators' Day in a very appealing way by making the school children march along the streets. We echo the hope of the Registrar that ere long they would be able to start a co-operative training class. We once again recommend this Institute and the very useful work it has been doing to the central bank, which must feel as one of its primary duties to finance such institution engaged exclusively in education and propaganda.

We are also told that Supervising Unions are just getting formed and they did some useful work with the help of government subsidy. Co-operators in Cochin will do well to study the growth of the supervising agencies in British India and avoid the pitfalls that we have fallen

into. There are societies for depressed classes and fishermen and there are some successful stores working in the state, of which one at Tirupunitura, deserves special mention. It is here that the members of the royal family live and this store is intended exclusively for their use and is managed by a young Prince, who had the benefit of commercial education in Bombay. The Students Stationery Societies are also working satisfactorily, of which the most important one is that run by Maharajah's College Students, Ernakulam. This class of institution is bound to progress in a State like Cochin where general education is wide spread.

We note that the Government may take up the question of revising the regulations in force and they were waiting only to see how the Madras Act was revised. Let us hope that they will not reproduce blindly the obvious defects of our revised Act.

Land Mortgage Banks and popularising Building Societies about which no mention at all is made seem to be the most urgent need, and perhaps in imitation of Travancore the Cochin Government also may institute a committee of enquiry to go in detail into the working of the movement as a whole.

S. K. Y.

(v) REPORT ON THE WORKING OF CO-OPERATIVE SOCIETIES IN THE PUDUKOTTAH STATE.

(Fasli, 1340, July 1930 to June '31.)

The Administration Report of the Co-operative Department of Pudukottah State for Fasli 1340 (130-31) reveals a state of affairs not very different from what is obtaining in the neighbouring British Districts. As here, organisation was slow and attention was concentrated upon Rectification and Consolidation. The percentage of balance to demand both under principal and interest is heavy in almost all societies and it is due to the same causes as here, that is, fall in the price of agricultural commodities and bad season. It is interesting to find that the Registrar is not pleased with the working of Supervising Unions there also. Supervision according to him was slack and was not up to the anticipated standard. "The Supervising Unions have not at all exerted themselves to set right the defects. For instance in most of the rural societies no property statement is to be found."

We are sorry to find that he has similar unsatisfactory observations to make about the working of the Central Co-operative Institute of the State. He thinks that the authorities of the Institute visited the villages only occasionally and did not succeed in dinning and imparting practical education with the keen insight into the needs of the villager. Supervisors employed by the Institute do not seem to have visited many societies and the Registrar complains that his letters addressed to the President are not promptly replied to. The Institute roughly corresponds to the Federation in British India and as here, they have resolved to transfer the function of Unions to the Central Bank. "The State Co-operative Institute may be safely done away with without the fear of impairing efficiency in the non-official supervision. The central bank may be advised to appoint a qualified Inspector to control the work of Supervisors." This sums up the Registrar's opinion about the Institute, and even about the Journal "Ikya Bodhini" a Tamil co-operative monthly published by the Institute, the Registrar has no favourable remarks to offer.

The Central Bank of the State seems to have been working satisfactorily, though there too overdues have arisen The Town Bank seems to be a model urban bank. It has an unwieldy general body consisting of 2387 members though only 43 attended the General Body meeting. It is not clear from the report whether there is any good store working. Stores and School Stationery Societies are clubbed together.

In this small State with frequent recurrence of unfavourable agricultural seasons the evils we find in the working of the co-operative movement in British India are likely to be reproduced, unless a strict watch is kept over them and the central bank and the department will do well to concentrate their attention upon this. There must be ample scope for the Central Institute as well and the Central Bank and the Durbar will reconsider their opinion with regard to their attitude towards it. Propaganda, training of panchayatdars and publication of the Journal should be left to the Institute and it is the bounden duty of the State and the Bank to finance it adequately.

S. K. Y.

C.—INSTITUTES.

