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Editorial Notes.

Sir Daniel Hamilton on Co-operation.

Sir Daniel Hamilton is a house-hold name with all Co-operators in India and we published in a past number of our Journal an account of the interesting experiment in co-operative colonisation that he has been carrying on successfully on his estate of Gosaba in the Sunderband. The older generation of our readers would also remember that when the movement was started in our Province, he placed a sum of Rs. 5,000 at the disposal of the Government of Madras to be lent to rural societies free of interest for the first two years and the principal to be returned in ten annual instalments thereafter with 2 per cent interest. Whatever, therefore, comes from such a veteran co-operator who is not merely a theorist but a man of the world, who tests all his theories by the supreme test of application to facts of life should be of great value to Co-operators. In the latest number of the Bihar and Orissa Co-operative Journal to hand, he contributes an article on "Saint Andrew and the Man Standard", on the Scottish Banking System which is contrasted with that of England, which is called by him as "Saint George and the Gold Standard"!

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According to Sir Daniel, Scotland was about a century back as India is now, a poor country with vast resources and plenty of human material and it was the banking device known as "cash credit" which enabled the hardy Scot who had nothing but his brawny muscle and stern honesty to depend upon to make use of them with the temporary accommodation given by the bank and convert his bleak and ill-cultivated land into a land of plenty. By printing millions of £1 notes the Scottish Bank issued cash credit to farmers who were active, skilful and industrious and enabled them to "reclaim land, employ people, reap the harvest and when it is gathered, pay back the loan." The English Banks on the other hand insist upon there being solid gold in reserve before notes could be circulated by banks and to this extent it differs from the Scottish system which "monetises reliable man, the living capital by means of its dead notes". Sir Daniel thinks that if the experiment which was successful in Scotland be repeated in India by the Government, either Central or Provincial, having faith in the character of the people, India also would enjoy similar prosperity. The problem of unemployment amongst the educated middle classes would be incidentally solved, for according to his calculation, to mobilise this vast man power and to make the resources of Banks available by means of cash credits to tens of thousands of honest farmers and to regulate the whole machinery, six times the number of hands, now in the Co-operative Department would be required. The experiment is worth trying and we hope, the Powers that be will give it a chance.

A Former Registrar on "Co-operation" in Bihar.

Rao Bahadur Durga Prasad Babu is a retired Registrar of Co-operative Societies in Bihar and it was in the fitness of things that after his retirement he should have been elected to preside over the Provincial Conference of Bihar held in December last. There are many points in his valuable address which are useful to co-operators all over India besides many useful suggestions and practical advice that he gave to Co-operators in Bihar in particular. He spoke in high appreciation of the ability of the co-operative movement in India in general to withstand the severe strain put upon it by the world economic depression, a strain under which many a flourishing Joint Stock Bank in Western countries has gone under. He laid great stress upon the moral basis of the movement and bemoaned the lack of zeal and earnestness on the part of the present leaders and appealed to them to be up and to be doing. He went to

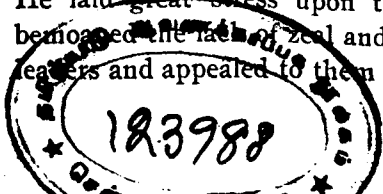
EDITORIAL NOTES

the extent of saying that co-operation has not been given a fair trial and it is wrong therefore, to condemn it as not having succeeded in places where it has been in existence for some time. He rightly pointed out that it was a mistaken policy to stop all further registration and to starve deserving societies by withholding the much needed financial help from them. He advocated a well-thought out plan of covering the whole country with healthy societies within a period of seven years and pleaded for the reduction of interest to be charged by Central Banks to societies and by them to members. He also condemned the policy of the Imperial Bank in withdrawing its support to the Co-operative movement and put in a eloquent plea for more generous State support. He recommended that Government should audit all societies free of charge as it is doing registration; in which case the money now paid by societies for audit could easily be utilised for better supervision and more efficient propaganda and organisation. The address coming as it does from a person of such vast and varied experience must have been really inspiring and Bihar does at present require such encouragement.

A Misunderstanding Cleared.

In our Editorial notes in February on the Third Madras Urban Banks' Conference held at Periyakulam, while reviewing the speech of the Registrar who opened the conference, we were constrained to remark that he was rather harsh upon Employees' Societies. We were led to that conclusion by the speech of the Registrar sent to us for publication.

Elsewhere would be found an extract from his speech delivered by him while presiding over the annual meeting of the Madras Teachers' Guild Co-operative Society, one of the best of Employees' Societies in the city of Madras. The Registrar was kind enough to take that opportunity to make his position clear regarding his attitude toward the Employees' Societies. He stated that he was not in general against them but that what he took objection to was the abuse of facile credit which these societies placed within the reach of their clients. Facile credit has certainly a demoralising effect specially upon those who are not thrifty and who are too weak to resist the temptation to borrow. The Registrar quoted a number of instances to show that some members get into a



chronic state of indebtedness and are never able to get out of it on account of the extreme ease with which they are able to borrow money.

If this be all that the Registrar meant by his Periyakulam address, there is no point of difference between him and ourselves. We echo his sentiments that facile credit is sometimes likely to lead to disastrous results unless it is handled with caution especially in the case of improvident and unthrifty members of Employees' Societies.

We would in this connection draw the attention of the readers to the speech of Mr. K. C. Ramakrishnan delivered at the same meeting and also published elsewhere.*

William Morris.

On the 24th of March 1834, William Morris was born and all England has been celebrating the centenary of his birth. Morris was not merely a great poet but was a fine artist who wanted to popularise art and bring it within the easy reach of all and he was at the same time a bold thinker on social matters. As co-operators we are concerned with this aspect of Morris' greatness.

What is known as Industrial Revolution was responsible for a good deal of prosperity in England and in other Western Countries, but it was equally responsible for a good deal of human misery, poverty, crime and disease and all great reformers endowed with genuine sympathy for the toiling millions have, in some way or other, denounced the Industrial Revolution and have tried to suggest a way of escape from its evil consequences.

Carlyle, Ruskin, Dickens, Kingsley and Arnold all have denounced the evils of civilisation based upon mechanical manufacture and increase of riches without corresponding improvement in the spiritual equipment of the average man. Morris with his sensitive soul tried his very best to mitigate the horrors by creating as many forms of beauty as he could, now narrating old stories in easy verse to be understood by even the ordinary man in the street, now designing fine types of furniture or wall paper and at other times writing Utopian romances wherein he imagined, according to his light, a perfect state of affairs to prevail. The mantle of Plato who dreamt of an ideal republic has been falling on the shoulders of dreamers of successive generations and Morris who donned it with

* See page 589.

grace in his own generations, has passed it on to H. G. Wells and others of our generation. We co-operators who aspire to mitigate the evils of the competitive system in the economic basis of our society owe a deep debt of gratitude to Morris and we shall do well to remember him with gratitude and turn to his "News from Nowhere" and other romances as a relief from the ugly facts of the daily life around us.

The Future of Sugar Industry in Madras.

Mr. V. Ramadas Pantulu's article on the Future of Sugar Industry in Madras published elsewhere points out how after the setting up of protective duty recommended by the Tariff Board on imported sugar, the manufacture of sugar in India has considerably increased, and proceeds to show how Madras has not however gained the fullest advantage of the concession. He then enumerates the factors that are favourable for a definite step forward in the manufacture of sugar in our own Province.

After working out the details about the cost of production he comes to the conclusion that it will be in the general interest if sugar factories to be started in Madras are run on co-operative lines. He points out how in Java, our great rival in the manufacture of sugar, big commercial concerns are running factories and to reduce the cost of manufacture, they themselves are owning vast areas and cultivating sugar cane. He advocates that taking conditions in India into consideration the process should be reversed and agriculturists who grow sugarcane in their own lands should combine and run the sugar factory on co-operative lines. He advises the formation of Societies for production of sugar cane and supply to factories where conditions are not favourable for the growers of the cane to own a co-operative factory.

One note of caution he sounds and in this he will have the fullest support of all lovers of genuine co-operation and business efficiency and that is, that the management of business institutions should not be left to the whims and fancies of popular election and that there must be continuous and consistent policy. He also expects the Registrar to see that unhealthy competition is not allowed to creep in by the registration of too many sugar factories.

The establishment of sugar factories is a business proposition which it behoves us co-operators to take up and work. We commend this article and the line of progress suggested to all earnest co-operators.

Co-operation in the Last Legislative Council.

We were looking forward with great interest to the speeches of Hon'ble Members of the Legislative Council on Co-operative Movement but unfortunately the council during its last budget session busied itself with so many topics that it had very little time to go into the details regarding co-operation and some other departments with the result that guillotine had to be applied and the Government demand on behalf of these departments taken as passed. We lost, therefore, a splendid opportunity of knowing what the non-official leaders had to say about the co-operative movement in general as it is at present. But one good piece of work done by the last Council from the point of view of the Co-operators is that it has passed the Minister's Bill on Land Mortgage Bank. As we expect a detailed article on the various aspects of this new bit of legislation from the pen of Dewan Bahadur M. Ramachandra Rao, we refrain from making any observations on it now.

Qualified Men for Co-operative Institutions.

We have received communications from ex-students of our Training Institutes that in these days of economic depression and middle class unemployment, while hundreds of trained candidates are available the management of some financing banks entertain the services of untrained men simply because they happen to be their own kinsmen. We hope this is not true or if true at all, only in a very limited number of cases, but even that should not be and we hope the department and those responsible for the management of big financial institutions would see to it that only qualified hands of whom plenty are available at present are entertained and nepotism is not allowed to flourish at the cost of efficiency.

Earth-quake Relief Contributions.

Elsewhere* would be found the names of societies and the contributions they have made towards the Bihar Earthquake relief fund. We are glad to be told that Sub-Deputy Registrar of Co-operative Societies, Kistna District was responsible for inducing the societies to sanction this amount out of the Common Good Fund. We shall publish from time to time the names of co-operative societies that make similar contributions.

* See page 602.

The Future of Sugar Industry in Madras

Commercial and Co-operative Enterprise.

BY V. RAMADAS PANTULU.

India's Recent Progress—Policy of Protection.

The Budget proposals of the Government of India for 1934-'35 relating to sugar have considerably perturbed the minds of the people engaged in India's Sugar Industry. There has been a remarkable development of white sugar manufacturing industry during the last three or four years. It can be seen at a glance from the following figures:—

Year.	Number of Modern Sugar Factories in India.	Sugar produced in India.	Sugar imported.
		TONS.	TONS.
1931-32 ...	44	1,60,000	5,00,000
1932-33 ...	74	2,90,000	4,00,000
1933-34 ...	135	7,50,000 (Estimate)	2,00,000 (Estimate)

In an year or two India is expected to manufacture all the white sugar necessary for her internal consumption, which is estimated at about one million tons a year. In order to produce all the one million tons of sugar, our modern factories will have to crush about 12½ million tons of sugar cane. This is but a small fraction of the sugar cane we produce in India.*

* Sugar Refinery Industry consumes only a small fraction of sugar-cane grown in India. In 1932-'33, it is estimated that out of a total of about 48½ million tons of cane grown in India, only 4½ million tons were taken by modern factories; of the balance about 5½ million tons were taken by Khandsari factories, leaving 38½ million tons for other purposes. (See page 19 of the Budget speech of the Indian Finance Member).

In terms of percentages, only 8'9 per cent of cane produced in 1932-'33 in India was used in modern factories and refineries, while 69'3 per cent was used for Gur (Bellam) manufacture, 10'9 per cent in indige-nous processes and 10'9 per cent for sets and chewing purposes.

There can be no doubt that this phenomenal development is due to the policy of protection pursued by the Government of India. The Tariff Board, as the result of the enquiry conducted by it, recommended a duty of Rs. 7-4-0 per cwt. on foreign sugar imported into India, and further recommended that the Government should have power to raise the duty by another Rs. 0-8-0, that is, to Rs. 7-12-0, when Java sugar was being imported at a price less than Rs. 4 per maund to Calcutta. But as a result of the 25 per cent surcharge on custom duties, introduced in November 1931, the industry has been actually enjoying a protection of Rs. 9-1-0 per cwt. (Rs. 7-4-0 basic duty plus Rs. 1-13-0 surcharge). This large import duty no doubt puts a heavy burden on the Indian consumer of sugar; but it is inevitable in all such schemes of protective policy, till the industry which is protected becomes well established.* But a policy of protection can be justified only when it is reasonably certain that the benefits of the protection will be shared equitably by all the agencies engaged in producing sugar; in other words, the manufacturer does not derive undue advantages from it, at the expense of the cane grower and the sugar consumer. How far this undoubted principle of protection has been operative in practice seems to be a matter of controversy. While the Finance Member says that the manufacturers are unduly benefited and that the cane growers are not always getting a fair price for cane, the manufacturing interests question that statement. They assert that as a matter of fact, on account of internal competition, the Indian factories are selling sugar at rates lower than those forecasted by the Tariff Board, that is at about Rs. 1-12-0 per maund less than the price of Java sugar. They also see prospects of the price of Indian factory sugar coming down still lower. They therefore maintain that the consumer is not exploited. As regards the cane grower, it is said that factories have been paying a fair price. It is obviously impossible to pronounce any opinion on an intricate matter like this without very close investigation.

