66

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Editorial Notes.

Registrars' Conference.

On the 8th and 9th December last took place at Delhi the twelfth conference of Registrars of Co-operative Societies. Though called a conference of Registrars, it ceased long ago to be confined to Registrars. From every province one or more non-officials are also invited, so that it now consists of nearly as many non-officials as of officials. Madras was very well represented at the conference. Besides the Registrar, Diwan Bahadur K. Deivasikhamani Mudaliar and Rao Bahadur T. M. Narayanaswami Pillai were there, while Mr. V. Ramadas Pantulu attended it as President of the Indian Provincial Co-operative Banks' Association.

Sir Jagadish Prasad, Education Member of the Government of India, who presided over the conference on the first day, observed that this was the fourth conference after the Montford reforms had come into force and that it was desirable that the conference should meet at more frequent intervals. For some years after the reforms no conference was called, Co-operation being a provincial subject. But the need for exchange of views and experiences was greatly felt and the conference was revived. The last conference was held in 1934, and so the interval between that and the present one is only two years. We do not think there is need for the conference to meet annually. The usual term of office of a Registrar being three years, if the conference met once in three years only, there would not be sufficient continuity in personnel, and therefore meeting in alternate years seems to us to be the best course.

Sir Jagadish stated that of the 23 resolutions passed at the last conference, only one concerned the Central Government and all the others concerned the provinces. The former related to legislation to deal with societies operating in more than one province like the insurance societies. Sir Jagadish stated that the Government of India had consulted Local Governments in this matter, and as the disadvantages appeared to be greater than the advantages accruing from such legislation, the matter had been dropped. We wish he had mentioned those disadvantages to enable the conference to judge whether they were unavoidable and whether they outweighed the advantages. To drop the matter there is very unsatisfactory. We hope the Registrars of Bombay, Madras and Bengal will take it up again as some societies in their area have an all-India importance and operations. With regard to the other resolutions, Sir Jagadish Prasad said that no definite data relating to them had been collected by the different provinces. He expressed the hope that in future the Registrars would come to the conference properly equipped with data to make the discussions fruitful—which hope every one will share.

Startling Figures.

He gave the rather startling information that while about a lakh of societies existed in the whole country, more than 25,000 societies had been liquidated in eight British provinces alone. He was of opinion that if the special grant of Rs. 15 lakhs had not been made for co-operative education and training, the liquidations would have been even more numerous. We are not in a position to endorse this statement so far as our province is concerned, for the expenditure of the allotment has just begun here; but there is no doubt that the education of the member, including that of the panchayatdar, of the primary society in the aims and methods of co-operation is bound to improve the quality of the societies in the future and lessen the necessity for liquidation. Some figures quoted by Sir Jagadish show that the spread of the co-operative movement in the different provinces is very uneven. He said that out of 100 villages, the Punjab had co-operative societies in 48 villages, Bengal in 23, Madras

in 22 and the U.P. in only 5 villages. Why there is so much difference between the Punjab and the U. P., which are neighbouring provinces, needs to be thoroughly investigated. The co-operative movement began in the U. P. before elsewhere in India, some societies having been started and successfully worked before the Act of 1904 was passed. During the early years the United Provinces were certainly among the more advanced provinces. Then followed a long period of stagnation, which happily seems to have ended. One would very much like to see the U. P. soon come up to the level of Bombay and Madras, if not of the Punjab. But that will not be possible unless both officials and non-officials work enthusiastically for the achievement of the object. It appears to us that the chief cause for the backwardness of the U. P. in the matter of co-operation is the neglect of the movement by the educated classes. The Department will do well to devote special attention to the enlisting of non-official workers and encouraging them. Only 15 out of 360 millions, or about 4 per cent of the population, have yet been reached by the movement, though it is more than 30 years old. True, it shows the immense scope there is for the spread of the movement, as Sir Jagadish Prasad observed. But it is more obvious that we co-operators have not been as energetic in spreading the gospel as we ought to have been.

Some Resolutions.

The report of the discussions on resolutions being very meagre, it is difficult to comment on them. Every one present at the conference was an experienced person holding a responsible position. Whatever view was expressed was therefore based on facts obtaining in some part of the country. In such circumstances a decision by a majority is not a reliable guide to action. The questions should be discussed thoroughly in each province in the light of the facts obtaining there and suitable decisions taken, though they may differ from province to province. For example, Mr. Vishnu Sahay, Registrar of the U. P., moved a resolution expressing disapproval of advances by central banks to individuals on the security of produce stored with them. The resolution is reported to have been passed, Sir Jagendra Singh dissenting. It is not stated whether there were other dissentients, but in our opinion it is a resolution from which many others should have dissented. In some provinces individuals are admitted as members of central banks and are eligible for loans. Why should they not be given loans on the pledge of produce? Our loan and sale societies are meant for issuing such loans, and where they do not exist and where the primary societies do not have godown facilities for stocking the pledged produce, we should think the central bank is the proper institution to issue such loans. Just before this resolution was adopted the conference had passed one recommending the linking of credit with marketing wherever possible. We should think Mr. Vishnu Sahay's resolution considerably weakened the previous one. To a resolution that further development of land mortgage banks should be encouraged Mr. Ramadas Pantulu suggested an amendment that where land mortgage banks were not started, central banks, with the aid of provincial banks, should give long term loans. We are told there was a lengthy discussion and Mr. Pantulu's amendment was ultimately defeated. The arguments urged against the amendment were rather of an administrative nature and even applicable with equal force to land mortgage banks themselves. Mr. Pantulu did dot suggest that central banks should compete with land mortgage banks for long term business, or that there should be any lowering of standard in determining an applicant's credit-worthiness or repaying capacity. He only said that where land mortgage banks did not exist, the central banks and the provincial banks should between them provide long term credit to the co-operator, instead of shutting their eyes to his need. We believe the system advocated by Mr. Pantulu was in vogue in Bombay until its central land mortgage bank was started. We do not see why it should not be attempted—of course with every care—in provinces and States where land mortgage banks cannot be started and where the central and the provincial banks are in a position to issue long term loans.

Surplus Funds.

We shall refer to one more resolution. Mr. Bhansali of Bombay moved that 'funds should only be attracted by societies to the extent to which it was necessary to finance co-operative activities and the balance between the two should be adjusted by raising or reducing interest rates on deposits according to circumstances.' The chief argument in favour of the resolution was that some banks in Bombay Presidency were faced with the problem of surplus funds. Mr. Ramadas Pantulu opposed the resolution on the ground that if accepted it would cripple the activities of central banks. Several amendments were proposed and one which added "and develop" after the words "to finance" was accepted. In size and efficiency the central banks differ from province to province, those of Madras

and Bombay being in all respects the strongest. They enjoy very great public confidence and are able to get deposits at 3 to 4 per cent. Owing to the depression the borrowings of societies from the central banks have dwindled only to a fraction of what they used to be. The central banks have no doubt reduced their rates of interest and to some extent even refused deposits. But it has not been possible to reduce them to such an extent as to make them equal roughly the borrowings of societies. Nor is it wise to do so. The administrative expenses of a bank cannot be reduced at will, and when strictly co-operative business is insufficient, there should be no objection to the banks passing on their surplus funds to provincial banks and investing them in Government paper and other securities, as is now done with the permission of the Registrar. It is analogous to a store society selling goods to non-members to keep the society going and efficient. We have also to remember that the promotion of thrift and the banking habit among the people is also one of the objects of co-operative credit. Hence it is that we are of opinion that the resolutions should be discussed in each province in the light of its own conditions and decisions arrived at—which may differ from province to province, as the conditions differ.

The Central Land Mortgage Bank.