(i) REPORT ON THE WORKING OF THE DURGA PRASAD CO-OPERATIVE TRAINING INSTITUTE, SABOUR, (BHAGALPUR).

For 1931.

Prof. B. B. Mukherjee, M.A., Principal of the Durga Prasad Co-operative Training Institute, Sabour, deserves the hearty congratulation of all co-operators upon the excellent work of the Training Institute for the year 1931.

Assisted by an able staff, he has been able to conduct a large number of courses of training, namely, a full course for managers, supervisors etc., short course for auditors, the refresher course etc.

The following points deserve the special attention of those in charge of co-operative education elsewhere, especially in Madras:—

1. The system of recruitment is in a way connected with the probable number of vacancies likely to occur in the movement in the coming year and if the number of applications is much larger than the number of vacancies, some selection among the candidates is made.

2. After the passing of examination, three months' practical training is given to every candidate and half the time is spent in the office and half the time in societies. Students are taken in batches under guidance and are made to study the practical working of societies. They are also made to enquire into the economic conditions of the members and gather information about family budgets.

3. Some training is given in actual methods of propaganda and in mainpulating magic lanterns. Because these students undergoing training are expected to become propagandists themselves, some instructions to enable them to discharge that function better is very desirable.

4. The Principal and some members of the staff with the students went on a propaganda tour with a view to give the students an insight into the problem of rural uplift and to enable them to study the economic conditions of the rural population and also to find out the capacity of students for physical endurance. The account given of the tour is one of the most interesting portions of this report.

5. Tha Training Institute attempts to serve as a centre for co-operative research and has taken up enquiries on such specific problems, as cost of management of central banks, distribution of loans to societies etc.

The Institute aspires to from a co-operative museum and have begun to collect forms of registers that have been in force in different stages of the movement, which later on would enable us to understand its gradual evolution. The Institute also serves as a sort of information bureau and they have answered many querries on matters co-operative addressed to them by co-operators all over the province.

The B & O Journal is being edited by the Principal, so that in every way, the Training Institute aspires to discharge its functions as the brain of the movement and we once more congratulate the Institute on its excellent work.

S. K. Y.

(ii) ANNUAL REPORT ON THE WORKING OF THE KANARA DISTRICT CO-OPERATIVE INSTITUTE, KUMTA.

(for the year ending 31st March '32)

The District Co-operative Institute of Kumta, (N. Kanara) deserves to be congratulated on the excellent work it turned out during the year ending 31st March 1932. It was engaged in co-operative education by holding training classes for the Secretaries, by the extensive tours undertaken by its officers, attending the annual general meetings of societies and by conducting magic lantern shows and lectures. It also encouraged the formation of Supervising Unions and took a leading part in the celebration of the International Co-operators' Day. It helped village societies to run their own libraries and it is running a Rural Reconstruction Centre at Kallabbe, wherein it seems to have done very useful work. It has got a propaganda officer and a small library of its own. It has done useful work in spreading the co-operative movement in the district, but much more remains to be done, and its appeal for financial help, we hope, would be responded to, especially by the flourishing urban banks in the district, who have not contributed as much as they should have done.

S. K. Y.

G. Os. and Circulars.

GOVERNMENT OF MADRAS.

DEVELOPMENT DEPARTMENT.

G. O. No. 698, 25th May 1932.

Industries—Economic Depression Enquiry Committee—Recommendation—Establishment of warehouses—Orders passed.

Order—No. 698, Development, dated 25th May 1932.