The New Excise Duty—Its Effect.

In the budget for 1934-35, the decision to impose an excise duty of Rs. 1-5-0 per cwt. or a little less than Rupee 1 per maund of factory sugar, manufactured in India, is announced and a Bill for bringing it into operation was introduced in the Legislative Assembly and has

*It must, however, be remembered that India was exporting sugar to foreign countries in the middle of the nineteenth century and the import of foreign sugar into India from the eighties of the last century was the result of the Free Trade Policy.

been referred to a Select Committee. The effect of this excise duty on the extent of the protection now enjoyed against Java sugar (both arithmetically and commercially) is to bring it down to Rs. 7-12-0 (Rs. 9-1-0 minus Rs. 1-5-0). This represents the maximum of protection recommended by the Tariff Board. The excise duty is expected to give the Government about Rs. 147 lakhs or roughly Rs. 1½ crores of revenue. This will be some relief to the finances of India, as the customs revenue from import duty on sugar, which was Rs. 10 crores in 1931-32 and which is estimated at no more than 2 crores for 1934-35, is expected to dry up very soon. But how this excise duty will affect the sugar industry is the question which is agitating the minds of all those now engaged in the industry and those who are proceeding with schemes for the establishment of new factories.

Before discussing the effects of the new excise duty on the future development of the industry, it is necessary to visualise the extent of the burden it imposes on the various agencies that produce sugar. Rs. 1-5-0 per cwt. means Rs. 26-4-0 per ton of sugar. What does it work out to on the cane? Assuming that on an average, an acre of sugar cane land yields 25 tons of cane and that the average recovery of sugar to cane is 8 per cent (that is to say 100 tons of cane, when crushed, yields 8 tons of sugar) an acre of cane gives two tons of sugar. So the excise duty works out to Rs. 26-4-0 × 2, or Rs. 52-8-0 per acre of cane. If the factory owners put the whole of this burden on the cane grower then the latter will, in our illustration, get Rs. 2 and odd (Rs. 52-8-0 ÷ 25) less per ton than the price he now gets. If the loss is shared equally by the manufacturer and the cane grower, the loss to the latter will be about Re. 1 per ton of cane and the loss to the former about Rs. 0-8-0 per maund of sugar. In Northern India, Khandsari sugar (made by open pan system in the country) is very popular and an increase of Rs. 0-8-0 per maund in the price of factory-made sugar may make Khandsari sugar compete more largely with factory sugar. There can be, in any case, no doubt that the new excise duty will on the whole result in reducing considerably the profits of the manufacturer as well as the cane grower. A 500-ton factory with an initial capital outlay of about Rs. 8 lakhs and a working capital of about Rs. 2½ lakhs an year, and producing 7,500 tons of sugar in an year of 150 working days, will have to pay Rs. 1,96,875 as excise duty. It will be nearly 50 to 75 per cent of the entire

profits hitherto expected to be made by the factory. The new factories just started and those which are to be started in future will naturally be more materially affected than the older and well established ones.*

Conditions in Madras Province.

Madras has long been considered to be a province where sugar industry will not be economically feasible mainly on the ground that the cost of production of cane is much higher here than in Northern India. This is most unfortunate, because Peninsular India, which is in the tropics, is climatically far more suited to grow sugar cane than the sub-tropical sugar producing provinces of Northern India like the United Provinces. In Madras, the yield of cane per acre is higher and the quantity of sugar-contents is also said to be larger than that in the United Provinces. I have seen in the United Provinces cane both on the fields and in the factories. It is not thicker than our Javar (Cholam) stem and on an average an acre, there, yields only about 20 tons of cane. In Madras, we can produce about 30 tons or even more of cane for an acre. If the Madras cultivator of sugar cane was looked after by those, whose duty it was to guide him and teach him how to reduce the cost of production, he would have produced cane at the same cost, if not cheaper, than his brother in the United Provinces. The following figures of the value of sugar cane produced in the United Provinces and Madras in 1928-29 (pre-depression year) and in 1932-33 will show the relative position of sugar cane production in those two provinces :—

	1928-29.	1932-33.
The United Provinces	... Rs. 1,882 lakhs.	Rs. 1,834 lakhs.
Madras	... „ 654 „	„ 420 „

It is a matter for gratification that Madras is, however, rapidly waking up to her potentialities in the matter of growing sugar cane and producing white sugar by installing factories. Some new Joint Stock Companies and three Co-operative Societies have been recently registered in this province for manufacture of sugar. The question is what are the prospects of these enterprises.

Favourable Factors.

It seems to me that Madras can go ahead with its schemes for installing sugar factories, if the effective protective duty is left at the

* The effects of the excise duty on the Palmyra Jaggery sugar industry in Madras are not yet precisely known. It is said that the effects will be very prejudicial.

present level of Rs. 7-12-0 per cwt. and if due care and caution are exercised in starting and conducting the contemplated sugar factories. My reasons for this belief are as follows :—

(i) The data adopted by the Tariff Board to determine the cost of production and fair-selling price were fairly liberal and to-day our actual working costs seem to be lower than the figures accepted by the Tariff Board. So the excise duty of Rs. 1-5-0 per cwt., while it certainly curtails a good portion of the profits of the manufacturers, will still not altogether disable them to make some profits, after paying a fair price to growers of cane. If they run their business on rational and up-to-date methods. There may be other economies in Madras by larger percentage of recovery of sugar to cane than that estimated by the Tariff Board. The recoveries in Madras are expected to be higher than in Northern India on account of climatic conditions and certain other causes.

(ii) The Tariff Board put the initial capital outlay (plant plus buildings) at Rs. 13½ lakhs for a factory which will crush 18 lakhs maunds of cane in a working season of 150 days. What we call a 400-ton factory will crush in practice about 500 tons of cane a day or over 20 lakhs of maunds in a working season of 150 days (one ton is equal to 27·3 maunds). We can set up a factory of the kind adopted as the basis of their calculations by the Tariff Board, for about Rs. 9 lakhs or perhaps a little less. So, we shall have a saving of Rs. 3 to 4 lakhs in initial outlay and the margin of interest or dividend thereon will be appreciable.

(iii) Facilities for production of sugar cane in and around our projected factories in Madras are great. In Northern India, cane is generally obtained from long distances of 50 to 100 miles and normally costs about 8 annas a maund or Rs. 13-8-0 per ton for factory delivery. But in Madras we have large tracts of land where we can grow superior quality of cane, which will feed the factories without much expenditure on transport charges. A 400 to 500 ton factory will require cane grown in about 2,500 to 3,000 acres of land to feed it for a working season of 150 to 160 days in a year. We can surely command such areas around our factories, if the location of them is suitably made. Cost of cane being an important factor, conditions of Madras are favourable for slightly mitigating the effects of the new burden of the excise duty.

Difficulties not to be overlooked.

There are, however, some very serious impediments to be overcome and risks to be provided against in regard to the establishment of new sugar factories in Madras. We must remember that only those which are most efficiently managed and economically run will survive. A few of the difficulties which we should not overlook may be mentioned:—

(a) Though external competition may be overcome so long as an effective protective duty of Rs. 7-12-0 per cwt. is maintained, there is no guarantee that the new factories in Madras will not have to face some internal competition. Such of the old and well-established factories in Northern India as have well nigh recovered their initial outlay may perhaps afford to sell their sugar to non-sugar producing provinces at cheaper rates than the new factories in Madras can perhaps afford to.

There are however certain definite limitations on the capacity of North Indian factories to compete with Madras sugar, such as transport charges over long distances, lower recovery of sugar to cane and contraction of margin of profit due to excise duty and legislation to fix minimum price for cane. Organisers of sugar industry in Madras are making their plans to work even at Rs. 200 per ton as the sale price of sugar for factory delivery. Even at Rs. 225 per ton, the factories of the United Provinces, Bihar, the Punjab and Sindh may not be able to compete with Madras.

(b) Any tendency to establish too many factories will seriously jeopardise the interests of manufacturers as well as of the cane growers. If some of the factories are shut down for any reason, the cultivators who have taken to growing cane around them, will come to grief, as there will then be less demand for their cane in the neighbourhood.

(c) It must be remembered that India cannot hope in the near future to export her surplus of sugar to foreign countries, if she manufactures more than what is necessary for her internal consumption. India's white sugar is nearly three times as costly as that of Java sugar in unprotected markets.* This is inevitable, having regard to the difference in the conditions of Java and India. It is

* The present price of Indian sugar in the Madras Market is about Rs. 263 to 268 per ton, while that of Java sugar is Rs. 273 per ton. The duty on Java sugar with surcharge is Rs. 9-1-0 per cwt. i.e. Rs. 181-4-0 per ton. This means that Java is able to import sugar into India at Rs. 273 minus Rs. 181-4-0 i.e., Rs. 91-12-0 per ton.

said that in Java sugarcane land produces about 55 tons of cane per acre and that the sugar contents of Java cane are about 16 per cent. Our average yield per acre is about 25 tons and our sugar-contents about 11 per cent. It means that Java can produce 5 to 6 tons of sugar per acre of land of sugarcane as against about 2 tons in India. We cannot, therefore, compete with her in other markets by exporting our surpluses. We may however develop more taste for white sugar and displace some portion of our Gur (Bellam) consumption.

(d) In addition to these domestic factors, there are international factors as well to be taken into account. The Governments in India and the United Kingdom have been talking of bilateral trade agreements between countries with which Great Britain has trade relations, England and Holland may enter into an agreement in regard to purchase by England of Dutch Sugar in return for Holland purchasing British Textiles. It is being freely said that British interests have acquired control over some Sugar Stocks and Factories in Java. The promoters of World Economic Conference are speaking of a World Sugar Agreement and of schemes for restricting production of sugarcane and manufacture of sugar. At the recent Sugar Conference convened by the Government of India, schemes of restriction of sugarcane cultivation were already mooted.

(e) The Government of India are sure to demand from sugar manufacturers more and more economy so as to bring down the protective duty, which unduly hits the consumer. The following passage in the Finance Member's budget speech conveys a serious warning to those who rely too much on the continuance of the protective duty at its present level in making their plans and calculations for new sugar factories.

"In my budget speech last year, I gave a clear warning to those engaged in the sugar industry that they could not count on a continuance of the existing abnormal level of protection. What has happened since then, has appeared to us to make it necessary to terminate the present situation. On the one hand, it does not appear that in all cases the actual grower of sugarcane is getting the full advantage which he was intended to receive from our policy. On the other hand, in many cases large profits are being made by sugar manufacturing companies, and the attraction of these profits is so great and factories are being set up so rapidly, that there is a real

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danger of over-production on a scale which may lead to serious reactions both on the manufacturing industry and on the canegrowers who rely on it. This warning has evidently not spent itself by the imposition of excise duty.*

The Role of Co-operators in Sugar Industry.

The idea of organising sugar factories on a co-operative basis has much to commend it to the public. Such factories should be virtually owned by the growers of cane. When the producer of the cane is also the manufacturer of sugar, the conflict of interests between the industrialist who buys the cane and the cultivator who grows it to sell to the factory, will be greatly minimised, if not eliminated. The legislation initiated by the Government of India to empower local Governments to fix a fair price for cane will, in my opinion, prove ineffective. The manufacturers will easily circumvent and defeat it. The co-operative method alone can combat the capitalist in the long run. In Java, where intensive cultivation of cane is developed to a marvellous degree, it is done by eliminating the cultivator and the factories themselves owning the sugarcane land. In a co-operative concern, the object will be accomplished by reversing the process, namely the cultivator of the cane owning the factory and eliminating the profiteering capitalist owners of the factory. The sugarcane land owned by the cultivator can be mobilised under a suitable scheme of co-operative credit to furnish the required share capital for initial outlay, and working expenses.

Where a modern factory for manufacture of white sugar cannot be established on a co-operative basis with sugar-cane growers as members, the cane growers may be organised into societies for

* The Sugar Industry Protection Act (XIII of 1932) will be in force till the end of March 1946.