We referred in our last issue to the debate raised in the Provincial Legislative Council at its last session on the working of the Madras Co-operative Central Land Mortgage Bank in general and the proposals in connection with raising of the limit of the guarantee of the debentures of the Bank from Rs. 100 lakhs to Rs. 125 lakhs, and the appointment of a Deputy Collector as its Secretary in particular. Later developments in connection with these proposals appear to have created a somewhat awkward situation. Soon after the death of Sir M. Ramachandra Rao, the late President of the Bank, rumours were thick in the air that a businessman or a Government official would be appointed as the President of the Bank by the Government. There was, however, no interference by the Government in regard to the election of Sir Ramachandra Rao's successor and in normal course, Mr. T. A. Ramalingam Chettiar, Vice-President of the Bank, was elected to the place for the unexpired portion of the tenure of Sir Ramachandra Rao's office; and eventually Mr. Chettiar was elected as President for the next triennium in October last. A communication was received from the then Ag. Registrar, Mr. Giriappa, that the Bank should consent to the Government appointing a Deputy Collector as the Secretary of the Bank. The idea seems to be that if a non-official who is in political life is allowed to occupy the presidential chair of the Bank, a Deputy Collector appointed by the Government should have the real executive control of the Bank as its Secretary. The Board, when it was told that the limit of the guarantee of the debentures would not be increased and other concessions by way of services and subsidies would be withdrawn unless they agreed to the appointment of a Deputy Collector as Secretary, evidently felt helpless and signified to the Government their willingness to take the services of a Deputy Collector as Secretary, provided the Board's right of making the choice of the person to be appointed was recognised by the Government. The Government, however, insisted on the last word in the matter of choice resting with it and declined to recognise the right of the Board to have any final say in the matter. This question, though it was not brought up before the general body by the Board, became the subject of some interpellations and discussion by the share-holders in connection with the review of the annual administration report at the annual general meeting held on 11th October 1936. The general body while adopting the administration report virtually expressed its disapproval of the action of the Board in agreeing to take the service of a Deputy Collector as Secretary and resolved that a Government official should not be appointed on the staff of the Bank. The Registrar naturally disapproved this decision and taking advantage of the fact that the general body was meeting again in the first week of January 1937 to dispose of the items in the agends left unfinished at the meeting of the 11th October, urged the Board to express its dissent with the general body and to bring up the matter once again before the general body for reconsideration. The Board however by a vote of the majority merely agreed to bring up the matter once again before the general body without making any recommendation of its own.

At the general body meeting held on 9-1-1937 Rao Bahadur A. Rajabadar Mudaliar moved that the question of the appointment of a Deputy Collector be remitted to the Board for such action as it may think fit. The clear implication of this proposal was to remove the ban put by the general body on the appointment of an official Secretary and to enable the Board to do so if it thought fit to employ one. The motion was seconded by Mr. R. Madanagopal Naidu. Mr. T. R. Vankatarama Sastri, Sir V. Ramesam, Diwan Bahadur T. Ragahaviah, Mr. V. Ramadas Pantulu and some others opposed the motion. The Registrar, Mr. Austin, said that he was authorised by the Government to state that they would send up a panel of three names of Deputy Collectors with liberty to the Board to appoint one from among them. He added that the proposal for the appointment of a Deputy Collector as Secretary was made in the interests of the public, the Bauk and of the Government, which incurred financial responsibility by guaranteeing the debentures. He did not, however, state how those interests were neglected hitherto and how they were going to be safeguarded by the appointment of a Deputy Collector as Secretary. Mr. T. R. Venkatarama Sastri, who was the chief spokesman of the opposition to the proposal and who made the most effective speech of the day, deprecated the increasing tendency to officialise the Movement against the declared policy of the Government from time to time, specially at a time when the entire provincial

administration including finance was to pass into the hands of the elected representatives of the people very soon. He said that so long as any mismanagement or inefficient handling of the Bank by the non-officials was not established, the proposal to put an official as the executive head of the office could not be justified. He further said that even if the Government should decline to extend the guarantee by another 25 lakhs, the general body could not agree to the appointment of an official Secretary under the stress of such a threat. Sir V. Ramesam pointed out that there was no assurance that even if a Deputy Collector was taken as Secretary, the Government would indefinitely extend the guarantee of the debentures and quoted the opinion of an eminent banker to the effect that Government could not and should not go on so extending the guarantee. He also said that he was not sceptical about funds forthcoming even without Government guarantee. Mr. Ramadas Pantulu pointed out that the co-operative credit movement in the province had sufficient resources in it to help the Central Land Mortgage Bank to meet the requirements of the primary banks in the intervening period between now and the 1st of April, when a new Government would take office under the Provincial Autonomy scheme, and that it would not be difficult to find Rs. 25 lakhs in these three months at 3 per cent even without Government guarantee. He further pointed out that the Provincial Co-operative Bank and the Central Banks ought to feel it their duty to take effective steps to help the Central Land Mortgage Bank to meet the long term requirements of the agriculturists who are served by the co-operative organisation. The reserve funds of the central banks now invested in the Provincial Bank alone amounted to about Rs. 30 lakhs. It was virtually permanent money with which might be purchased debentures of the Central Land Mortgage Bank without any risk, for these are as good as G. P. Notes and are negotiable and marketable.

Mr. T. A. Ramalingam Chettiar, President, in winding up the proceedings said that in his opinion adequate long term funds would not be forthcoming at 3 per cent interest without Government guarantee of the debentures, that the central banks could under the Registrar's circular invest only one-fourth of their reserve fund in the debentures and that insurance companies and other public bodies would not invest moneys in debentures of the Central Land Mortgage Bank unless they were Trustee Securities, which they would not be without Government guarantee. He did not agree with the view that the Government should not go on extending the guarantee, for that was a legitimate means of relief to agriculturists to deal effectively with the problem of rural indebtedness which was the duty of the Government. He further pointed out that besides guaranteeing the debentures, the Government gave other concessions such as the services of Sub-Deputy Registrars, exemption from registration fees and so forth, which if withdrawn, would adversely affect the Bank and result in an increase of rate of interest charged to the members of the primary banks.

The motion was put to vote and declared lost, 23 voting for it and 39 against. The effect of this decision is to retain the ban placed by the general body on 11-10-1936 on an official being appointed on the staff of the Bank.

We earnestly hope that the inability of the Board to employ an official Secretary in the face of the opposition of the general body will not be made a ground for the Government withholding the proposed extention of its guarantee by another 25 lakhs; nor for its discontinuing any of the concessions which have so far been extended to the Central Land Mortgage Bank. We are aware that the Development Minister, when announcing that the Government were prepared to extend the guarantee by another Rs. 25 lakhs, gave a further undertaking to the Legislative Council that he would get a Deputy Collector appointed as the Secretary of the Bank. We feel that he should not have given such an undertaking, for we find no justification for coupling the extension of the guarantee with the appointment of a Deputy Collector. In view, however, of the very decided opinion expressed by the general body of the Bank, on which both the primary banks and individuals are represented, on two diffirent occasions, we feel that the Development Minister should inform the Government that the proposed extension of the guarantee might be given without insisting on the appointment of a Deputy Collector.

A Development of the T. U. C. S.

The T.U C.S.—Triplicane Stores—has purchased a good property on the Royapettah High Road, Madras, into which its Royapettah Branch was shifted in the beginning of November last. Steps are being taken to instal here six Pinto patented wooden oil mills driven by electricity. Later on flour mills also will be installed. Every member of the T. U. C. S. knows fully the difficulty of getting unadulterated gingelly oil. He may therefore be expected to appreciate this effort of the society to produce good oil under its own management. Yet a warning would not be out of place. Pure oil is bound to be dearer than ordinary oil and also dearer than so-called pure oil produced by profit-seeking agencies. Unless members are loyal and to some degree patient, the new productive department may not get the chance to take root. One is reminded in this connection of the difficulty experienced some twenty years ago by the Mambalam Co-operative Society—which was producing pure gingelly oil—in getting the sympathy and support of the T. U. C. S. and its members. Let us hope that the present members of the Society know to appreciate a good article by paying the proper price for it and that the venture will be a success.

The Farm Credit Administration in America

By Mr. K.D. Kothari, Cert. A.I.B. (Lond.)

Twenty-five years ago there was no dependable source of long-term credit for agriculture in the United States of America. It is true that many of the insurance companies and mortgage companies were making loans upon favourable terms in the preferred sections of the nation, but a large portion of the nation was practically without adequate facilities. Undoubtedly this situation was aggravated by the passage of the Federal Reserve Act and the resultant increase of the short-time credit practices on the part of the banks. Farmers generally protested against high rates and short terms but they were told that it was necessary to charge 8, 10, 12 and even 15 per cent interest because of the need for closely watching the security and taking possession of it if the farmers were not following sound farm practices.

Efforts were made individually and through organised groups to get better rates of interest and better terms but without success. The condition of agriculture was becoming progressively deplorable at a time when industry and labour were enjoying phenomenal prosperity. The annual income other than agriculture increased from 49 billion dollars to 79 billion dollars while the farm income dropped from 17 billions to 12 billions and was soon to drop to half of the latter figure. The farmers' share of the national income dropped from 18.5 per cent to less than 9 per cent. Farm labour had doubled, taxes had trebled and the farmers' cost of production went up by leaps and bounds while his income went down.