In paragraph 51 of their report, the Economic Depression Enquiry Committee recommended that the Government should institute warehouses, independent of co-operative sale societies, where goods will be received and certificates, which would serve as instruments of credit, could be granted over the signature of a responsible marketing officer in respect of the quantity and quality of the goods so held in the warehouses. The Government have considered the recommendation in consultation with the Registrar of Co-operative Societies and the Directors of Agriculture and Industries. They are of opinion that there is definite scope for the establishment of warehouses free from any obligations to middlemen. Under present financial conditions, however, it is out of the question for Government to organize and manage such warehouses at their cost. The system of licensing warehouses also does not seem to offer a practicable solution, since it offers little or no inducement to the license unless backed by a Government guarantee of dividends. The only alternative for the present is to start or extend co-operative warehouses. This will be taken up experimentally in Cuddalore in the first instance by the Director of Agriculture in collaboration with the Registrar of Co-operative Societies.

(By order of the Government Ministry of Education and Excise)

S. H. SLATER,
Secretary to Government.

No. R. Dis. B. 1-3139/32.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES, MADRAS,
Dated, 2nd June 1932.

D. N. STRATHIE ESQ., I.C.S.,
Registrar,

CIRCULAR.

I

By-laws—Model By-laws—Land Mortgage Banks—Amendments.

[*Reference* :—Registrar's Circular R. Dis. B. 1294/31, dated 4th March 1932.

By-law No. 42 of the model by-laws provides for the demanding of additional security of land and other immovable property or two reliable sureties if "the land to be redeemed or improved" offered as mortgage is considered insufficient (Vide by-law No. 41). By-law No. 41 has been amended in the Registrar's circular quoted above by omitting the words "on the land to be redeemed or improved by means of the loan" and inserting in their place "of lands". As all the lands offered for mortgage will form the primary security for the loan and as there will be no occasion for taking additional security in the first instance, by-law No. 42 is unnecessary and therefore it may be cancelled. The serial Nos. of the remaining by-laws may remain as they are if the word 'cancelled' is noted against No. 42.

2. The only situation when additional security will be required is when the mortgaged land becomes depreciated in value in subsequent years (vide by-law No. 48, clause iv). The term 'additional security' may be defined by the insertion of a note under by-law No. 48. The following may be added an a note under by-law No. 48.

"*Note.*—The additional security contemplated in this by-law shall be land or other immovable property or two reliable personal sureties who must be members of the bank".

3. The Deputy Registrars are requested to register amendments proposed by primary land mortgage banks on the above lines.

(By order.)

A. CUNNIAH,
Manager.

To all Deputy Registrars and Sub-Deputy Registrars, in charge of Districts.

Copy to all Land Mortgage Banks.
„ to the C.L.M.B.
„ Superintendents the Training Institutes, Deputy Registrars, and S. D. Rs. for L. M. Bs.
„ to the Editor, Madras Journal of Co-operation.

No. D. Dis. F. 3791/32.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES,
Madras, Dated 12th June '32.

D. N. STRATHIE, ESQ., I.C.S.,
Registrar.

MEMORANDUM.

[Registration—Encumbrance Certificates—To be sent by 'Service' unpaid if not claimed in time.]

It has been the practice till now for the Registration Department to send by post *Service Paid* communications and encumbrance certificates intended for a co-operative society if there was no person representing the society ready to take personal delivery of the documents. The Inspector-General of Registration has now proposed to discontinue this practice and to treat co-operative societies in the same way as private parties. Hereafter encumbrance certificates which are ready, will be sent to the societies concerned by post *Service Unpaid* (Bearing) if the society has not made arrangements to take delivery of them personally or otherwise. By this arrangement the societies will have to pay to the postal authorities on delivery, the actual postage payable on these communications if they are prepaid. The societies may collect these amounts from the members along with the fees paid for the encumbrance certificates.

(By order.)

A. CUNNIAH,
Manager.

To all Deputy Registrars and Sub-Dy. Registrars.

Copy to Central Banks and Federations.

2. They are requested to communicate this to the primary societies.

Copy to the Editors, Journal of Co-operation, and the Madras Co-operator.

„ „ „ Tamil Nadu Federation and the Andhra Sahakara Sammelanam ; the Training Institutes and the Superintendent, Kallar Reclamation, Madura.