Under section 3 of that Act, the duty of Rs. 7-4-0 per cwt. on imported sugar will be in force only till 31st March 1938 and the Government will then make an enquiry as to what protection will be necessary between the end of March 1938 and the end of March 1946 and initiate legislation on or before 31st March 1938. If however the surcharge of Rs. 1-13-0 is removed, as it may be done at any time, the basic duty of Rs. 7-4-0 will alone remain. But the effective protection with the excise duty will then be only Rs. 7-4-0 minus Rs. 1-5-0 i.e., Rs. 5-15-0 per cwt. It means that Java sugar will sell at Rs. 3-2-0 less per cwt. (Rs. 9-1-0 minus Rs. 5-15-0) or Rs. 62-8-0 less per ton. Its price on date in the Madras Market will therefore be Rs. 210-8-0 (Rs. 273, present price, minus Rs. 62-8-0 reduction in duty). Indian Industry may then enter the danger zone.

production and supply of sugar-cane for the joint stock concerns which manufacture sugar. In the United Provinces, where such societies are working, it is expected that they will not only improve the standard of the cane supplied to the factory, but will also enable the cane growers to obtain a fair return for their cane, by eliminating the profiteering middlemen contractors, who usually buy the cane from the growers and supply to the factories. Wrong weighments, unjustifiable deductions from price, delays in payment, detention at factories and other risks will also be avoided, where societies deal directly with the factories. The experiment of a co-operative factory with such supply societies, co-operative central banks and individuals who grow cane and other individuals as members, is also being tried in the United Provinces.*

The Finance Member has promised to set apart Rs. 7 lakhs out of the 147 lakhs he expects to derive by the new excise duty (that is 1/21 fraction) to help co-operative ventures. It means, I believe, in practice that co-operative concerns will get a rebate of one anna out of the excise duty of Rs. 1-5-0. It will go very little way to help co-operative factories. Much larger rebate must be given.

How far the co-operative method can be successfully put into practice will depend upon how soon and how radically we revise our ideas of co-operative business and co-operative democracy. If in an industrial organisation, general bodies of co-operative societies interfere with the management and with the plans of the executive officers and experts in charge of business and elections to directorates are run on party and factious lines, the collapse of a co-operative factory is inevitable. Such a catastrophe will naturally have its disastrous reactions on the cane-grower. The constitution of co-operative sugar factories must, therefore, provide stringent safeguards against these dangers.

Conclusion.

Before I conclude, I would like to draw attention to two important suggestions in regard to the development of sugar industry put forward by some of the Indian Chambers of Commerce.

* At the United Provinces Provincial Co-operative Conference held at Ghazipur in March 1932, over which I presided, proposals for starting a co-operative sugar factory were discussed and a Committee was appointed to work out the scheme. I understand that as a result of that scheme, a co-operative sugar factory was set up early in January this year at Biswas, about 50 miles from Lucknow, with cane-supply societies, central banks and individuals as members.

(i) The Government may profitably use a good fraction of the excise duty, say 25 per cent of it, (Rs. 35 to 40 lakhs) for improvement of cane cultivation so as to increase the yield per acre and the sucrose-contents and to extend the duration of the working season. Investigations may also be helped with the aid of this fund into the methods for the utilisation of the *molasses* which are now not only thrown away mostly, but also entail some cost in order to be got rid of, reducing the profit to that extent. The Tariff Board in fixing the fair selling price of sugar estimated that *molasses* would yield about Rs. 1-8-0 per maund, which is equivalent to Rs. 0-10-0 per maund of sugar. It is the other way round now.

(ii) In order to prevent the danger of over-production, the establishment of too many factories may be restricted by suitable legislation or administrative action.

So far as co-operative factories are concerned, the Registrar will, I hope, exercise his discretion very carefully and will not register a society to run a factory without being fully satisfied that there are reasonable chances of its successful working and that the local conditions are well suited for it. Nor should he register too many societies.

Taking everything into consideration, I believe that with careful planning and prudent management, there is scope for the extension of sugarcane cultivation and development of sugar manufacture on a large scale in the Province of Madras, specially on a co-operative basis. It must be remembered that the sugar industry is essentially an agricultural industry and that sugar-cane cultivation will improve the economic position of the ryot very materially.

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Madras City Housing Problem—II.

BY K. C. RAMAKRISHNAN.

What is to many an eye-sore in the housing conditions of Madras is the existence of slums, known as Cheries, containing mostly thatched one-roomed huts numbering nearly 25,000 and sheltering a quarter of the city's population in very insanitary and squalid conditions. A less obtrusive, but not much less serious, evil is the state of overcrowding of some of the working class and almost all of the lower middle class constituting at least another quarter of the city's population in pucca houses, in the several streets and lanes, a number of which are really unfit for human habitation. Complaints of high rents for poor accommodation are more often heard from the latter class and they are perhaps the most exploited tenants.

The reforms urged with a view to remove or reduce the above evils are various: clearance and improvement of slums, destruction of dilapidated and old fashioned houses, prevention of overcrowding by executive action and the reduction or stabilisation of rents by legislation like Rent Restriction Act, and in the case of organised industries compelling employers to provide housing for their workers. Less heard, but by no means less important, solutions are the "reconditioning" of pucca houses to admit of more light and air and washing facilities and the active encouragement by public authorities of house-building by not merely the individual resident owners, but also by co-operative societies and investors building to let out.

Slum-Clearance.

Slum-clearance is as often advocated in the interests of public health and æsthetics, as for the sake of slum-dwellers themselves. 'Pestilential plague spots', 'hideous and dismal sights', 'awful abodes for human beings' are expressions that indicate the concern of reformers. For one reason or another, nothing short of a quick and complete clearance of slums is demanded by the enthusiast. It is not realised that such a drastic step involving the destruction of existing dwellings, however miserable they may be, is bound to lead to worse overcrowding and that new slums are more rapidly made than old ones are cleared. * "The slum problem is not primarily a

* E. D. Simon, *How to abolish the slums*, p. 3.

problem of destroying bad houses but rather a problem of building good ones." Professor Pigou admits the difficulty of the destruction of houses where a large number of them are bad and unfit and points out that the analogy of the condemnation of bad food cannot hold good as the quantity condemned is usually very trivial in comparison with the available food that is wholesome.¹ As he says the scope for negative remedy is limited unless it is combined with the positive provision of houses. This appears trite, but it is a lesson that has not yet been fully learnt by several authorities. All this is not to say that the clearance of slums, most of which are either unfit or too costly to be improved, should cease to be the ideal to be worked for gradually. Only it cannot be practical politics; the slums are so many, and the delay in building houses is inevitable in any circumstances, that we should proceed cautiously and slowly.

Slum Improvement.

Many practically minded public men would seem to be content with introducing some improvements, some municipal amenities, like good roads, water-supply, drainage and lighting in the Cheries and leave the huts as they are without improvement and without any attempt at reduction of overcrowding. Even such modest schemes of improvement of the surroundings are not easy to carry out. There seems to be already enough provision in the City Municipal Act² to compel the land-owner to carry out improvements on pain of prosecution. But this rarely helps the tenants, who even though often owners of superstructures are liable to be evicted by the landlord, who feels that the improvements are too costly to carry out and not likely to be compensated for by an increase of rents. The Corporation has in a few cases tried the purchase of lands, either the whole slum area or portions needed for roads etc., on which alone it is empowered to spend. In the latter case, the landlord profits by the improvements as they add to his land value and tempt a better class of dwellers to come in and offer a higher rent for land or induce him to build structures likely to command a greater rent. The old tenants, too poor to pay higher rents, stand in either case to suffer by the well-meant attempts of the Corporation. Some amendments suggested by the Corporation Housing Committee to the City Municipal Act take powers to compel the land-owner to carry out improvements, failing which the Corporation will itself carry them

¹ Pigou: *Essays in Applied Economics*, p. 119.

² Sections 272 to 277.

out and compel him to pay. Necessary as these measures are from the point of view of sanitation of the slums and the health of the city, they do not attempt to solve the housing problem of the slum-dwellers.

Land Acquisition.

The acquisition of the entire land and the remodelling of huts or building of new houses will in many cases be necessary as we proceed with the housing reform. Slum-clearance straight away may have to be attempted in two sets of cases; one, where improvements are far from easy or economical on account of drainage and other difficulties and the other, where slums are located in the heart of business centre or public resort and so the land has a high market value, which if properly utilised would conduce to the advantage of the public and bring a larger revenue to the Corporation. It is indeed an ante-social measure to allow unnecessary congestion in the centre; the old slum dwellers may well be removed to a less costly area in the neighbourhood and may even, if inevitable, be shifted to a distance from which subsidised transport facilities to their place of work may be offered—as in the case of subsidised workers' trains in other countries*. We are told that in the case of Trust properties like those of temples—one fourth of the Cheries are so owned—it is not easy to take any action or acquire the lands.

Provision of House-sites Alone.

Some of the friends of the poor are anxious to secure for those who own superstructures, or would build them, the house-sites alone so that they may be free from the tyranny of the landlord who may raise the ground-rent or evict the tenants at his will. The Madras District Co-operative Bank has been recently financing members of co-operative societies affiliated to it lump sums of money for the purchase of house-sites, which are recovered in small instalments (more or less equal to the ground rent payments) spread from 5 to 10 years at the end of which they become full owners of sites.

The Corporation, on the other hand, has tried the experiment at Cockrane Basin of providing roads, lights and water supply and erecting plinths, detached from one another and too high to get damp, which could be hired for a nominal rent (8 annas a month each) and on which huts or houses could be erected. But the huts we see in Cockrane Basin and in Graynagar (where all the facilities but the

* Pigou, *Applied Economics*, p. 120.

plinths have been provided by the Government) are quite unsatisfactory. But for the prevention of dampth, the slum conditions are to a great extent perpetuated here—the low mud walls, the roof badly thatched or badly kept, flattened kerosine tins covering some and conveying heat and cold within, an utter absence of ventilation in several, walls and floors plastered badly or not at all. Sub-letting is quite common, the chief tenant often being worse than the landlord in extorting rents.

Minimum requirements as regards height of walls, superficial space, building materials, ventilation etc. should be laid down. In spite of all the praises sung of thatched huts by some reformers recently, claiming for them low cost of construction, adequate aeration from above, and protection from extreme heat and cold, we fear that in the long-run they are not really cheap, the annual repairs on account of the severity of monsoon being too costly or not attended to properly, the protection from rain and cyclone being poor, while the fear of fire is a very real one and its psychological effect is serious.¹ Huts may be resorted to as a temporary expedient; the failure to observe minimum requirements will have to be winked at; ultimately pucca buildings—tiled or terraced—will have to be substituted.

Over-crowding in Pucca Houses.

While a quarter of the city's population live in huts, another quarter at least must be living in quite overcrowded conditions in pucca houses. There has been no attempt at measuring the density per room in congested areas or any definition of overcrowding laid down; so that we can make the problem as large or as small as we like. The Report of the City Census of 1931, however, discussing congestion per acre of the city area, reveals that Madras, though by far the largest is not the most congested city in the Province; that the density range is considerable here, that half the city area has less than 25 persons to the acre, that in 5 wards the density does not reach even 15 per acre. While all this does not summon up a picture of congestion in the city, there are 20 Divisions where the city average of 8.7 persons per house is exceeded; 10 Divisions where there are more than 10 persons to a house.

If allowance were made for the well-to-do citizens on the one hand and the homeless poor on the other, the figures of overcrowding

¹ The recent experiment by the Madras Sanitary Welfare League is anything but a success.

² Report of the Madras City Census, 1931, p. 5.

would be really greater per house in certain areas—particularly in Park Town, Vepery, Trevelyan Basin, Chintadripet, Pedhunaickanpet, Esplanade, Seven Wells and Kothawal Bazaar. It would be worthwhile surveying overcrowding in these Divisions rather intensively so as to measure the exact extent of relief needed. University students may well attempt this task with the help of the Corporation; and it is a type of investigation recommended by the Labour Commission.

Reconditioning Old Houses.

In the case of these houses, it is not the externals that need alteration; there is often a fair exterior hiding from public view the hideous inside. The outrageous defects are the limited water-supply, the narrow and filthy latrine accommodation, the lack of air and sunshine inside. It is perhaps possible to reduce overcrowding and make many of these houses more habitable by 'reconditioning' them; by pulling down walls, putting up windows, installing more lights and taps according to definite standards laid down. If the landlords fail to follow them, they may be more easily brought to the notice of the Corporation than in the case of Cheries, unless middle class tenants collude with the landlords for a consideration. This only involves more vigilant inspection and landlords cannot be so recalcitrant as in the case of slum improvement, which is seldom a paying proposition. There is a limit, however, to reconditioning or improving old houses substantially; bad design, dampness, decay like perishing brick work or crumbling plaster would make it impossible to maintain or repair a house. Only, there should not be too quick a condemnation.

Rent Restriction Acts.