This could have been but one inevitable result. Farmers could not pay their bills. Bank failures jumped from an average of less than 50 per year to over 500 per year, the total for the 10 year period amounting the unprecedented figure of 5290. Over 90 per cent of these failures were in rural America, clearly indicating the storm which was breeding.

The purchasing power of the American farmer had been gradually destroyed. It had been bolstered temporarily by loans to foreign nations and by a campaign of instalment buying but the farm price structure had been destroyed.

Approximately 45 per cent of the people were either engaged in agriculture or directly dependent thereon and it was impossible to destroy the purchasing power of 45 per cent of any people without bringing down disaster upon the whole people. That was exactly what happened. For years the grange and other farm organisations had been recommending legislation designed to correct the maladjustment of income, but their pleas were ignored and disaster followed.

The destruction of the purchasing power of agriculture being the fundamental cause behind the disaster, these investigators realised that no permanent recovery could be attained until agriculture could be established upon a sound basis and it is highly significant that the first executive order signed by President Roosevelt and the first major recovery measure were aimed to solve this fundamental problem. The first executive order created the Farm Credit Administration of which we shall speak shortly. The first major recovery measure was the Emergency Farm Mortgage Act. This act was divided into three divisions.

Title 1 created the agricultural adjustment administration, the prime purpose of which was to assist in raising agricultural commodity prices to a compensatory level. Title 2 provided for refunding debts and preventing the wholesale foreclosure upon farms which was pending. Title 3 provided for monetary stabilisation.

Under title 1, creating the agricultural adjustment administration, very broad powers were placed upon the Secretary of Agriculture to develop a system of crop control and benefit payments.

Under title 3 the president was given broad powers to secure monetary stabilisation because it was recognised that the whole monetary system needed a thorough going over.

Title 2 is the Farm Credit Section under which Farm Credit Administration was established. Before the advent of Farm Credit Administration there were in existence many different agencies or funds for extending credit to agriculture, but most of them were of an emergency nature. There were the federal land banks and intermediate credit banks under the supervision of Federal Farm Loan Board. There were R. F. C. loans and R. A. C. C. loans under the supervision of the Reconstruction Finance Corporation. There was credit extended on reclamation projects through the department of the interior. There were crop loans and seed loans under the supervision of the department of agriculture. There were loans for financing agricultural rediscount corporations, also under the supervision of the department of agriculture. Crop and live stock loans had been made through the War Finance Corporation and emergency cases had been handled through the Red Cross.

It should be observed that most of these funds and agencies were of an emergency character. They were a sort of patch-work made necessary to prevent complete breakdown in agricultural industry. Most of them represented a direct loan by the Federal Government and many of them smacked some what of charity. It must be said to the credit of the organisators of the Farm Credit Administration that they resisted the temptation of further experimenting with subsidy credit. There aim was to establish a permanent system of credit definitely designed to meet agriculture's needs. Their first decision was to build upon a co-operative basis. Their second decision was to assemble all the various kinds of funds and credit agencies which were scattered through half a dozen departments, which are overlapping in character and sometimes inadequate to meet the needs and put them under the control of one agency called the Farm Credit Administration. They determined to divide credit into two main groups consisting of a permanent system and emergency credit. The emergency credit was to be supplied by Government funds and was to be of a temporary character designed to meet the needs which had arisen as a result of the disaster of the depression, draught or similar causes. The permanent credit was to be built up strictly upon a business basis and was to be co-operative in character, enabling the farmers co-operatively to reach the money markets of the nation on favourable terms. The permanent credit structure was to be divided into four main groups dealing with (i) long-time land mortgage credit, (ii) short-time production credit, (iii) credit for farmers' co-operative buying and selling organisations and (iv) the discounting service already provided by the federal intermediate credit banks.

I. Long-time land mortgage credit is supplied to the agriculturists through the 12 federal land banks which were established in 1917 under the authority of the Federal Farm Loan Act. The loans are made to farmers by the federal land banks through the agency of National Farm Loan Associations which numbered to 5001 on December 31, 1934 situated within 12 land-bank districts. The loans are advanced to farmers for the object of purchasing land for farming uses, purchasing of equipment, fertilisers, and live-stock, constructing buildings and for the improvement of the farm land, repayment of prior debts and providing the farmer with funds for general uses. These loans are made on the security of the first mortgages on farm land and are limited by law to 50 per cent of the appraised normal value of the land mortgaged, plus 20 per cent of the appraised value of the permanent insured improvements. Great importance is being attached to the repaying capacity of the borrower and for that reason the income from the farm together with earnings received by the operator from other dependable sources must be sufficient to support the borrower's family, pay operating expenses and fixed charges and carry the instalments on his loan. The land bank loans are made repayable over a period ranging from twenty to thirty years on the amortised plans. These loans carry interest at 1 per cent above the rate borne by the bonds last issued by the Bank prior to making loan. The total loans closed since the establishment of federal land banks in 1917 to December 31, 1934 amounted to $ 2,607,241,518 to 759,509 farmers of which loans for $ 1,896,414,669 were outstanding from 606,344 farmers on December 31, 1934.

The federal land banks obtain the necessary funds by the issue of bonds through the Federal Farm Mortgage Corporation. This Corporation was created by an act of Congress entitled the "Federal Farm Mortgage Act" approved by the President on January 31, 1934. It has an authorised capital of $ 200,000,000 which in accordance with the provisions of the act was subscribed by the Governor of the Farm Credit Administration on behalf of the United States. The management of the Corporation is vested in a board of directors consisting of the Governor of the Farm Credit Administration who serves as Chairman, the Secretary of the Treasury and the Land Bank Commissioner. The Federal Farm Mortgage Corporation is authorised, subject to the approval of the Secretary of the Treasury to issue and have outstanding at any one time bonds in an aggregate amount not to exceed $2,000,000,000. Federal Farm Mortgage Corporation bonds are secured by the assets of the Corporation consisting principally of consolidated Federal Farm loan bonds and the notes and mortgages executed in connection with loans made by the Land bank Commissioner. In addition they are fully and unconditionally guaranteed both as to principal and interest by the United States Government. Federal Farm Mortgage Corporation bonds aggregating $ 1,133,685,800 were issued during 1934 at rates varying from 2 per cent to 3¼ per cent of which bonds of $ 979,613,300 were outstanding on December 31, 1934.

II. Short-time production credit is made available to farmers through the joint action of the local production credit association, the production credit corporation and the Federal intermediate credit bank all of which organisations are under the supervision of the Farm Credit Administration.

A production credit association is a co-operative organisation of farmer borrowers serving a local territory generally consisting of several counties. By endorsing farmers' notes and discounting them with the Federal intermediate credit bank in the district, the association obtains money to lend for general agricultural purposes such as the producing and harvesting of crops, raising and fattening of live-stock, and the production of poultry and live-stock products. A production credit association is assisted in its work and supervised by the production credit corporation of the district. The corporation also helps to organise associations and provides most of their capital. Production credit corporations are located in 12 Federal land bank districts and were constituted under the Farm Credit Act of 1933. The capital stock of the 12 production credit corporations amounting to $ 112,000,000 was subscribed by the Governor of Farm Credit Administration on behalf of the United States Government.

The initial paid-up capital for the association is provided by the production credit corporation located in the district. It will subscribe to class A stock in the association to an amount approximately equal to 20 per cent of the estimated amount of loans to be made. Class A stock is non-voting and is preferential as to assets in case of liquidation but not as to dividends. Additional capital is provided through the sale to borrowers of another kind of stock called class B stock. Each borrower is required to own class B stock of fair book value not exceeding $ 5 for every $ 100. The association's capital is not intended to be loaned to farmers but invested in approved bonds to be deposited with the Federal Intermediate Credit Bank as additional security for borrower's notes which the association discounts with the bank. To be acceptable to the association and the Federal Intermediate Credit Bank, primary security must consist of first liens on crops or live stock and other personal property. Loans are also made on negotiable warehouse receipts. The majority of loans are made for periods not exceeding 12 months. They are intended to be of a self-liquidating character and in each case will mature at the anticipated time for marketing the crops or live stock through the sale of which the loan is expected to be repaid. The loans carry interest at a rate not more than 3 per cent of the discount rate of federal intermediate credit bank of the district. The total loans outstanding on December 31, 1934 amounted to $60,851,506 from 597 production credit associations.