No. R. Dis. B-1—3331/32.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES, *Madras, 13th June 1932.*

D. N. STRATHIE Esq., I.C.S.,
Registrar.

CIRCULAR

Subject :—Encumbrance Certificates—Applications from land mortgage banks—restrictions to prevent abuse of concessions.

* * *

Reference :—(i) Registrar's endorsement B-1—5815/31 dated 4-5-1932 containing G. O. 579, Ms., Development dated 27-4-1932.
(ii) Registrar's Circular B. 3900/28 dated 29-10-1928.
(iii) Registrar's Circular B. 2965/30 dated 31-5-1930.

In G. O. No. 579, Ms., Development dated 27-4-1932, the Government were pleased to exempt for a period of three years all land mortgage banks from the payment of fees for the registration of documents and the issue of encumbrance certificates. With a view to prevent any abuse of this concession the following instructions are issued for the guidance of all land mortgage banks.

1. Applications for encumbrance certificates should be strictly limited to 24 years. Such applications may in the first instance, be made only for a period of 23 years (i.e.) prior to the period of the loan application, a further application, in cases where it is necessary, may be made later for the period intervening between the date of the first encumbrance certificate and the date of execution of the bond, care being taken not to exceed the maximum limit of 24 years.

2. If, however, any necessity arises for a search for a period in excess of 24 years, land mortgage banks should send their applications to the Registration Department only through the local Deputy Registrar. The Deputy Registrars will scrutinise such applications before forwarding them to the Registration Department.

3. In respect of properties outside the area of operations of Land Mortgage Banks, all applications for encumbrance certificates and all applications for registration of documents should be sent to the Registration Department only through the local Deputy Registrar. The Deputy Registrars will scrutinise these applications before transmission to the Registration Department with their recommendation.

A. CUNNIAH,
For Registrar.
12-6-'32.

To All Land Mortgage Banks.

Copy to all Deputy Registrars and Sub-Deputy Registrars in charge of districts.
„ the Deputy Registrars, Land Mortgage Banks, Madras and all Sub-Deputy Registrars, Land Mortgage Banks.
„ the Central Land Mortgage Bank Ltd., Madras.
„ the Editor, the Madras Journal of Co-operation, Madras.
„ the Inspector-General of Registration with reference to his letter 458 General dated 6-6-1932.

No. D. Dis. F. 6876/31.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES, *Madras, dated 22nd June 1932.*

D. N. STRATHIE Esq., I.C.S.,
Registrar.

CIRCULAR

Assessment-Companies tax-Exemption for societies in the Madras City.

On the request of several co-operative institutions in the City, I addressed Government to exempt the co-operative societies in the City from payment of companies' tax to the Madras Corporation. The Government consider that it would be more appropriate if the exemption is embodied in the Madras City Municipal Act, the amendment of which is now under consideration. It seems inevitable that the co-operative institutions in the City should pay the tax until the amendment is effected. I have, however, urged the Corporation to confine its demands to societies that actually have profits and I hope this will be done.

(By order)
A. CUNNIAH,
Manager.
24-6-32.

To the Madras District Co-operative Central Bank Ltd.,
No. 1, Armenian Street, George Town, Madras.
„ Madras High Court Co-operative Society Ltd., High Court Buildings.
„ Burmah-Shell Employees Co-operative Society.
„ Madras Viswakarma Co-operative Society Ltd., 106, Ayah Mudali Street, Chintadripet.
„ Co-operative Milk Supply Union Ltd., Armenian Street, Madras.
„ University Staff Co-operative Society Ltd., Chepauk.
„ Deputy Registrar, Madras.
„ the Provincial Co-operative Union.
„ Editor, Madras Journal of Co-operation and Madras Co-operator.

Edited by Prof. S. K. Yegnanarayana Iyer, M.A.,
and Printed at the C. C. P. Works, Chintadripet, Madras.