A favourite solution against rise in rents, due mostly to shortage of houses in cities and partly to the growing appreciation of better housing accommodation, is legislation to restrict rents. Rent Restriction Acts were passed in European countries as emergency measures after the outbreak of the war, when there was a sudden overcrowding in cities and cessation of house-building. The immediate effect was beneficial; the acts tended to stabilise the older population in their homes and protected them from abnormal rise in rents. The Acts were, of course, accompanied by measures against eviction of tenants. But the newer population suffered from want of homes more so because of the utter lack of any inducement to build new houses and the insecurity to landlords engendered by such

legislation. The tenants who were protected began to abuse their privileged position by subletting at high rents, and it was not easy to protect the sub-tenants. With the increased cost of maintenance of houses in the post-war period, the old rents did not suffice for the landlords to keep the houses in proper repair; dwellings were therefore more neglected. Such consequences induced the Governments of most countries to abolish the restrictions gradually, to ration out, on the other hand, accommodation as in Russia and to encourage new house-building on an unprecedented scale.¹

Bombay and Calcutta and Rangoon have, we are told, tried rent restriction without much better results. Evasion of landlord is only too easy, if protection from eviction is not given to the tenant. It is hardly fair to give the latter unconditional protection; for he begins to abuse his position. The new Development Chawls in Bombay to which the Act did not apply have remained vacant, while old chawls continue to be overcrowded. We wonder if the Madras City Tenants Protection Act has conferred a greater boon. So long as the supply of houses falls far short of the demand and it is not stimulated, it is not much use trying rent restriction by legislation.²

Compulsory Industrial Housing.

Another favourite housing proposal is to compel the big employers to provide houses for their employees. The Railways and the Buckingham and Carnatic Mills have to some extent realised their responsibility for the health and efficiency of their workers and built houses for a fraction of employees at least. The Royal Commission on Labour have eulogised their services and condemned Municipalities. "The action taken by the parties concerned—the employers, Government and local bodies—is in inverse ratio to their responsibility. Employers have done most. municipal councils least."³ While we do not agree with this allocation of responsibility, we are not for compelling employers to provide houses as a general rule; for more reasons than one. The Indian Industrial Commission discussed this question and considered it unfair to burden one set of employers with a large initial investment on which a normal return cannot be expected; this would be unwise at any rate when several of our industries are yet undeveloped and struggle for lack of adequate fixed and working capital. In fact they pointed out that compulsory

¹ International Labour Office: *European Housing Problems since the War*, pp. 17-37.
² Gupta, *Labour and Housing in India*, p.90.
³ *Report of the Royal Commission on Labour in India*, p. 285.

housing was nowhere a burden on industry. Railways and mining concerns, however, have at all times sought to provide housing for reasons of convenience. The Commission was for imposing a special tax, if necessary, on employers to help the Corporation or Government in their housing schemes.¹

In England, Industrial housing on any large scale has been an exception, in spite of the appeal made by Government to employers after the War. Out of a total of over 200,000 dwellings erected in England and Wales under the 1919 Act, employers provided, through public utility societies, only 4,500 for the workers. The modern working-class villages or towns at Port Sunlight and Bourneville are due to the enterprise of a rich monopolist firm in the one case and of benevolent Quakers in the other and cannot be cited as constituting the general practice.²

In Germany, most of the dwellings are erected by mine owners. It is significant that employers who before the War built a considerable number of dwellings for their workers, are turning to help co-operative housing societies. This is said to enable them to build with the financial assistance of the authorities, which is refused in the case of dwellings to remain the employer's property. They also avoid difficulties arising from their employees being at the same time their tenants, as the societies manage the buildings.³

Even in Madras we have heard complaints of evictions or threat of evictions at short notice of employee residents showing any tendency to agitate for better conditions and taking any leading part in trade union activities. This prevents the growth of healthy trade-unionism and a spirit of dignified independence in workers. It is also too much to expect employers providing pucca houses at nominal rents, in the midst of such dearth of decent houses, to harbour for any length of time employees whom they suspect as leaders of revolt, however reasonable they may appear to outsiders. The grip of the employer who may use the threat of eviction effectively should be loosened if not got rid of. It is better to get the employer, by legislation or by persuasion, to finance in part or full the initial stages of acquiring land, draining it and providing roads and lights—mostly non-recoverable items of cost—and for the Corporation or public building societies to undertake to build and let the houses to workers.

(To be continued.)

¹ *Report of the Indian Industrial Commission*, pp. 157-8.
² International Labour Office: *Housing Policy in Europe*, p. 93.
³ *Ibid*, p. 372.

Annual General Body Meeting of the Madras Teachers' Guild Co-operative Society.

REGISTRAR'S ADDRESS.*

I may take advantage of this occasion and permit myself to make a few general observations on Employees' societies. The general remarks I made at the Urban Banks' Conference held at Periakulam have formed the subject matter of an editorial note in the Madras Journal of Co-operation and my friend, the editor of the Journal, felt that I was rather harsh on employees societies. What I said at the time was this. "When a consumer asks for a loan, a careful enquiry is necessary and the amount to be given should be limited to his capacity to repay it within a reasonable period. The extent to which salaried persons, wage-earners are now indebted to societies in Urban Banks, in public servants societies, firm employees societies, Railway employees societies makes me think that we committed a blunder in giving a society for these people. These people no doubt repay the amount borrowed in monthly instalments, but they are always indebted to it for the maximum permitted in the by-laws. This tendency must, I fear, be checked by all concerned. It will be evident from this that what I wanted was that the tendency of a member of an employees' society being always indebted to the maximum permissible under the by-laws, should be checked. I do not say that an employee has no occasion to borrow money. But what I do say is that only when a necessity arises, he should be permitted to borrow.

I may, in this connection, refer to the historical aspect of the matter. It is only when we saw that the employees of the offices of the Board of Revenue and of the Accountant-General were found to be borrowing from the Marwaris at rates of interest extending to 150% that we decided to organise these men into a co-operative society about the year 1912. We also felt at the time that the majority of the employees of these offices would put their savings in the society. A provision was therefore made in the by-laws that the surplus money gathered through the savings of the members should

* Extracts from the Presidential address of the Registrar of Co-operative Societies, at the Annual General Body meeting of the Madras Teachers' Guild Co-operative Society held on the 18th March 1934.

REGISTRAR'S ADDRESS AT THE TEACHER'S GUILD CO-OP. SOCIETY.

be given as a loan to other societies in the mofussil. For a time the society worked on these lines. The higher salaried officials put their savings in the society and there was a surplus and in fact the society was linked to some rural societies in the Chingleput and other districts. Societies for other offices were given and a large number has come into existence. But it was soon found that the position was reversed. A few people continued to deposit their savings here, but the majority of the members began to borrow more and more and what is worse, there was an agitation to increase the individual maximum borrowing limit of members. In one or two societies the limit was raised to 10 times the pay of individual members.

It is true that the members of employees societies repay regularly. But this is not, in my opinion, real payment. What they do actually is, that they permit deduction from the pay on the pay-day upto the entire instalment due and begin to borrow so soon after a week and go on taking more than one loan in the same month. I noticed in one society that the provision to take a loan on accrued pay was misused to a large degree. A member takes 3 or 4 loans for what he calls "emergent" purposes in the course of a month to the extent of the pay accrued from day to-day. Instances are not wanting where influential people violated the by-laws and took loans twice or thrice the amount of their accrued pay. Experience has shown that this tendency is not confined to Employees societies in this presidency: it is also found in societies in other Provinces as well.

All that I say is that in the matter of giving loans careful enquiry is necessary. The necessity for the loan should be proved to the satisfaction of the committee which should consist of members who do not stand in need of borrowing. Generally speaking there is no need for an employee to borrow frequently. He cannot borrow to pay his current expenses. These should be met entirely from out of his pay, whatever it may be. Money must ordinarily come out of savings to meet such expenses as marriages, illness, etc., but if the savings are not enough for the purpose, he may borrow. If Employees' societies can be so reformed or reorganised as to make their members learn habits of thrift and saving, their existence can be justified. In fact I know there are one or two societies which enable members to save compulsorily a portion of their pay and they are really doing good work.

What I suggest is that loans should be given under strict control and to help men in real need. The Editor of the Madras Journal of Co-operation attributes the chronic indebtedness of employees either to their extravagant habits or their being under-paid. It should be clear to all, that no loan can be given for either of these reasons. If a man is underpaid, the remedy lies in not encouraging borrowing and making him more miserable. A man with extravagant habits cannot be encouraged by affording him facilities for easy borrowing. The one cannot live on borrowings; the other cannot be encouraged in his extravagance. I may incidentally state a case which came to my notice. A member of an Employees' society was able to get a loan within 2 hours after he came to office. As soon as he attended office, a loan application was sent round; it was sanctioned within 15 minutes; a cheque was drawn and sent by the secretary to the bank for encashment and the money was sent home within 2 hours. It is a different matter with an Urban bank or a society composed of artisans such as weavers. There a merchant, a weaver, or a carpenter is given a loan which, when it is productively employed, brings a greater out-turn for the man and he repays the instalment from out of the additional income he gets. That is not the case in regard to a loan taken by an employee. From a perusal of the figures of some of the Employees' societies, I may say in general terms that the average loan disbursed or outstanding against each member in an Employees' society is very heavy, compared with the general status of the members of these societies and the monthly pay they are getting.

I have made these observations with a view to clear any misunderstanding on the subject and only with the best of intentions. I thank you once again for giving me this opportunity to be here this evening:

Employees' Societies and Their Problems.*

Mr. K. C. Ramakrishnan, University Lecturer in Economics, who had been invited to address the gathering of teachers on the 'Employees' societies and their problems' first referred to the remarks of the Registrar and said that the abuses alluded to by him did by no means characterise the Teachers' Guild Co-operative Society. There was no doubt, in the case of some members, continued—not perpetual—indebtedness to the society. That did not mean there was no hope of redemption. There were in the lives of middle-class men periods when expenditure was higher, due to education of boys or marriage of girls; exceptionally high expenditure on the latter, inevitable without a radical reform in marriage settlements and celebrations, could not be met from savings of a short period. But for co-operative credit, members would inevitably resort to the money-lender at higher rates of interest and without the facility to repay in instalments. The society was a boon in such periods and it could not be said that it was abused by teachers as a class. It was unfortunate that the Registrar's original remarks conveyed the impression that he believed in the old dogma of credit to consumers leading to ruin.

Mr. Ramakrishnan went on to point out that in the Teachers' Co-operative Society, there was no problem of over-dues which was the obsession of co-operative leaders. This was indeed remarkable when the authorities of some of the institutions in the city would not undertake to deduct from the salaries the dues by their staff to the co-operative society. Here was proof of the high sense of loyalty of teachers. If salaried employees' societies in general were noted for high level of culture among members, for the lack of communal jealousies and love of discipline, there was perhaps no other society which excelled the Teachers' Society in these respects. In one respect, this Society was superior to the usual type of employees' societies composed exclusively of the staff belonging to any one firm or department of Government. As Directors were chosen in our Society from among teachers belong to various institutions, the chance of a hierarchy developing within the Directorate was nil while it was abundant in the other type.

* Substance of an Address at the Teachers' Guild Co-operative Society meeting on 18th March 1934.

On the other hand there was the handicap to further co-operative developments from the fact that members were scattered over a wide area and seldom came together. There was little opportunity in such conditions for joint purchase of necessities or, for instance, the organisation of medical supplies and services—an item of expenditure figuring too often in loan applications. Even now if membership increased, and there were a good many teachers still outside the society, it was possible to organise such service in 2 or 3 centres in the city. But such increase of membership raised problems of its own if it went beyond a certain limit. Management would become difficult, lack of contact among members would be greater. The need for change of the constitution would be felt as in the case of the T. U. C. S. with a view to better the opportunities for discussion, deliberation and management. But these were problems yet to be reached and members of this Society had no more than an academic interest in them.

There were more pressing problems awaiting solution. What was of most immediate interest was the one relating to audit. There was a universal feeling that it was the negation of the first principles of co-operation not to permit big societies like theirs to have their own auditors whose capacity and integrity were not disputed by the Department. It was to be hoped that official audit with its scale of fees, obviously high, was not a settled fact.

What appeared to the lecturer to be a problem of more permanent interest was that of reducing indebtedness by cutting short expenditure, for the teachers had a long way yet to travel in organisation to win their deserved increase of income. He observed in passing that in England, according to Prof. Carr-Saunders' latest book 'The Professions', the average annual pay of the certified man-teacher was £299 and that of the woman-teacher was £250! The need to limit the strength of families was imperative for other reasons in addition to economy. The wasteful expenditure in connection with marriages should be curtailed rigorously, as this was the greatest drain on the lean purse of the teacher. Some form of better living societies, where members bound themselves to thrift and economy was badly needed. Too much was now being paid by way of rent for poor accommodation by teachers and others of the soft-handed professions. Houses may be built on co-partnership tenancy basis with the co-operative surplus funds now going a-begging and let out on lower rents, without any need for subsidy except in the case of teachers paid below Rs. 50. Mr. Ramakrishnan closed his address with an appeal to teachers to help in the full investigation of their economic conditions, a preliminary study of which had already been made and published by Mr. V. Bhuvaramurthi, M.A., one of the Directors of the Society.