III. Credit for farmers' co-operative buying and selling organisations is provided through the central bank for co-operatives located at Washington and 12 district banks for co-operatives. These banks were established under the provision of the Farm Credit Act 1933.

The original capital stock of the 13 banks for co-operatives was subscribed by the Governor of the Farm Credit Administration from the revolving fund authorised by the Agricultural Marketing Act of 1929. From this source $ 65,000,000 of the central bank's capital stock has been paid in. The Governor has also paid in a total of $ 60,000,000 for the purchase of capital stock in the district banks $ 5,000,000 in each.

If additional funds are required, each bank may discount paper with or borrow from the Federal intermediate credit banks or other banks for co-operatives. In addition the central bank may sell debentures upto five times its paid-up capital and surplus.

Loans available to farmers' co-operative marketing, purchasing and farm business service associations are (i) operating loans, (ii) facility loans and (iii) commodity loans.

Operating loans are made to co-operatives for financing current operations or for promoting effective merchandising of agricultural commodities and food products. The security for these loans may be liens on real estate, equipment inventories, commodities, stock and such other items. These loans are made repayable at the end of the marketing season.

Facility loans are made for the purpose of buying, building or leasing physical property required by co-operatives for operation of their business. Security for facility loans is a mortgage on the property itself together with such other security as the bank may require. These loans are made repayable within the period of 10 to 20 years on amortised plans.

Commodity loans are made by the bank for co-operatives to co-operative associations for the purpose of enabling them to make advances to their grower members on commodities delivered to the associations and to pay the cost of marketing such commodities. Security for commodity loans generally consists of ware-house receipts, bills of lading or other shipping documents. These loans are made for periods from 3 to 9 months.

Advances made by the central banks for co-operatives from its organisations in 1934 totalled $ 47,845,999 of which 99 per cent

were effective merchandising loans and 1 per cent facility loans. During the corresponding period the district banks advanced $ 19,669,392 of which 70 per cent were effective merchandising loans and 30 per cent facility loans.

IV. Discounting services to co-operative organisations are provided by the 12 federal intermediate credit banks organised under the Agricultural Credits Act of 1923. These banks are located in the 12 land bank districts and their operations are under the general supervision of the Intermediate Credit Commissioner.

The federal intermediate credit banks extend two types of credit. They discount notes of farmers and stockmen for and with endorsement of production credit associations, regional agricultural credit corporations, state and national banks, privately capitalised agricultural credit corporations and live stock loan companies and similar organisations and make loans to such institutions secured by paper eligible for discount. They also make loans to co-operative associations of agricultural producers. The loans are made for periods coinciding with the normal marketing or liquidating seasons to permit notemakers to complete the season's operations for which credit was extended.

As of December 31, 1934, the federal intermediate credit banks had total loans and discounts outstanding of $ 189,316,609 of which $ 155,347,438 or 82.0 per cent represented credit advanced to financing institutions and $ 33,969,171 or 18.0 per cent was loans to co-operative associations. Of the $ 155,347,438 outstanding for financing institutions $ 61,024,482 or 39.3 per cent represented production credit association loans and discounts, $ 38,650,661 or 24.9 per cent represented discounts for regional agriculture credit corporations and $ 55,672,295 or 25.8 per cent credit extended to other financing institutions.

The original authorised capital of each federal intermediate credit bank was $ 5,000,000, a total of $ 60,000,000 for the 12 banks all of which was subscribed by the secretary of the Treasury at the time the banks were organised.

The federal intermediate credit banks obtain loan funds to supplement their capital and paid-in surplus chiefly through the issuance and sale of short term collateral trust debentures. The banks are authorised subject to the approval of the Governor of the Farm Credit Administration to issue and sell debentures having a maturity of not more than 5 years, but no bank may have outstanding debentures or similar obligations in an amount exceeding 10 times its paid-up capital and surplus. During 1934 the banks sold debentures aggregating \$ 286,650,000 and had outstanding on December 31, unmatured debentures to the extent of \$ 164,370,000. In addition to issuing debentures federal intermediate credit banks obtain funds through rediscounting eligible paper with federal reserve banks or other banking institutions and also sell paper in the open market with or without their endorsement.

Emergency credit is supplied through a special fund known as the "land bank commissioner's fund" created under the Emergency Farm Mortgage Act of 1933. The purpose of this fund is to help borrowers who could not be carried by their creditors to refund their debts through the Federal land banks. Federal land bank mortgages are based upon 50 per cent of the value of the land plus 20 per cent of the value of the security and must be first mortgages. The Emergency Farm Mortgage Act provided that Commissioner's funds might be loaned under second-mortgage security and might be loaned upto 75 per cent value of the farm property.

Special provisions were also inserted in the Emergency Farm Mortgage Act to meet the emergency. Borrowers through federal land banks had their interest rates cut to 4½ per cent. Congress also provided that any worthy borrower who was doing his honest best but who could not meet his taxes or instalments might be given an extension of time and funds were provided to meet these taxes and instalments. Congress also provided that if a borrower were not delinquent in taxes or instalments, he need pay nothing upon principal for a period of 5 years.

The necessary funds of \$ 200,000,000 later on increased to \$ 800,000,000 were provided by the United States Government. Out of these funds 306,354 loans were made for \$ 553,136,316 during the year ended December 31, 1934 and 347,299 loans for \$ 616,825,108 were outstanding as on that date.

Besides the financing of the agriculture, the work of the Co-operative Division of the Farm Credit Administration in Washington includes a section of research, service and educational activities. This phase of the work is being directed to the current practical problems confronting farmers' co-operative selling, buying and service organisations. In general the work consists of gathering and

disseminating information which is designed to assist co-operative associations of their operating problems.

The research studies usually include one or more of the various problems of co-operative associations such as management, operating methods, financing, merchandising practices, sale policies, transporation, membership relations and contracts and competitive factors. Studies are also made of specific areas or commodities in order to determine the possibilities of setting up farmers' associations. These services are available to both borrowing and non-borrowing associations.

The most interesting feature of the Farm Credit Administration is the complete co-ordination within one organisation of all agencies dealing with agricultural credit within the country. This object is achieved especially through the close unison of the management of all the agencies within the arbit of the Parm Credit Administration.

The Governor of the Farm Credit Administration is appointed by the President with the advice and consent of the Senate. Four Commissioners similarly appointed by the President supervise separate fields of activity of the organisation. The land bank commissioner is responsible for the supervision and regulation of the Federal land banks and national farm loan associations. The intermediate credit commissioner is responsible for the supervision and regulation of the Federal intermediate credit banks. The production credit commissioner supervises the production credit corporations. The co-operative bank commissioner is the chairman of the board of directors of the central bank for co-operatives and supervises the 12 district banks for co-operatives.

The organisation in each of the 12 federal land bank districts follows a similar pattern. In each district there are four major permanent credit institutions—a federal land bank, a federal intermediate credit bank, a production credit corporation and a bank for co-operatives—in addition to local national farm loan associations and production credit associations. The four principal credit institutions are located in the same city and have the same directors. Unified policy is assured through the single board of directors sitting as a co-ordinating body known as the "council of the farm credit administration of the district". Co-ordination of activities and avoidance of unnecessary duplication of personal and facilities are secured through an executive officer called the "General Agent" nominated by the Government of the Farm Credit Administration and appointed by the District Council acting with the presidents of the four institutions as an advisory committee.

Thus the Farm Credit Administration constitutes in the United States of America a complete and co-ordinated system based on co-operative principles and designed to meet at the minimum cost the entire range of needs of farmers for mortgage loan accomodation and for financing their production, marketing and purchasing operations.

Problems of Urban Banks

By Mr. M. P. Kunhiraman Nambiar.

The informal urban bank conference convened by the Registrar of Co-operative Societies, Madras, on the 23rd August has undoubtedly engaged the attention of the co-operators' non-official world. In response to the call of the Editor, *The Madras Journal of Co-operation* for discussion on important matters involved in the issue, I shall exercise the privilege, though late of writing the following few lines.

Size of Urban Societies.

With regard to the size of urban credit societies, the Townsend Committee on Co-operation in Madras did not countenance the idea of restricting the number of members in urban societies. The revised *Madras Co-operative Manual* also contains the official view which does not encourage bifurcation of the societies. But the bifurcation of a society is quite indispensable where a substantial number of members consists of employees of local bodies. Experience has proved that it would be dangerous if the politics of the local bodies are mixed with the affairs of the society. In most places union board and municipal menial employees who are illiterate are used as tools in the general body for the vested interests of one or few. The development of urban societies, consisting of such members of local bodies, in my opinion should never be encouraged. Separate societies should necessarily be opened for catering to the needs of the local body employees.