Suggested Amendments to the Co-operative Societies Act.

G. SWAMINATHA IYER, M.A., B.L.

As one who has had something to do with the execution of arbitration awards of Co-operative Societies in Civil Courts for some time past, may I be permitted to emphasise the urgent need for amendment of the Co-operative Societies Act to enable subsequent alienees of the hypotheca being made parties in arbitration references. A mortgage decree passed by the Arbitrator, without the subsequent alienees on record, is practically useless. When such a decree is put into execution and properties are sold, the court auction purchaser does not get a title which would bind the subsequent alienees who are not parties to the decree, and in cases where the subsequent alienees are in possession of the hypotheca either under a later purchase or as usufructuary mortgagees, the court auction purchaser is thwarted in his attempt to get delivery. It is doubtful if I. R. 10 C.P.C. applies to execution proceedings; courts are not bound to implead such subsequent alienees as parties in the execution proceedings. And if the execution is through the Collector or Sale officer, the rules as framed do not provide for the impleading of such subsequent alienees. The result is that, in such cases, no stranger purchaser bids for the property and the Co-operative Societies have per force to purchase the hypotheca, and get themselves involved in complicated and unending litigation. It is this lacuna in the Act that has raised some doubt in the mind of a learned Judge of the Madras High Court with regard to the power of the Registrar to pass mortgage decrees.

I find that our present Registrar of Co-operative Societies is alive to this fact (*Vide* his speech at the Third Madras Urban Banks' Conference at Periakulam). But he thinks that the number of such cases are not many and doubts if the Legislature will agree to extend the jurisdiction over non-members.

I am afraid both the reasons are not sound. The number of such cases is on the increase every day, and even if there be one, it is the duty of the Government to make suitable provision for the same. It seems to me that the Registrar's fear as to whether the Legislature would agree to extend the jurisdiction over non-members is not

justified. The power of appointing arbitrators is with the Registrar and several able lawyers can be found to act as arbitrators, to whom such cases where subsequent alienees are impleaded can be referred for decision, if any complication or difficulty arises on account of impleading them. If as the Registrar thinks such cases are very few in number, the Registrar himself may keep them on his file and dispose of them. Provided suitable safeguards are made to protect the rights of non-members, I do not see why the Legislature should be unwilling to extend the jurisdiction of the Registrar over non-members in such special cases.

Another point to which I would like to invite the attention of the Government is with regard to the Stamp duty payable by Co-operative Societies for sale certificates issued by the Civil Courts. The practice at present in some courts is to levy general stamp, as in any other case, even when the court auction purchaser is the Co-operative Society itself. It is said that since the sale certificate is a document executed by the *court in facvur* of a society, it does not come within the four corners of S. 30 (2) (a) of Act VI of 1932, and that stamp duty must be paid. Such an interpretation is possible. The Civil Court executes the document only as agent of the judgment debtor, who is a member, and the Sale certificate is in relation to the business of the society. A document executed by a member in favour of a society and relating to the business of the Society is within S. 30 (2) (a) and is exempt from stamp duty. I submit the same interpretation may be given to sale certificates issued by Civil Courts in favour of Co-operative Societies, and a notification issued in the Fort St. George Gazette by the Local Government under S. 30 (2) making the above point clear. To do so would carry out fully the intention of the Legislature in enacting S. 30, and minimise the execution expenses of a Co-operative Society and thereby of the member also a great deal.

Reviews.

THE ECONOMIC SURVEY OF A VILLAGE OF KALA GADDI THAMMAN IN LYALPUR DISTRICT IN THE PUNJAB.

This is the fourth of Punjab village surveys conducted under the auspices of the Board of Economic Enquiry Punjab who have planned to make a survey of a typical village in each of the 29 districts. This refers to a village which is of recent origin. After the introduction of irrigation from canals, new lands hitherto lying idle were brought under cultivation and they were assigned to cultivators who were encouraged to settle in villages and the name itself is a combination of three names of villages from which the original settlers came about three decades ago. To us in this Province, actual facts carefully collected and cautiously noted upon may not be of as much importance so much as the method of enquiry and the systematic way in which the work has been carried on as facts are themselves changing and they relate to a particular year, when they were collected and have relation to economic conditions only of that village. The method which is so comprehensive and accurate is something to be admired and imitated. The general impression one gets in reading the report is that it deals exclusively with the economic life only and there is not even a side glance at other aspects of life and the introductory chapter gives us the social, religious and cultural back-ground to make facts and figures gathered more interesting and important. Even as it is, we find some portions really interesting. The table giving the careful account of the services rendered by various artisans and others to the villagers and the remuneration they get can well be compared with what obtains in other parts of India. The chapter on indebtedness will naturally interest us as Co-operators. We are told that no coercive process has ever been used to get the Government Kist; but when we read that many of the people did not know the difference between takkavi loan and the nominal price per acre they have to pay, we are led to infer the general educational equipment of the colonists is not of a high order. Many of the original settlers are still alive but many of them have passed away and even the surviving ones are getting old and owing to the laws of inheritance we see holdings that were big and sufficiently remunerative from an economic point of view have got a tendency to get fragmented. We are glad to be told that indebtedness of the village to non-agricultural professional money lender is not much. The survey keeps up the high level of other works of the same series and we only hope that similar surveys would be made of typical South Indian villages, nay of typical villages in each district in every province.

S.K.V.

THE MILK SUPPLY OF LAHORE.

This forms publication 28 of the Board of Economic Enquiry, Punjab. Like its predecessors in the series, it is an embodiment of patient investigation, careful examination of facts considered and cautious generalisation. The question of Milk supply in big cities of India is one of national importance and it is a great pity that it has not been given the attention it deserves. The enquiry was exhaustive and all the sources of supply external and internal, the quantity consumed in the city, the method of transporting milk from the source to the place of consumption, the various agencies concerned in the production of milk and transportation, all these have been exhaustively dealt with.

One interesting chapter deals with the actual demand by the various strata of society in the city of Lahore and the actual supply for various months. This comparative statement shows how in certain months the supply is adequate to the demand but in certain months it is not and yet the demand is met obviously by adulteration. There are many useful charts, tables and statistics which add to the reliability of the inference drawn. The general impression left upon the reader is that, the whole business of milk supply is utterly un-organised and there is scope for the practical application of intelligence and business capacity to this line of business. Once you take the problem, you go deeper and deeper and the milk supply leads us on, as it ought to cattle breeding cattle feeding and there is ample scope for organising supply which would benefit both the producer and the consumer. We congratulate the author on the excellent report he has submitted and wish that every important city in India will have a similar investigation made and what is more important will take steps to see that the supply of this article is organised on satisfactory business footing, so that consumers may have a satisfactory supply of milk of the proper quality. The appendix give an idea about the milk and its properties and general composition and another deal with the value of milk as an article of diet. The Board of Economic Enquiry deserves to be congratulated on this useful addition to their achievements.

S.K.V.

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

For the year 1107 M.E. (1931-32.)

This is the 17th report issued by the Department and the first report of the new Registrar Mr. M. Govinda Pillai. This deals with the working of the department when Mr. Vaidyalingam Pillai was in charge.

REVIEWS

The following table will give the reader an idea of the general progress of the movement in the state :—

Statement showing the progress of the movement under main heads.

	1106	1107
	1930-1931.	1931-1932.
Total Number of societies ...	1,818	1,810
Total „ members '...	2,20,989	2,24,532
	Rs.	Rs.
Aggregate working capital in Bh. ...	69,33,897	77,38,633
Total paid up share capital of societies ...	33,26,489	34,65,239
Total Reserve Fund ...	5,86,232	7,41,149
Total Deposits ...	20,56,343	24,51,349

The state of affairs was substantially the same as in the last year which was reviewed in the pages of this *Journal. The policy of rectification and consolidation was carried on as in other parts of India: we are glad to note that the Government of Travancore in their review of the report add that "this should proceed along with the expansion of the movement on correct lines". They very reasonable request of the registrar to have 3 Administrative Officers under him to be called Assistant Registrars each to be in charge of a Revenue district has yet to be complied with by the Government.

We are glad to note that since we reviewed the last report the Government of Travancore have appointed a Committee under the able leadership of Mr. G. K. Devadhar, President of the Servants of India Society, Poono, to review the progress of the movement and to suggest improvements and await with pleasure the publication of this report which is bound to contain many useful hints and suggestions for improving the working of the movement.

Many of the difficulties pointed out in our earlier review continue; as for example, the absence of house building societies, the anomalous position occupied by Taluk Banks which explains in a way to the unsatisfactory condition of Urban Banks, the need for long term credit to the Agriculturist and the registration of benefit funds which for ought we know might never have had the advantage of expert advice by a competent actuary etc. But as the Registrar has just joined duty and as the special Committee is reviewing the whole situation, we refrain from making any detailed remarks about other aspects of the report. The following extract from our last year's review will do equally well for this year as well.

"But co-operative societies undertook all sorts of interesting work and acted as agents to the Agricultural Department for the sale of

* See August issue 1932.

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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."

We hope the Movement will progress under the able guidance of the enthusiastic Registrar and the expert advice of the Special Committee.
S.K.Y.

A SURVEY OF THE MARKETING OF FRUIT IN POONA.

Authors, Messrs D. R. Gadgil and V. R. Gadgil.

This useful publication by the Gokhale Institute of Politics and Economics fills a long felt want. It is an attempt to put into practice the recommendation of the Royal Commission on Agriculture to have the marketing system studied scientifically and the Gokhale Institute have confined their activities to a limited area and to one commodity, that is fruits and vegetables grown and sold in the district of Poona.

They have gone exhaustively into all the aspects of the question—and under each heading they have gone into full details. The book is rendered doubly useful by its large number of charts maps and table of statistics. The recommendations of the authors based upon personal experience in the matter are exhaustive and useful. They recommend that fruit culture should be scientifically tackled and considerable improvement should be effected in the fruits grown. They also recommend that there should be scientific grading and packing of fruits and that Railway Companies should be requested to give facilities for transport. They plead for the starting of growers' organisations and for the establishment of market committees in important municipalities to deal with the management of the fruit and vegetable markets within their areas and they have made specific recommendation about the Poona Market in particular. The book would be found particularly useful not only to students of economics but to business men dealing in this very useful article of consumption. The authors deserve the grateful thanks of the public for their excellent production.

S.K.Y.

REVIEWS

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

For the year ending 30th June 1932.

The general effect upon one by reading the report under review is somewhat depressing. Neither the Registrar in his report nor the Government in their review mince matters. We are told that the recoveries of about 16 lakhs out of a total demand of nearly 130 lakhs or 12.9 per cent of the demand is practically the lowest on record ever since 1922-1923. We are not, therefore, surprised when we are told by the Registrar that except in isolated areas Co-operative Banks are ceasing to be effective as that credit agencies for the agriculturist; but all agree that unless bulk of the outstanding overdues is recovered and arrangements guaranteeing the punctual recovery of fresh advances from the harvests are properly established, any lavish grant of fresh loans will only aggravate the financial condition of the movement. The Registrar, however, assures the public that the financial condition of the Movement is as a whole sound and good. He has drawn up the assets and the liabilities of all the co-operative Societies and, we find that the grand total of assets exceed by 20 lakhs the grand total of liabilities amounting to 208 lakhs. Obviously there was not much scope for constructive work during the year. As the Registrar remarks aptly, "Members having been hard hit economically were in no mood to listen to co-operative homilies and the group officers had also to do more of dunning to obtain as much cash as they could." The authorities have realised that if the Co-operative credit movement is to be at all resuscitated, it is clear that most of the existing borrowing members will have to be eliminated from its fold. The rock upon which the movement has split in the province is, over-financing and that for longterm. "The craze still is for advancing long term loans or loans for debt redemption on the basis of assets and the present position of the movement illustrates what the inevitable upshot of such pseudo-co-operative finance must be. Repeated appeals for confining our activities to short term and medium-term finance do not evoke much response or enthusiasm on the part of the Central Bank authorities."

A crisis in the situation has arisen so far as the Central Banks are concerned, in their being saddled with 14,000 acres of land which they were forced to purchase and which they are unable to cultivate with profit. The Provincial Banking Enquiry Committee has shown that the indebtedness of members of Co-operative societies has increased rather than decreased during the quarter of a century of the movement and the Registrar points out how the Co-operative societies being impersonal institutions are unable to possess even the little charity which the Sowcar with his owned capital can practise. On the whole the department and the non-official workers had throughout the year pursued a defensive

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policy and they have possibly so done to prevent further financial loss and general worsening of the movement.