Administration.

With regard to training of staffs, I would suggest that they are sent to well managed urban banks for training. A few days' practical training for an employee of a society in any other good urban society will do more good than a course of theoretical training in a school. Even a well trained staff, we find are powerless before a board of directors who are quite ignorant in the proper working of a co-operative institution. More often in urban areas, one can find directors who are not even cognizant of the fundamental principles of co-operation. It may not be unusual that directors in some urban societies move with their staffs and sometimes with the staffs of similar societies with an air of assumed dignity. This sort of temperment is a great impediment on the way of smooth working of

societies. An institute therefore for imparting administrative training to the directors of urban societies should be opened and every director sent to this place for training for a period of at least a fortnight at the expense of the respective societies. This will help much in the better working of these societies.

Loans.

At present many well managed urban societies are having a lot of surplus money lying idle. The question of investment of the surplus has become a very hard problem to tackle. The suggestions made in the conference to issue loans on the pledge of jewels, produce &c., are to be very much appreciated. While making the rate of interest on jewels more favourable to members, facilities to obtain such loans easily as in joint stock banks should also be afforded to them.

We find that a member who has borrowed money from the society for business purpose is generally driven to the necessity of approaching another banker for remittance facilities. For transmittance of his money from one place to another, he has to seek the help of another banker on payment of an exhorbitant commission. If one member who is a rice merchant in Coonoor wanted to send money to a merchant at Nellore, why not he be given a draft by Coonoor urban bank on a nominal rate of commission drawn on the Nellore district bank ? I think most of the urban banks and all the central banks have current accounts with the Madras Provincial Co-operative Bank. While issuing a draft on Nellore district bank, the Coonoor urban bank can advice the Provincial Bank to debit their account and credit the account of the Nellore district bank with the sum specified in the draft. The operation of the above method involves very little trouble as it is only an adjustment with the Provincial Bank. I hope the Madras Provincial Co-operative Bank will move this matter to urban banks and central banks who have account with them. Urban banks can also collect drafts, bills, etc., drawn by firms and business houses on their members who are merchants. By these and other already mentioned methods, full justice could be done to the members and at the same time the surplus money well utilised.

Audit Fees.

It is an indubitable fact that the audit fee levied to the urban societies is too high. A good many discussions regarding the same have already appeared in the columns of this journal. The basis on which the audit fees are levied to urban societies and district banks should not be the same While an urban society, which has a working capital of two lakhs and a net profit of Rs. 1,500 is levied an audit fee of Rs. 500 a district bank which has 20 times its working capital and net profit is only levied an audit fee just three times that of the urban society. In the interest of the urban societies, it is quite essential that a different basis for them is adopted in leving audit fees.

Penal Interest.

It is really a blessing to the borrowing members that the provision for charging penalty is deleted from the by-laws of the credit societies. In these days of economic depression, it is very cruel to expect 12½ per cent penal interest on overdues from members. But however, we should see that abolition of penalty does not become detrimental to the interests of the society. Levy of penal interest may to a certain extent help the regular repayment of the loan. But the more important point in this is that if members pay penalty, they think that they are classified as defaulters and more pressure will be brought upon them when applying for loans subsequently. Most of the borrowers in urban areas fear for this. If this distinction is not made, they will care very little in paying a few additional pies in the shape of penal interest. There is a plea that in the absence of the levy of penal interest, coercive steps could be taken to collect the loan amount. In such cases the loan accounts of the defaulters have to be closed and referred for arbitration. That means the overdues in the society becomes more swelled and the number of decreed loans increased. To ward off such a catastrophe at such an early stage of the loan, it would be better if recourse is taken to collect overdues by persuasion and simultaneously levy of a penal interest at 1 $\frac{9}{16}$ per cent or thereabouts.

Fruit Plantations in Murree Hills.

THRIVING ORCHARDS PROSPECTED.

BY MR. SYED ZAHUR HUSAIN, B.SC.

Visitors to the Murree Hills, who have chanced to visit some of the village *abadies* may have seen fruit-trees such as pears, apricots, peaches etc., growing promiscously round about the terraced fields. They must have also noticed that the farmers have for centuries waged an uneven battle with the hill-sides to carve out these terraced fields from which they are at best able to eke out but a slender pittance. Maize and potatoes being the two staple products, the inhabitants are forced to barter these for their other requirements with the result that their food supplies often run short and they have often to import them from the plains. A subsidiary industry to bring in an additional income became a great need and the development of fruit plantations was natural suggestion. If fruit trees could grow here without tending or labour they should certainly be a source of income if they received their share of attention.

The question was for the first time taken up seriously by the Co-operative Department in 1926, but it took more than three years to assume a practical shape. Some three hundred and odd nursery plants of peaches, plums, apples, etc., were imported in 1930. A good deal of propaganda work had to be done in villages in order to awaken the interest of the rural population in this new industry. This provided a start for the indenting of more nursery plants, and by the spring of 1931 the demand rose to two thousand. As the people were unequal to the task of meeting the cost, the Co-operative Department asked for the support of the Civil authorities of the district, and about half the cost actually incurred was promptly paid from the Guzara Fund. On further representation this help from the public funds was established on a permanent basis. The hands of officials thus being strengthened they were able to impress on the people the solid gains to be derived from a proper system of fruit plantations. In 1933 nearly 2,600 plants were ordered from the Haripur, Taru-Jabba, and Queeta Fruit Farms. This time the local Co-operative Central Bank proved of immense help to the people by contributing 25 per cent of the cost. The people had only to pay 25 per cent of the total cost, the remaining 50 per cent having been paid out of the *Guzara Fund.*

The first plantations bore fruit last year, and though not plentiful in quantity it was first rate in quality. Some of the substantial zamindars of the Ilaqa have now started indenting for plants on their own, while the smaller ones are still depending on departmental supplies which roughly amounted to 2,600 plants last year. The fruit yields this year have been encouraging and the Department has under consideration a marketing scheme to secure the orchard owners the best value for their produce.

As years grow fruit supplies are bound to become more plentiful, and Murree Tahsil promises soon to become a thriving land of pears, apples, peaches, and plums, which will it is hoped lead to an impovement in the economic condition of the people and a higher standard of living.

The second grant from the Government of India for rural uplift now promises another good opportunity for fruit plantation, if the zamindars organise themselves into co-operative fruit plantation societies.

Conferences.

CHINGLEPUT DIST. SUPERVISORS' CONFERENCE.

(Continued from last Number)

RECTIFICATION.

12. Will it be possible to address the concerned authorities to permit the Bank Inspectors and Supervisors to peruse the records of the Sub Registrars' Offices in order to find out encumbrances, if any, on properties of borrowers against whom arbitration references are proposed or when renewal or extension of loans during the course of rectification work is attempted? (This will save a lot of delay—that would otherwise be caused—and considerable expense—that would otherwise have to be expended by the societies on this accounts).

Resolution. It is resolved that the Bank may be requested to address the Department in the matter.

13. What are the principles to be observed in the refixation of instalments in respect of outstanding loans during rectification?

Resolution. Refixation of instalments, where the extended term exceeds, if at all, five years, may be preferably under the equated system of repayment. The main consideration in the refixation of the instalments should be to ensure that the borrower does not fail to pay the instalments so fixed, regularly. For this purpose, the supervisors should, for guidance, prepare the family budget of each member—as in the case of borrowers in mortgage banks, and find out the net income from which a member could possibly pay to the society towards the instalments fixed afresh as well as the other temporary loans which he may raise to meet his seasonal requirements. Statements relating to such budgets prepared for each member should be made available for inspection by the Officers and it is only after determining the net annual income of a member, the application for refixation of instalments should be considered and recommended.

14. What are the steps to be taken for the early disposal of the landed properties held by the societies and how best could the management of the lands be arranged for in the meanwhile?

Resolution. It was suggested sometime back that the Central Bank should have an effective control over this by periodically reviewing the work of the supervisors. But it is preferable that the Unions, with the help of the Bank Inspectors, should undertake this work. It is one of the important duties of the

Supervisors to see that immovable properties are disposed of as early as possible and, if not, to see that they are leased out. They should not remain uncultivated and kist paid from out of the funds of the societies. Any neglect of duty on the part of the supervisors in this regard will be seriously viewed and they will be held personally liable for any loss to societies arising on account of their neglect. It is further emphasised that the Bank Inspectors should have a close watch over the work of the supervisors in this direction and see that prompt and adequate action is taken by them.