The Government, therefore rightly congratulate the Registrar upon his successfully administering the department in progressively difficult circumstances. We hope the awakening given by the present situation will be not a short-lived one but will confer lasting benefit upon the movement and we also hope that the good effects of prompt steps being taken for rectification would be seen in course of time.

S.K.Y.

THE ANNUAL REPORTS OF THE BRITISH
ADMINISTERED AREAS CENTRAL CO-OPERATIVE
UNION, LTD., SECUNDERABAD.

We have received the annual reports of the British Administered Areas Central Co-operative Union, Secunderabad, for the past five years. The Union was registered towards the end of 1927 and started work in the Co-operative Year 1928—1929. During the five years of its existence it has been able to do very useful work and show progress which is highly creditable.

The main function of the Union is Supervision and Audit of the existing societies, organisation of new societies in the area and general propaganda on co-operation. It has got membership consisting of affiliated societies and individuals who again are either life—members by paying Rs. 100 or ordinary members paying an annual subscription of Rs. 4.

During these five years the Union has been able to organise 15 new societies and six of them are house building societies. There are three stores and we are glad to note that the activity of the Unions has been extended also to fields other than credit. We congratulate the authorities of the Union for the excellent work done and we wish it many years of useful activity.

S. K. Y.

THE CO-OPERATIVE MOVEMENT IN CHINA.

By CHEN KUO-FU *published by the China Co-operative
Union, Shanghai, China.*

The cultural relationship between India and China has been in existence for the past 25 centuries and more and during all this period there has been between these two great lands economic relationship, as well. Co-operators in India, therefore, would be curious to know whether this great movement is to be found in our neighbouring empire

REVIEWS

The book under review attempts to give a brief account of the movement in the recent years. When we remember the vast number of people inhabiting the land, it looks as if the movement has not yet taken root in the soil, and the author complains about the defects in getting accurate statistics. The total number of societies is just over 2,700 distributed in the provinces mostly—in Central China which claims 85% of the total number, 15% for the Northern China and practically nil in Southern China. The total number of members of Co-operative Societies was nearly a lakh; of these 2,700 societies majority are credit societies, producers and consumers' societies come next and there are just a few marketing societies.

We are sorry to note that very few co-operative societies reported to the government their business conditions which as the author remarks might be due to their poor accounting methods making detailed report difficult. We are not therefore in a position to say whether the movement is progressing or deteriorating. Evidently the movement is in its infancy, but a great movement like this is full of potentialities and in the fullness of time, it is hoped, our neighbours will realise the useful nature of this and take themselves enthusiastically to co-operation.

ADMINISTRATION REPORT FOR THE YEAR ENDING
30TH JUNE 1933 OF THE COIMBATORE CO-OPERATIVE
AUDIT UNION, COIMBATORE.

We have received a copy of the administration report for the year ending 30th June 1933 of the Coimbatore District Co-operative Audit Union, Ltd., Coimbatore. This is, as our readers know, one of the few existing Audit Unions which it is feared will go out of existence if the new Government Order about Government Audit be made compulsory. It is true the Government Order excepts the Audit Unions now in existence.

We are sorry to note that the Audit staff of the Union under-went so many changes during the year under review, yet the Union was able to discharge its function satisfactorily to its clients. The management of the Institution deserves to be congratulated for keeping it in efficient working order in spite of obvious handicaps. The one redeeming feature is that all constituent associations seems to have paid their dues with great promptitude.

ADMINISTRATION REPORT OF THE LABOUR DEPART-
MENT FOR THE YEAR ENDING 31st MARCH 1933.

The Labour Commissioner is not only the officer to look after the welfare of the Depressed Classes but is also in charge of emigration

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criminal tribes and the administration of the Factory Acts, Trades' Disputes Act and the Workmen's Compensation Act. As a measure of retrenchment the special post of Commissioner has been abolished and one of the members of the Board of Revenue has been asked to look after this. Mr. J. F. Hall the present Commissioner points out how necessary it is, if the duties assigned to the Commissioner are to be discharged properly that a full timed officer should be appointed of sufficient standing and status so that District Collectors would attach some importance to his communications. As co-operators, we are interested in noting that the large number of societies intended exclusively for depressed classes which were hitherto under the Labour Department and to look after which a special Deputy Registrar was appointed have been steadily drifted into the Co-operative Department and the post of the special Deputy Registrar also has been abolished. This is as it should be—Co-operation cannot be cut into touchable and untouchable co-operation.

We are glad to note that there are 2,250 Co-operative societies of which over 500 societies are intended to procure house sites for depressed classes and 1361 credit societies and the remaining 371 belong to other types. We hope the benefits of co-operation will be appreciated by the Depressed classes in course of time.

THE SILVER JUBILEE OF THE AKOLA CENTRAL BANK.

On 4th February 1934 the Akola Central Bank celebrated its Silver Jubilee. The report submitted on that occasion traces the origin and development of the Akola Bank from the early days to its present condition. We are glad to note that the Akola Bank has been in the vanguard of Co-operative Movement in Berar all these years. It was responsible for launching a scheme of long term loans known as 16 years scheme and it also organised Guaranteeing Unions. In a period of great financial stress when every other Bank depended upon Government help, this Bank alone was able to stand upon its own legs. It was also responsible for bringing into existence the Berar Co-operative Institute. We are sorry to note that it is confronted with the Universal problem of overdues and the problem of managing 12,000 acres of land which it had to bid in auction so as to prevent their being sold for ridiculously low prices.

We hope that the attitude of the department which is characterised as that of a hard task master towards a school boy will soon change and we endorse the optimistic tone of the concluding portion of the report that spring cannot be far behind if winter comes. We wish the bank all prosperity and success in the years to come.

District News.

Under the auspices of the Rural Reconstruction Centre at Alamuru, a ladies gathering was arranged on 14th February 1934 for carrying on maternity and child welfare propaganda with a view to organise a centre in the locality. Major T. S. Sastry, District Medical Officer, East Godavari District, presided and medical officers of Ramachandrapuram and Alamuru also attended the meeting. Mr. N. Satyanarayana explained to the ladies assembled the urgent need for organising a child welfare and maternity centre in the locality and the medical men emphasised the same and showed how in many cases deaths of women after child delivery could easily have been avoided if proper care had been taken in time. With a vote of thanks to the chair, the function came to a close.

DINDIGUL LOAN AND SALE SOCIETY.

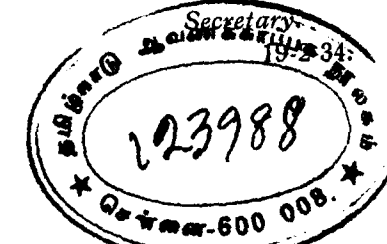
The members of the society presented an address to Hon'ble Mr. P. T. Rajan, Minister in charge of co-operation on 19th February 1934. About 2000 persons attended the meeting and all prominent officials and non-officials of the Taluks of Palni and Dindigul were present. The Minister presented gold medals to the Secretaries of the Rural Societies who sent the largest quantity of produce for sale to this society. Mr. M. S. Nathan, Senior Inspector was responsible for this successful function, and deserves congratulations.

THE CHINGLEPET DISTRICT GRAY MEMORIAL FUND.

Statement of accounts to the end of January 1934.

RECEIPTS.			PAYMENTS.		
	Rs.	A. P.		Rs.	A. P.
Contribution by Bank ...	250	0 0	Printing appeals ...	2	14 6
Donations from Rao Bahadur M. K. Venkatachariar ...	25	0 0	Postage ...	5	5 6
Tiruvoipadi Co-operative Society ...	5	0 0	Balance in savings account ...	277	9 7
Guntur District Bank ...	5	0 0			
By interest on savings account ...	0	13 7			
	285	13 7		285	13 7

S. R. RANGANATHAN,



X 100-211, 112
1934-25-10 601

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[Subject.—Earthquake relief—Contributions in Kistna District.]

Number and name of Society.	Amount contributed to Viceroy's Earthquake Relief Fund.
	RS.
2376 Apparaopet	10
4129 Kanukollu	20
2410 Kistna Peruru	15
757 Guraza Gopal	5
2448 Annavaram Maruthi	10
1924 Pedapalapam	15
1995 Choutapalli	20
10221 Chowtapalli Vijayaiahshmi...	5
9988 Chinapalaparru	5
Total ...	105

Those are the nine Societies out of the thirteen Societies in the Union that could spare the Common Good Fund.

H. P. MONE,
President,
Local Co-operative Union, Ltd.,
Mudinepalle, Kistna District.
7-3-34.

SOUTH INDIA CO-OPERATIVE INSURANCE SOCIETY.
Statement showing the business received by the South India Co-operative Insurance Society, Ltd., during the first quarter of the calendar year, ending 31st March 1934.

		Proposals.		Policies.	
(1934)		No.	Amount.	No.	Amount.
January	...	134	1,14,750	64	50,450
February	...	90	76,400	71	71,350
March	...	100	84,950	68	49,300
Total	...	324	2,76,100	203	1,71,100

Total Business on the Books of the Society as on 31st March 1934.

	No.	Amount.
Proposals received	1642	14,71,000
Policies issued	1183	10,65,850

DISTRICT NEWS

EAST GODAVARI DISTRICT NON-OFFICIAL CO-OPERATIVE SERVANTS' ASSOCIATION.

CIRCULAR.

The idea of starting an association of non-official Co-operative servants though lingering in our minds for a long time has never been seriously contemplated. A venture towards this direction as some of you know has not met with desired complete success when it was held last year at Anathavaram Amalapuram, Taluk. Don't you realise it is high time for us to work seriously in this direction when all the other departments are having their associations and reaping the benefits thereof. Though we lack in push and pluck we can at least copy or follow other districts in this respect. The benefits and advantages of having an association, as you are all well aware, are manifold. If you kindly bestow your thoughts over the matter you will soon and surely be convinced that an association of this kind is quite essential considering the frail, uncertain and above all unstable nature of our existence.

Therefore, Gentlemen, let us wake up from our dormant state and try to stand as one man by working up an association and thus enable ourselves to advance ideas, improve our prospects and status and get our grievances redressed from time to time through this medium.

In conclusion, I request you to extend your hearty co-operation by sending your individual opinions regarding the holding of a conference for discussing the pros and cons. As it would be convenient for all of us to hold the conference during the christmas, I request you all lovers of this idea to shape our long neglected institution give every possible help and make it a success.

Amlapuram, }
2-12-33.

Y. SATYANARAYANA.

THE MADRAS P. C. U. FREE READING ROOM.

The Reading Room of the Madras Provincial Co-operative Union, Royapettah, Madras, is kept open to public from 8 to 10-30 A.M., and from 5 to 7-30 P.M., on all days of the week except Monday. The Reading Room is becoming more and more popular. The number of readers during the months of February and March 1934 were 1010 and 1030 respectively.

THE GOVERNMENT TELEGRAPH EMPLOYEES' CO-OPERATIVE SOCIETY, LTD., MADRAS.

Free Public Library.

The number of readers during February 1934, was 871 and number of volumes issued for home reading was 503. The Library is kept open on all working days for the Society from 10 a.m. to 5 p.m.

Extracts.

THE CO-OPERATIVE NATIONAL AUTHORITY.

(By J. DOWNIE.)

Our National Authority in Britain having now completed a year and more of office, a review of its work and an estimate of its possibilities should be interesting and instructive.

The National Authority consists of the
 Ten members of the Co-operative Union executive.
 Four representative of the C. W. S.
 Two representatives of the S. C. W. S.
 One representative of the N. C. P. S.
 One representative of the C. P. F.
 Two representatives of the Co-operative Party ;
 with Mr. R. A. Palmer as secretary, so that it is fully representa-
 tive of all national British co-operative organisations.

PURPOSES.

The purposes intended to be served by the National Authority were eloquently expressed by the spokesmen of the Special Committee appointed to inquire into the Government of the Movement. Collated, these were, to

Impress public opinion with co-operative ideology and policy ; set up machinery that shall so impress public opinion with the importance of our Movement and its true significance that misapprehensions and blunders such as produced the Raeburn Report and its sequel cannot arise ; reconcile the possible divergencies between the various elements—interests as traders, wholesalers, manufacturers, bankers, and so on, as well as the interests of consumers—in order that we can speak with a clarified voice and get the Movement to that position it must attain if it is to achieve the object that has been put before us time and again in Congress ; gather views and opinions and formulate policy ; consider important matters of policy.....reflect the joint opinions of all the national organisations ; enable the Movement to play a larger and more effective part in the affairs of the country ; act and speak on behalf of the Movement ; decide on all matters of national policy ; report and be responsible to Congress, &c.