15. Is it not necessary that the Co-operative Societies' Act should be suitably amended to enable surcharge references being preferred against office-bearers of societies who allow loans to become barred by limitation or issue loans on prior encumbered properties or on insufficient securities and thereby bring about losses to the societies ?

Resolution. The problem will be solved as soon as the amendment to the Act which is now under contemplation of Government is passed.

16. What best arrangements are possible to bring to the notice of the societies in time the proposed sales of their mortgaged properties through Revenue execution for kist arrears ? (It was represented that a number of such sales take place without the knowledge of societies, resulting in the securities of the societies being lost).

Resolution. All proposed sales of lands for non-payment of Revenue arrears are proclaimed in the District Gazette. Copies of the Gazette are not available to the societies at present. It is resolved that the Central Bank may be requested to subscribe for the District Gazette and arrange for the communication of copies of sale notifications among the Unions.

17. Is any redistribution of societies and any refixing of headquarters of supervisors necessary ?

Resolution. Resolved that the headquarters of the Saidapet Supervisor may be shifted to St. Thomas Mount and that of Tirukkalikunram Supervisor may be shifted to Chingleput. As regards redistribution of societies the matter will be attended to by the Bank having regard to the convenience of the societies.

18. Is it not desirable that a model society should be run in each union area under the direct charge of the supervisor ?

Resolution. The Deputy Registrar in his opening address laid special stress on the importance of having such societies so that they may serve as an example for other bad societies in the area to follow.

The Bank Inspectors in consultation with the Supervisors must select one society for each Union area and furnish a list of such societies at an early date.

IV. SUPERVISORS.

19. Is the scale of pay now allowed to supervisors adequate ? Is it not desirable that the cut imposed should be restored, even if enhancement of the scale is not possible.

Resolution. The Vice-President of the Bank explained the condition of the Bank and the societies and pointed out how the transactions of the Central Bank which amounted to 48 lakhs in 1928-29 had come down to 18 lakhs and that it was most inopportune at this period to consider the restoration of the cut. It is requested that the supervisors' pay be borne in mind and considered next year, if as a result of the reorganisation scheme, the loan transactions improve.

20. Is the scale of fixed T.A. prescribed for supervisors adequate ? Is it fair that the proportionate fixed T.A. of the supervisors should be cut down with reference to the journeys they make outside the jurisdiction over and above the minimum number of tour days prescribed on the ground that they claim special T.A. for the days spent outside the jurisdiction ?

Resolution. It is resolved that the Bank may be requested to enhance the fixed T.A. of supervisors from Rs. 7 to Rs. 8 and that the Bank may sympathetically view the grievances represented by them as regards the cutting down of proportionate T. A. claimed for tours outside the jurisdiction provided the minimum number of tour days fixed within the area of jurisdiction is kept up.

21. Will it be in order to permit the supervisors to give their acquittances for pay and T. A. on unstamped receipts.

Resolution. The Bank was requested to address the Deputy Registrar in the matter.

22. How best could it be ensured that the supervisors stay in the villages sufficiently long to attend to all the items of work pending ? What are the steps to be taken to reduce the large pendency of references with the supervisors ?

Resolution. Out of 22 days prescribed as the minimum number for tour days, the supervisors should necessarily make night halts in villages for not less than 15 days and attend to the rectification of defects, etc., pointed out. They should, when submitting their diaries for the second fortnight of each month, attach a special certificate that they have stayed in the villages for not less than 15 days. The Bank is also requested to print personal registers in a suitable form and supply them to the supervisors so that they may register all important papers and keep a close watch over their disposal. The Bank Inspectors, will, during their visits, check the personal registers and bring all serious delays to the notice of the Bank for suitable action being taken against the delinquents.

(*concluded*).

Correspondence.

Appointment of a Deputy Collector as Secretary of the Central Land Mortgage Bank.

Sir,

The Government propose to appoint a Deputy Collector as Secretary to the Central Land Mortgage Bank at their own cost, to scrutinize loan applications, to execute decrees and collect arrears. Provision has been made in the revised Budget, and it has been considered by the Finance Committee. The proposal was made by the Registrar of Co-operative Societies to the Board of Directors of the C.L.M.B. and the Board was persuaded to accept it. But the General Body which met in October 1936, disapproved of the Board's action.

Very likely, there may be some underlying reason also for this move; and with a view not to wound anybody's feelings, the Government do not refer to it. It should be admitted that the entire success of the Bank so far is due to the late Sir M. Ramachandra Rao. Now that he is dead, and the Government have guaranteed debentures up to Rs. 125 lakhs they are nervous and they want to be more careful lest something untoward should happen. There is nothing wrong in this. But the proposal is very unsound.

Firstly, to thrust a Secretary on an unwilling Bank which is a self-governing institution is neither fair nor just. The interference is unjustifiable. The autonomy of the institution should be respected.

Secondly, Deputy Collector may not have the requisite special qualifications necessary to run a Mortgage Bank successfully. Administration and business are entirely different. Mortgage banking is a special kind of new business. It is not so easy as is now thought. There are many defects now, big and small, from the debenture form to the C.L.M.B. Act, because of this wrong notion. The Americans were not fools to spend thousands of dollars on enquiry before they started the Farm Loan Board.

Thirdly, a strong man who is not an expert in the line, will be a stumbling block to the progress of the Bank, which is very important now.

Fourthly, no definite settled and far-sighted policy is seen in the proposal. Are the Government going to keep the Deputy Collector ever and that without recovering the cost? In a stable Land Credit movement frequent changes of policies will do immense harm.

Fifthly, the by-laws of the Bank, as at present, will not permit a straight-forward officer to accept the job. They are explicit with regard to control, punishment, etc. The duties also are clearly stated. Some of the difficulties are given below.

By-law 27.

1. This refers to a *paid* secretary. If the by-law is to be strictly interpreted and enforced, the Government will have to credit his pay in the Bank first.

2. Being *paid* by the bank, he must be more loyal to the Bank than to the Government.

3. The president may suspend or dismiss him with the permission of the Board.

By-laws 43 & 44 give specific duties of a routine nature, but all the same responsible ones. Financial responsibility cannot be ignored.

Sixthly, the Deputy Collector's position is not the same as in a municipality. Every member has an inherent right to sue the Secretary or the Board for any alleged loss due to gross neglect or wilful harm. The General Body and not the Government is the ultimate authority. His actions cannot be backed up to any extent as they can be in a municipality.

Suggestions. (1) Every one must concede, that the duties for which a Deputy Collector is wanted at the head are ligitimately those of the out-door staff of two Deputy Registrars and 20 Sub-Deputy Registrars. As they are ignorant of the Revenue laws, a man with Revenue experience is wanted at the top. Hence the same course is to replace them by Revenue men, as was the case two years back. Now that the cost is recovered from the Bank it gets the right to demand proper men. If it is not done, some serious blunders may be committed out of ignorance.

(2) There is no meaning in giving training to Sub-Deputy Registrars who have not passed the Revenue test.

(3) Instead of appointing the Deputy Collector as Secretary he may be made an assistant to the Registrar as Trustee. It is futile to expect the Registrar, in the midst of his multifarious duties, to attend to the onerous duties of a Trustee Some duties are not as satisfactorily done now as they ought to be. He will control and supervise the issue and redemption of debentures more systematically.He will work in the Bank itself as the Examiner of Railway Accounts does in the Railway Audit Office. His duties will be;

1. to see that the prescribed cover for the bonds exists,
2. to sign a certificate in each debenture to that effect,
3. to be in joint custody of all documents etc. which are now sent to the Curator, and
4. to arrange for the proper issue and redemption of all debentures.

He will not be a servant of the Bank, but an Assistant to the Trustee. Section 6 of the C.L.M.B. Act and the Co-operative Societies

Act give enough powers to Government to appoint an Assistant Trustee and enable him to carry out the duties expected of him.

It is hoped that the authorities will give due consideration to the above proposal.

V. S. RAMASWAMI IYER,

Training of Sub-Inspectors of Co-operative Societies in the Punjab.