POWERS.

Not all this materialised. The National Authority has no power to act, and, on behalf of the Movement, not as yet much power to speak. None of the national constituent organisations sacrifice any part of their rights

EXTRACTS

or powers, except to the small extent indicated in the rather sketchy constitution with which the National Authority was endowed by the Special Inquiry Committee : " The Authority shall have power to make decisions on matters of national policy arising between Congresses, subject to agreement by at least a two-thirds majority, and a report of their proceedings shall be submitted to the subsequent Congress along with the report of the Central Board. The general secretary of the Co-operative Union shall act as secretary to the Authority, and the staff of the Union, shall operate its decisions. That Congress is accepted as the final authority in the Movement and all sections are expected to respect its decisions ".

While the National Authority may decide, what form does this constitution give to National Authority decisions ? A moral obligation to conform or to act as agreed is very probably implied, but such duty is nowhere definitely enjoined. Indeed, the wording would almost suggest that Congress approval must first be obtained before any decision is really valid. Decisions of the National Authority are to be operated by the staff of the Union ; when the decision affects some other body than the Union, the staff of the Union cannot operate that decision. In the circumstances the use of the word " Sections " is possibly ambiguous or misleading.

Clearly the National Authority is no more than a consultative or advisory body, with no power of action on its own, and with very little, if any, power of initiative as a national authority. The agenda will invariably have to be contributed wholly by the constituent organisations. The National Authority may approve and commend lower dividend rates and lower prices, or 100 per cent., affiliation to the Co-operative Party, or one society one area, but any action towards effective application of its recommendations is still the function only of the national organisation or organisations concerned. Obvious difficulty would arise if the National Authority attempted to direct or change some part of the business or policy of the C. W. S. Bank or N. C. P. S., for example. So the " unity of control " to be realised in the new organ is no nearer.

RESULTS.

Before the days of the National Authority " The Co-operative Movement was not giving the lead on the major national issues to a degree commensurate with its economic importance or its social significance. Unless we, as a Movement, have a central and authoritative opinion, how can we expect to impress public opinion with our point of view ? " Perhaps, unintentionally, too much was expected or promised of this innovation, and hopes too highly flattered, suffer the more grievous disappointment.

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How far have we moved towards the improvement forecasted? The report of the National Authority for Congress year 1932-33 shows that decisions were reached on the following subjects:—

- "Income Tax Menace,"
- "Co-operative Production,"
- "Agricultural Marketing Act,"
- "Dividend and Price Policy,"
- "Contracts with Public Authorities,"
- "The Co-operative Press."

All first-class national issues involving great interests or possibilities. No spectacular success has been achieved, and in one case at least so far the result seems negative and retrograde. But the income-tax campaign was magnificent propaganda with a union and harmony of forces that holds promise for the future of the National Authority. And we have made useful impression upon agricultural marketing.

For the rest the Co-operative Movement is too big to move suddenly and violently without risk. Certainly most of it seems little disposed to take much risk. Our tenacity is often more remarkable than admirable.

MISNOMER?

Without any disparagement to the National Authority, we may question the fitness of its title. The National Authority has not really any authority, is not really an authority. If the constituent bodies were supremely (i.e., inhumanly) selfless, sincere and earnest, the National Authority could function effectively, but that is too big an IF, and these are impossible terms of sufferance on which to base a national authority. Good work can be done by the present National Authority, but not work of the calibre and importance needing to be done.

MISCONCEPTION.

For example, we pat ourselves on the back if in these hard times we manage to hold our own, allowing perhaps for falling prices. But the Movement was born in bad times, for bad times, and for those suffering from the bad times. To-day the inflated prices required to purchase our costly dividend thrust thousands of the worst sufferers from our (and their own) doors. Our Movement is largely now a fair-weather boat with no steerage accommodation or passengers, rather badly barnacled, and running for shelter before every gale.

A real National Authority could review our position, redirect our course, so that instead of concerning ourselves mainly in the worst times as in the best with laying by for the Last Day and therefore in vain, we might seize the opportunity that bad times ought to be for the Co-operative Movement were it living up to its original purpose, were it more wisely enterprising.

EXTRACTS

DEFECTS.

The faults lie not in the National Authority but in the Movement, trying to make an aeroplane out of a barge. A general staff can do nothing with an army consisting of a multitude of aggressively independent, undisciplined, un-co-ordinated groups. No amount of tinkering with the machinery will give speed if the fuel is bad.

First, we need in the Co-operative Movement some surrender of local power and control before we can have more effective central organisations. Rank heresy, of course; treachery to our fundamental democracy, in the eyes of most. A sore need of to-day is some attempt to define such words as "democracy" and "freedom" that come so glibly to the tongue. Co-operative democracy as operating to-day comes perilously near anarchism. Because of its refusal to adapt itself to altered times and conditions, democracy is losing caste and favour, and is in danger of rejection as a failure. That fate has already overtaken the democratic institutions of half Europe; even the Irish Free State has appointed managers, or dictators of a kind, over the municipalities of Dublin and Cork, with success, and over the County Councils. Even a Labour or Co-operative Government could not make effective use of the Co-operative Movement as national provider, say, until it had imposed one policy, one method, one price; and that might mean as general a retirement of officials as Herr Hitler is reported to have enforced. If half our patter is not hypocrisy, we should agree to co-operate in taking orders from carefully-selected controls chosen by ourselves. Then the National Authority might come into its own, for the idea is excellent if the machine were effectively powered.

How should these offices, of control, be staffed? Manchester University confers diplomas in Industrial Administration, to attain which twenty-four subjects have to be studied. I wonder how many co-operative administrators would qualify? The lack of any system, except sounding the loud timbrel, fills all our responsible positions with elderly men having a certain amount of leisure. In this "working-class" movement the working class and the moving are about equally inconspicuous.

Efficient control demands careful selection of controllers and the removal of part-time officials from positions of as high responsibility as the National Authority. We are the last country in which these relics of an outworn democracy linger. And if democracy in any form is to survive it must make sacrifices of what, had it been wise, had long since been superseded.

The National Authority is quite all right given a fair chance, i.e. given some authority.

Correspondence.

We have received a copy of the communication addressed to the Registrar of Co-operative Societies, from Mr. Sundararaja Iyengar, President, Omalur Co-operative Union, wherein he takes the local Sub-Deputy Registrar of Co-operative Societies, to task for holding the copy of the By-laws of the Union kept in the office of the Unions to be incorrect and for scoring off the same and correcting it and making it conform to the copy kept in his own office. The letter further adds that if the Sub-Deputy Registrar wants to suggest any modification, it should be approved by the General Body of the Union only.

Owing to pressure on the limited space available we are unable to publish the correspondence in extenso.

SUPERVISION OF SOCIETIES.

I have gone through the articles of Rao Bahadur A. Vedachala Iyer and the reply of Mr. V. Ramadas Pantulu Published in the Madras Journal of Co-operation in December issue.

Mr. V. Ramadas Pantulu therein suggested either for the abolition of the local Unions or for the reduction by 50% stating that the present Unions failed to show efficient supervision. But the Government to have efficient supervision has proposed in the year 1925 to split up Unions and to form them with a compact area.

The two proposals suggested by the Government and by Mr. V. Ramadas Pantulu do not agree. I suggest to find out whether the defect is in the institution or in the working material.

Basing on my experience in the department, I venture to point out the following defects for the adequate work of the Unions.

(1) The Directorate of the Unions who have to supervise the societies under their management are the elected members of the affiliated societies of the Unions.

(2) The Union Supervisors who are expected to do thorough supervision over the societies and from whom the Union expects every information regarding the work of the societies are under the control of the Directors who are the prominent persons in the societies.

(3) The relation between the Union and the society is such that the one need not honour the other. For instance, the By-Laws of the Union are not incumbent on the societies. The societies may set aside the ruling of the Union.

(4) In the By-laws of the Union it is stated that the Unions should assist and co-ordinate the work of the affiliated societies which is not possible at all in the practical field in these present election tactics. Without authority, no one can extract work from the other by telling sweet words.

CORRESPONDENCE

(5) As long as the present method of election system prevails in the movement there is no scope either to Central Bank or to Union or even to societies to run on sound basis.

I make the following suggestions for the proper working of the Unions.

(1) The Union should be run only by three Directors. One should be elected from a non-member by way of co-option who is residing at the head quarters of the Union to work as President or Secretary and the other two Directors from the affiliated societies.

(2) There must be a paid administrator to look after the work of the Union.

(3) The whole Union staff should be placed in a District cadre but not under the direct control of the Union.

(4) The society's paid employees should be under the control of the Union.

(5) Every supervisor should be entrusted with ten societies. He should not only supervise but also see the records of the societies in his charge are written up to date.

ADMINISTRATION BY THE BANK.

If the administration of the societies and the Unions is placed under the direct control of the Bank the same defects of the Unions pointed out will carry out into the Bank affairs and ultimately, it may prove its fall, because the Bank cannot authoritatively criticise and rectify the defects of the Unions as well as the societies as the Directors of the Bank are also mere representatives of the Unions and the societies who do not like to put fetters on themselves. Under the present By-Laws, the Society is almost an independent institution and if the Bank interferes authoritatively with the administration of the society, the society may disaffiliate itself from the Bank as per its By-Laws and can run on its own deposits. The relation between the society and the Bank is only, the bank is the lender and the society is the borrower. If the society refuses to borrow, the relationship between the lender and the borrower has gone. So the position of the Bank is defective in its administration. Now, practically there are many societies that are not at all affiliated to the Bank. In such case the supervision of all societies even in one District may not be common. The financial aspect of the Bank in this position may vanish out. For the efficient supervision of the societies, the present constitution of the Unions should be amended on the view of the above suggestion.

There are two or three Unions in every Taluk. In my opinion owing to the present financial depression, it is better to amalgamate the Unions into a small number so that there should be only one Union in each Taluk.

Kovvur, }
Dated 12-12-33. }

V. SURYANARAYANA,
12-12-33.

Registrar's Circulars.

No. R. Dis. B. 911/34.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES
Madras, dated 16th February 1934.

M.R.RV. RAO BAHADUR K. DEIVASIKHAMANI MUDALIAR AVERGAL,
Registrar.

CIRCULAR.

Sub:—By-laws—model bylaw—62(2) of unlimited liability society—appointment of Manager—registration—instructions—issued.

The existing model by-law 62(2) of societies with unlimited liability permits the general body to empower any member of the society to take any action on its behalf where a panchayat cannot be elected in the usual way or where the Panchayat duly elected does not function properly. Instances, however, have come to the notice of the Registrar where the services of a member who would attend to the society's affairs solely as its manager could not be secured and the appointment of a Manager has to be necessarily made from outsiders. In order to see that only proper persons are selected as agents from members or from outsiders and to see that they exercise their powers properly, the following restrictions are considered necessary :—

(1) The appointment of the manager shall be subject to the veto of the Registrar ;

(2) The Manager shall have all the powers of the Panchayat.

In regard to the following matters, however, the manager can exercise his powers only to such minimum extent as may be necessary to ensure the safety and the recovery of the assets of the society as they stood on the date of his taking charge of the management of the society.

- (a) Admission of members ;
- (b) Allotment of shares ;
- (c) Borrowing money ;
- (d) Grant of loans to members ;

(3) A copy of the model by-law framed by the Registrar for adoption by unlimited liability societies is enclosed. The Deputy Registrars and Sub-Deputy Registrars in independent charge are requested to see that the societies with unlimited liability adopt this model in the place of the existing by-law 62(2).

(By Order)

A. CUNNIAH,
Manager.

REGISTRAR'S CIRCULAR

BY-LAW.

Whenever it is found that the Panchayat elected under by-law does not function properly the general body may, for a specified period or periods, place the management of the society in the hands of a single person appointed by them from among themselves or outsiders. The appointment shall, however, be subject to the veto of the Registrar. The person so appointed shall be called the Manager and he shall have all the powers of the Panchayat under the by-laws. His powers shall, however, be restricted in the following matters to such as are necessary to safeguard and recover the assets of the society as they stood at the time when he assumes charge of the management of the society :—

- (1) Admission of members.
- (2) Allotment of shares to members.
- (3) Borrowing money.
- (4) Grant of loans to members.

The general Body may subject to the approval of the Registrar pay to the Manager such remuneration as they deem fit for his services. The Manager shall convene a meeting of the General Body just before the expiry of the period for which he is appointed and get a panchayat elected in accordance with the by-laws and hand over charge to such Panchayat. If for any reason a Panchayat cannot be elected before the expiry of the period of appointment, he will continue to be in charge of management till a Panchayat is elected.