Sir,

The Co-operative Department in the Punjab has long realized the importance of training its staff and has evolved an efficient system for this purpose. It maintained a separate educational staff consisting of three Inspectors and three Assistants, but on the receipt of a special grant from the Government of India the strength of this staff has been doubled and an Education Assistant Registrar has also been appointed to supervise and to guide them in their work. One of the many activities of the educational staff is to conduct classes of sub-inspectors candidates. The number of classes held in a year depends on the number of candidates awaiting training. Each class is conducted by an Educational Inspector and his assistant. Lectures are delivered on rural economics, law, principles and practices of co-operation, and account keeping. The syllabus has recently been amended to include the criminal law relating embezzlements, breach of trust etc., and the legislation passed by the Provincial Government to relieve agricultural indebtedness. The object of these classes is to send into the villages rural teachers who are well grounded in the principles and practice of co-operation and are capable of applying them to the various problems that face people in rural areas as guides, philosophers and friends of the people. In order to develop expression and the teaching faculties in the students dramas and debates have been made an essential part of the training.

Every student has to take part in the debates which are held every week and drama as well. These activities are producing excellent results and are going a long way to teaching the candidates how to express themselves clearly and effectively and to bring their audience to their view point. Attendence at games is as necessary as at the class. They keep the students in sound health and develop in them a team spirit. In order to break the monotony of the class excursions, picnics and visits to societies for demonstrations in teaching members are arranged as circumstances permit. Each class lasts for three months.

SYED ZAHUR HUSSAIN.

Statement Showing Commercial Information Required by Co-operative Societies.

(Continued from last Number).

District and commodities required. (1)	Commodities available for sale to others. (2)	Season at which the commodities in column (2) are available. (3)	Maximum and minimum prices of the commodities in column (2) and the conditions of sale. (4)
12. *Madura*—			
Rameswaram Stores. M. D. A. City Co-operative Stores. } Food stuffs.			
Usilampatti Stores. Dindigul Loan and Sale Society.	Paddy, beans, red gram, blackgram, greengram, horsegram, gingelly seeds, castor-seeds, chillies, tamarind and coriander.	...	Chillies at Rs. 7 to Rs. 5 per maund. Tamarind at As. 9 to As. 8 per maund. Coriander at 14 to 10 measures per rupee.
Periyakulam Stores— Nellore raw rice, dhall, sugar, cocoanut-oil, caster-oil, asafœtida, spices and honey.	Tamarind, Kunderi coffee, gingelly-oil, chillies, coriander, jaggery, blackgram whole, garlic.	...	Tamarind at Rs. 1-6-0 to Rs. 1-3-0 per maund, blackgram whole at Rs. 7 for 48 measures, Kunderi coffee Rs. 10 to Rs. 9 per maund, gingelly-oil at Rs. 6 to Rs. 5-6-0 per 10 measures without can, chilies at 14 annas per viss, coriander at 9 measures per rupee and jaggery at Rs. 2 per maund.

District and commodities required. (1)	Commodities available for sale to others. (2)	Season at which the commodities in column (2) are available. (3)	Maximum and minimum prices o the commodities in column (2) andthe conditions of sale. (4)
13. *South Kanara*—			
Udipi Agricultural and Industrial Society.	Jaggery ...	September to January.	Rs. 2 to Rs. 1-8-0 per maund of 29 lb. in tins, packing charges extra.
	Sugar ...	October to March.	Rs. 4 to Rs. 3-8-0 per maund of 28 lb. in bags.
	Coir yarn ...	Throughout the year.	Rs. 3 to Rs. 2-8-0 per maund of 28 lb.
	Cocoanut-oil ...	December to June	Tins of 35 lb. at Rs. 4-8-0 to Rs. 3-12 0 during the season. Tin free.
	Punnack ...	Do.	Re. 1 to twelve annas per maund in bags.
	Rice ...	January to June ...	Different varieties Rs. 10 to Rs. 7 per bag.
Nileshwar Weavers—Cotton yarn.	Handspun yarn, bath towels manufactured in handlooms and cotton-seed.	...	Quotation on orders.
Kasaragad Co-operative Stores—Food-stuff.	Jaggery, cashew seed, cocoanut (at all times) and tobacco on order.	...	Do.
14. *Tinnevelly*—			
Koilpatti Loan and Sale Society—Karunganni cotton-seed for sowing.			
Tuticorin Co-operative Loan and Sales Society.	Cotton-seeds ...	April to August ...	Rs. 6-4-0 per pothi.
	Coriander seeds ...	February to June.	Rs. 7-8-0 per kottah.

Ottapidaram Stores—Chillies, cotton-seed, gingelly-oil, coconut-oil, kerosene-oil, tamarind, blackgrams, whitegram, coffee-seeds and cocoanuts.			...
Vanarmutti Stores ...	Ghee, Gingelly-oil ...	Throughout the year.	Rs. 1-12-0 to Rs. 1-4-0 per pucca measure.
Tiruchendur Stores—Sandalwood, sugar, ground-nut-oil and provision stuffs.			Annas 12 to annas 9 per Madras measure.
Palamcottah Stores—Provision stuff ...	Gingelly-oil and cocoanut-oil.		
15. *Bellary*—			
Kudathuni cumblie weavers—Wool ...	Cumblies for flooring and bedding.	at all seasons ...	From Rs. 6 to Re. 1 depending upon the size and quality.
16. *Nellore*—			
Kavali A.B.M. Stores—Provision stuff.			
Sydapuram Soap Stones Quarry Works Co-operative Stores.	Soapstone vessels in four varieties for cooking purposes.	...	Vessels weighing 8 to 10 seers, Re. 1. Purchasers must make their own arrangements to have the vessels bundled and conveyed safe from the Society.
Kavali Co-operative Cotton Stores—Toilet requisites...	Cotton corded and ready made for spinning yarn and khaddar clothing.	March to September. Throughout the year.	Quotations on orders.

District and commodities required. (1)	Commodities available for sale to others. (2)	Season at which the commodities in column (2) are available. (3)	Maximum and minimum prices of the commodities in column (2) and the conditions of sale. (4)
Trichinopoly—			
Lalgudi Sivagnanam Agricultural Society—Manure, castor cake, neem cake, kolinji seeds and indigo seeds.	Fodder (cotton-seeds), paddy seeds, paddy, jaggery and sugarcane setts for seed purposes.	March to September; throughout the year.	Quotations on orders.
Karur Co-operative Loan and Sale Society—Cotton-seeds, Nellore rice, cholam, black-gram, tamarind, coffee-seeds and hides.	Chillies, tobacco, ground-nut seeds, turmeric, jaggery, ghee and Sengal dhal.	Supplied on indent.	Quotation on orders.
17. *Madras*—			
Triplicane Urban Co-operative Society—			
All articles of foodstuff ...	...	...	Goods should be supplied at the consignor's cost and risk at the society's godown.
18. *Coimbatore*—			
Tiruppur Co-operative Trading Society.	Best Cambodia cotton and Co-2 cotton-seeds coriander, ragi and chillies.	March to August every year.	Quotation on orders.
Erode Co-operative Loan and Sale Society—			
Good cotton, groundnut and paddy seeds.	Turmeric, chillies, tobacco groundnut, cane sugar jaggery horsegram and greengram.	...	Do.

Coimbatore Co-operative Stores and Bank—Nellore rice, gingelly seeds dhal, Salem chillies, Java sugar, boiled rice without smell and salt.	Gingelly-oil ... Jaggery(black, cane sugar). Gingelly oil cake ...	At all times. January to March. At all times.	Quotation on orders.
Aravankadu Cordite factory—Articles of food stuff.			
Madras Government House Co-operative Stores, Guindy and Ootacamund*—			
Articles of food-stuff.			
Devanga Weaver Purchase and Sale Society—			
Yarn † silk, Diamond yarn gold thread.	Garbasuthi and fast coloured cotton sarees with different patterns of borders.	...	Do.

* Supply should be made at Madras from October to April and at Ootacamund from April to October.

† Before the marriage season.

(*concluded.*)

Co-operation in Legislative Council.

27th August 1936.

Proposals for the extension of the sphere of operation of the Agriculturists Loans (Amendment) Act.

*15 Q.—Mr. K. A. Nachiyappa Gounder: Will the Hon. the Member for Revenue be pleased to state:—

(*a*) what the centres are where the operations of the newly amended Agriculturists Loans Act for payment of loans for the discharge of prior debts have been or are proposed to be brought into being during the current year, *i.e.*, 1936-37 ;

(*b*) on what principles these centres have been selected ;

(*c*) what the number is of villages in each of these centres, and the amount of indebtedness in each ;

(*d*) what the amount is of expenditure on establishment and contingent charges estimated for each of these centres, and what the amount is of loans expected to be distributed in each area during the year ;

(*e*) whether representations have been received either from the public or from the authorities expressing difficulties in adopting the present rules in practice in the issue of such loans ;

(*f*) if so, what they are and what steps have been or are proposed to be taken to remedy the defects or overcome the difficulties ; and

(*g*) how many new centres are proposed to be opened for the year 1937-38 and in which of the places ?