Execution—Purchase of lands by societies—adjustment of interest—treatment in accounts.

In the matter of sales of properties mortgaged to Co-operative Societies, Societies themselves are often obliged to bid at the sales and purchase the properties owing to want of outside bidders. In a majority of societies the amount either actually spent for the purchase of the properties or set off is credited towards principal and interest due on the respective loans. The amount adjusted towards interest is also carried to the 'profit' of the year.

2. The properties purchased by societies are, however, either not sold or when sold do not fetch even the purchase money and it is not right in such circumstances for societies to take to 'profit' the amount adjusted towards interest when it is not actually realised. Unless and until the properties are sold and the sale proceeds realised, the sum adjusted towards interest should not be included in the profit of the year. The Registrar therefore directs that such receipts of interest should not be permitted to be included in the net profits. The Deputy Registrars and Sub-Deputy Registrars are requested to instruct the Inspectors accordingly.

(By Order.)

A. CUNNIAH,
Manager.

THE MADRAS JOURNAL OF CO-OPERATION
G.O. No. 70, Mis., dated 16th January 1934.

Abstract.

Co-operative Societies—Remittance Transfer Receipts—issue of duplicate chalans by treasuries—Registrar's proposal—orders—passed.

Order:—The Government direct that the following procedure should be adopted when societies remit money into treasuries to obtain Remittance transfer receipts and cash orders. Co-operative Banks should maintain a printed remittance book and note in it the details of the remittance into the treasury and get the dated signature of the treasury officer in the remittance book when each remittance is made into the treasury. They should afterwards get their manager's initials in the remittance book when the cash order is despatched to the village society.

G. A. HENDERSON,
Secretary to Government.

D. Dis. B. 857/34.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES,
Madras, dated 15th February 1934.

M.R.RY. RAO BAHADUR K. DEIVASIKHAMANI MUDALIAR AVL.,
Registrar.

CIRCULAR.

Sub.—Common good fund of co-operative societies—contribution to the 'Earthquake Relief Fund'—instructions issued.

It is impossible to estimate the extent of suffering and loss to which the people of Bihar and other places in Northern India have been subject on account of the recent earthquakes. In order to give relief to those affected, subscriptions are being collected all over the country and abroad. Some of the co-operative societies in the Presidency have expressed a desire to contribute to the 'Relief Fund' and sought for my instructions. Other co-operative institutions in the Presidency would also like to contribute to the 'Relief fund'. The Registrar sees no objection to co-operative societies contributing to the "Earthquake Relief Fund" from out of their common good fund as "relief to the poor" and "medical relief" are among the purposes for which the fund can be utilised under section 2 of the Charitable Endowments Act, 1890. Where it is necessary to get the sanction of the general body and where this will mean delay, the Panchayats or Executive Committees may sanction the contribution in anticipation and subject to ratification later on.

(By order.)

A. CUNNIAH.
Manager.

REGISTRAR'S CIRCULAR

A. 985/34.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES,
Madras, dated 23rd February 1934.

M.R.RY. RAO BAHADUR K. DEIVASIKHAMANI MUDALIAR AVL.,
Registrar.

CIRCULAR.

Building funds and Common Good Funds—spending of—Instructions issued.

The Co-operative Movement is passing through difficult times. The headlong decline in commodity prices and the abnormal fall in land values have very seriously affected the operations of credit societies.

2. The first visible effect of the depression is to be seen in a heavy reduction of the working capital of all classes of societies and a marked diminution of their profits. The following comparative statement showing the net profits in all Central Banks and the loans advanced by them and outstanding against societies during the last four years makes the point clear.

Year.	Net profits. Rs. (in lakhs.)	Loans outstanding against societies. Rs. (in lakhs.)
1929-30	9'62	535'94
1930-31	7'79	512'45
1931-32	8'61	429'94
1932-33	6'05	353'663

3. The slump in agricultural prices has resulted in diminished returns to the agriculturists and these factors in turn have contributed to the fall in the collections of the moneys due from members of societies. An enquiry made by Auditors in the course of the final audit of 1932-33 indicates that bad and doubtful debts in societies have increased. It is expected and past experience has proved that a substantial amount of the doubtful debts may have to be written off which would mean heavy losses to societies and Central Banks.

4. These circumstances make it clear that there should be a substantial and adequate reserve to meet these bad debts. It is true that Central Banks and some of the societies have set apart a portion of their profits towards bad debts reserves. The Registrar, however, considers that these reserves may not be quite adequate for the purpose in view. It has become necessary that the existing building and other funds created out of profits are reserved unspent so that in cases of a contingency a portion of these amounts may be available for writing off irrecoverable debts.

THE MADRAS JOURNAL OF CO-OPERATION

The Registrar further advises that no part of the general funds should be spent for the purpose of purchasing, constructing or extending buildings in view of the diminished profits of banks and societies. The Central Banks and societies are requested to defer these works until conditions improve and their financial stability is re-established.

(By Order.)

A. CUNNIAH,
Manager.

B. 1084/34.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES,
Madras, 24th February 1934.

M.R.Ry. RAO BAHADUR K. DEIVASIKHAMANI MUDALIAR AVL.,
Registrar.

CIRCULAR.

Loans.—Rates of interest—reduction by Central Banks to societies and by societies to individuals.

The Madras Provincial Co-operative Bank has reduced the rate of interest on loans to Central Banks to 5 per cent. Some of the Central Banks have here and there reduced their lending rate to societies to $6\frac{1}{2}$ % or $6\frac{1}{2}$ per cent subject to a corresponding reduction by societies in the rates of interest on loans to their members. So far, however, no systematic or serious attempt has been made by Central Banks to make the advantages of cheap money available to the ryots. The Registrar considers that the time has come for a general reduction in the rates of interest on loans to societies by Central Banks and by societies to individuals and suggests that Central Banks and primary societies may amend their by-laws suitably. The following amendments are suggested for adoption.

Central Banks :—

"The rate of interest charged by the Central Bank on loans to societies shall not be less than $5\frac{1}{2}$ % per annum and not more than $7\frac{1}{2}$ per cent per annum as may be decided upon from time to time by the Executive Committee of the Bank."

Primary Societies :—

"The interest on loans charged by the society to the members shall not be less than $7\frac{1}{2}$ per cent per annum and not more than $9\frac{1}{2}$ per cent per annum as may be decided upon from time to time by the general body of the society with the previous approval of the Central Bank."

REGISTRARS' CIRCULAR

"If, however, the Central Bank requires the society to enhance the rate, the society shall do so and the enhanced rate shall come into force from the date specified by the Central Bank."

2. In view of the present economic depression, the Registrar also desires that all facilities should be allowed to members of co-operative societies, most of whom are agriculturists, in the repayment of their loans. It is suggested that Central Banks, wherever their financial condition permits, may collect interest on outstanding loans at $6\frac{1}{2}$ per cent per annum for the current Co-operative year only (1933-34), provided societies pay the entire interest due on all outstanding loans on or before the last day of the co-operative year and provided also such societies transmit this benefit to their members and collect interest on all outstanding loans at $7\frac{1}{2}$ per cent per annum for the current co-operative year. For this purpose central banks and primary societies may enact a transitory by-law as follows :—

"Notwithstanding anything contained in by-law No. — the interest on all outstanding loans shall be collected at..... per cent per annum for the current co-operative year 1933-34, provided the entire interest due for the year is paid in cash on or before the 30th of June 1934."

Central Banks can act in anticipation of the sanction by their general bodies. In collecting interest at the reduced rate for the current co-operative year, central banks should take care to see that not more than the amount of interest collected by societies from their members is credited towards interest due on loans due by societies. That is to say amounts collected by societies from their borrowers towards principal should not be permitted to be credited towards interest in Central Banks.

3. Societies are also advised to give relief to borrowers by waiving penal interest on arrear principal subject to the repayment of the overdues in full within a stipulated date. The following transitory by-law is suggested for adoption.—

"Notwithstanding anything contained in the by-laws of the society, the general body of members may, by a resolution passed at a meeting, remit the higher rate of interest on loans which are in arrears and order the recovery of the overdue loans at the ordinary rate of interest fixed in the by-laws from such date as they consider suitable, provided the overdues are repaid in full on or before a specified date and provided also that the sanction of the financing bank has been obtained for the waiving of the recovery of penal interest as well as the period or periods during which the concession should be allowed to the members."

No. B. 931/34.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES,
Madras, 9th March 1934.

M.R.RY. RAO BAHADUR K. DEIVASIKHAMANI MUDALIAR AVL., Registrar.
CIRCULAR.

Subject.—Honoraria—payment in Co-operative Societies with unlimited liability—additional instructions—issued.

In continuation of Registrar's circular R. Dis. B. 4870/33, dated 6th September 1933 the following additional instructions in regard to the payment of honoraria to panchayatdars of societies with unlimited liability are issued.

2. Honorarium to panchayatdars of societies may be given for two purposes, viz.—

(1) clerical work; and (2) work done as panchayatdars, e.g., good collection, good management etc.

Payment for clerical work may be met out of general funds while that for other work should be made only from the net profits. The same panchayatdar may be given honorarium both for clerical work and for other work (good collection, good management etc.) or one panchayatdar can get remuneration for scriptory work and another for good collections, good management, etc. But no panchayatdar should be paid for clerical work when there is a separate paid staff for that purpose. Payment for other work may, however, be paid irrespective of the fact whether or not a clerical staff is maintained.

3. In regard to the scale of remuneration, the Registrar has already suggested that there is no need for a uniform scale for all societies and that each society may fix its own scale with due regard to its working, transactions and profits. It has also been suggested that for clerical work the remuneration should not exceed generally 8 annas per Rs. 100 of the loans outstanding against members on the last day of the co-operative year and that for other work it should not ordinarily exceed 15% of the net profits.

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R. Dis. A. 573-34.

OFFICE OF THE REGISTRAR OF
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Madras, dated 10th March 1934.

M.R.RY. RAO BAHADUR K. DEIVASIKAMANI MUDALIAR AVL.,
Registrar.

CIRCULAR.

Central-Banks-Constitution of the Board of Management.

In the by-laws of Central Banks, relating to management, it is stated that the members of the Board of Management shall hold office for a period of two or three years or in the event of a fresh election not taking place by that time, such longer period as may be necessary to elect their successors. The Board of Management of Central Banks includes representatives of local supervising unions. The term of office of the delegates of local unions is one or two years, as the case may be, according to the by-laws of the Unions. The question had been raised whether a person elected by a local supervising union as its representative on the Board of Management of the Central Bank ceases to hold office as such when the Board of Management goes out of office at the end of its period of two or three years according to the by-laws of Central Banks.

2. The Registrar is advised that the Board of Management comes into being as a whole and goes out as a whole and every member whether representing individuals or societies, must be specifically elected or re-elected for the new Board. The appointment by the Unions under their own by-laws of a representative for one year or two years as the case may be must be subject to the provisions contained in by-laws of Central Banks. No representative can have his one year or two years term distributed between two boards. Each representative is appointed for the term as a member of one particular board and that board only. When that board goes out, he ceases to be a member. His appointment for a term cannot carry him into a new board, if the old board ceases to be before the expiration of that term.

3. According to the view set out above, every union must on or before the expiry of the period for which the Board of Management is elected, hold a fresh election for the specific purpose of electing a representative to the new Board. All Central Banks are therefore requested to amend their by-laws making the position clear in the light of these instructions and also to advise unions accordingly.

By Order,

A. CUNNIAH.

Manager.

THE MADRAS JOURNAL OF CO-OPERATION

Dis. B. 1385-34.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES.

Madras, dated, 15th March 1934.

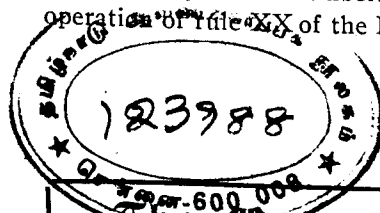
M.R.RV. RAO BAHADUR K. DEIVASIKHAMANI MUDALIAR AVL.,
Registrar.

CIRCULAR.

Sub: Co-operative Societies-membership in more than one credit society-
enforcement of Rule XX.

Instances have come to the notice of the Registrar that a large number of persons are members of more than one credit society and that the societies concerned have not taken any action as required under Rule XX of the rules framed under the Madras Co-operative Societies Act VI of 1932. The Deputy Registrars and Sub-Deputy Registrars are requested to draw the attention of all credit societies to Rule XX and ask them to take prompt action in cases of violation of the rule. The Registrar considers that Rule XX is not applicable to purely thrift societies, which stand on a different footing from that of an ordinary credit society. The members of such societies will be exempted from the operation of Rule XX of the Rules under the Act.

By Order,
A. CUNNIAH,
Manager.



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