A.—(*a*) The scheme for the grant of loans for the relief of indebtedness under the Agriculturists Loans Act, 1884, as recently amended, has been extended to the following eight districts, during the current year, in addition to the districts of East Godavari and Chingleput where it was in force in the latter part of 1935-36 :—

Kistna.	Salem.
Kurnool.	Trichinopoly.
Anantapur.	Malabar.
South Arcot.	South Kanara.

(*b*) The districts were selected by the Board of Revenue.

(*c*) The Government have no information.

(*d*) As regards the expenditure on establishment and contingent charges, the attention of the Hon. Member is invited to

the answer to clause (*b*) of Legislative Council question No. 14. A sum of Rs. 20 lakhs has been provided in the Budget Estimate for the current year, for the grant of these loans. During the current year, a sum of Rs. 57,810 has been disbursed in the Chingleput District and a sum of Rs. 46,930 in the East Godavari district. In the other districts to which the scheme has recently been extended, the Special Loans Officers have just begun their work. It is not possible to say how much will be disbursed in each of the districts during the course of this year ;

(*e*) and (*f*) No representations have been received from the public. The Board of Revenue has suggested certain amendments to the rules from time to time. The amendments approved by the Government have been published in the *Fort St. George Gazette*.

(*g*) The question has not yet been taken up for consideration.

Mr. P. V. Krishnayya Choudari :—" Whereas the Agriculturists Loans Act provided only for 5 per cent interest and the land mortgage banks are charging 8 per cent will not the Government extend the Agriculturists Loans Act to the other areas also ?"

The Hon. Sir Charles Souter :—"I think the Hon. Member is under a misapprehension. We have not denied this benefit to any area or district. All that we have done so far is to extend the Act to the other districts. I am informed that the land mortgage banks are not charging 8 per cent and that their rate of interest is 5½ to 6 per cent. If these banks work well, they will be extended to the other districts of the Presidency as well."

Mr. K. Koti Reddi :—" May I ask why the other districts should wait for the results of this experiment ?"

The Hon. Sir Charles Souter :—" One reason is the question of money and the other reason is that it is advisable in cases like this to proceed cautiously."

Mr. K. A. Nachiyappa Gounder :—" May I ask the Hon. Member, Sir, whether much hardship is not caused by the adoption of the present rules ?"

The Hon. Sr. Charles Souter :—" So far as the debtors are concerned I do not think there is any hardship at all. Some of the creditors may consider it a hardship to them, but our concern is with the debtors and we have found that there is very little difficulty in getting our Deputy Collectors to gradually scale down the debts up to something like 25 per cent."

Representations for the extension of the operations of the special Agricultural Loans Act to North Arcot district.

16 Q.—Mr. M. B. Rangaswami Reddi: Will the Hon. the Member for Revenue be pleased to state:—

(a) the result of experiments in issuing special agricultural loans for debt redemption in the two selected districts;

(b) whether the system of granting special loans has been extended to any other district;

(c) whether the claims of North Arcot district have been considered for extending the activities of the special loans agency; and

(d) whether representations have been made by M.L.C.s. of the district in this regard?

A.—(a) The attention of the Hon. Member is invited to the speech of the Hon. the Revenue Member during the general discussion of the budget for 1936-37, at pages 352-353 of the proceedings of the Legislative Council, dated the 2nd March 1936.

(b) The attention of the Hon. Member is invited to the answer to clause (a) of Legislative Council question No. 15.

(c) The districts were selected by the Board of Revenue. The Government do not know whether the claims of North Arcot district were considered by the Board.

(d) Yes.

Mr. M. A. Manikkavelu Nayakar:—"May I know whether the claims of North Arcot were considered for extending the activities of this special loans agency?"

The Hon. Sir Charles Souter:—"The claims of not only North Arcot but of all the districts were considered."

Mr. V. M. Ramaswami Mudaliar:—"May I ask when the Government contemplate to extend the benefit of this Act to the other districts?"

The Hon. Sir Charles Souter:—"I am afraid that would not rest with me. It will have to be done by the future Government. So far as this Government is concerned, we have extended it to eight districts."

Diwan Bahadur M. Gopalaswami Mudaliar:—"May I know whether the Government are aware of the principle underlying the selection of the districts for this purpose?

The Hon. Sir Charles Souter:—"It was done on the Board's recommendation and the principle which governed the selection was to give facilities to the districts which had none."

Khan Bahadur Mahamud Schamnad Sahib Bahadur:—"May I know the maximum amount that will be lent to each individual?"

The Hon. Sir Charles Souter:—"The general principle is that loans under this particular Act should be limited to debtors who owe not more than Rs. 2,000."

Proposals for opening cattle-breeding stations.

*36 Q.—Mr. P. V. Krishnayya Choudari: Will the Hon. the Minister for Public Works be pleased to state:—

(a) whether any new cattle-breeding stations have been opened in view of the Viceroy's appeal and, if not, why not; and

(b) whether any communication on the above subject from any Member of the Legislative Council has been received and, if so, what action have the Government taken in the matter?

A.—(a) No; the Viceroy's appeal was issued only on the 16th June 1936. The opening of new cattle-breeding stations involves protracted and detailed investigations. The Government have now under consideration a proposal to place an officer on special duty for this purpose.

(b) A communication was received from the Hon. Member himself suggesting the opening of a buffalo-breeding station and a cattle-farm for Ongole in the Guntur district and he was informed of the present stage of the matter.

Mr. P. V. Krishnayya Choudari:—"May I request the Hon. Minister to see that these farms are opened at an early date in the interests of Ongole?"

The Hon. Mr. P. T. Rajan:—"Certainly Government are trying to expedite matters."

Proposals for payment of grant for the maintenance of stud-bulls in Guntur district.

*37 Q.—Mr. P. V. Krishnayya Choudari: Will the Hon. the Minister for Public Works be pleased to state whether the Government propose to make any grant towards the maintenance of stud bulls of proper Ongole breed in Guntur district?

A.—There is already in force a scheme for grant of premia to breeders of stud bulls. The scheme applies to Guntur district also.

Mr. P. V. Krishnayya Choudari:—"I understand that the Government are going to make certain concessions to the Coimbatore District Board for the purchase of a stud bull. May I know whether similar concessions will be granted to other districts also?"

The Hon. Mr. P. T. Rajan:—"If my Hon. Friend could get the correct information regarding the activities of the Coimbatore

District Board in this matter and then address the Government, regarding the improvement of Ongole breed by his District Board, I will consider his suggestion."

Mr. A. B. Shetty :—"May I know whether the Government propose to make increased provision for premia ?"

The Hon. Mr. P. T. Rajan : —"The matter is under consideration."

Proposal for the establishment of cattle-breeding stations in Malabar and South Kanara.

* 38 Q.—Mr. A. B. Shetty : Will the Hon. the Minister for Public Works be pleased to state—

(a) whether the Government are aware of the very poor of cattle on the West Coast ; and

(b) whether they have under consideration any proposal to open breeding stations in Malabar and South Kanara ?

A.—(a) Yes.

(b) No. On account of the absence of suitable grazing facilities in the area throughout the year, it is considered that the opening of a cattle-breeding station on the West Coast should wait till the possibility of raising suitable grasses in the area has been examined.

Mr. A. B. Shetty :—" May I ask the Hon. Minister whether the Government have examined the possibility of raising suitable grasses with a view to open a cattle-breeding station in South Kanara ?"

The Hon. Mr. P. T. Rajan :—"The question of raising suitable grasses in the district is being considered by the Deputy Director concerned."

Proposals for opening additional cattle-farms.

* 39 Q.—Mr. U. C. Subrahmanya Bhatt : Will the Hon. the Minister for Public Works be pleased to state—

(a) whether it is a fact that the Government are considering the opening of a few cattle-farms in this Presidency for the improvement of livestock; if so, how many farms are proposed to be opened ;

(b) whether the Government are aware that the livestock in South Kanara is very poor in health, condition and breed : and

(c) whether South Kanara is one of the districts where such a cattle-farm is proposed to be opened ?

A.—(a) The question of deputing an officer to work out details for the opening of more cattle-farms is under the consideration of Government. It has not yet been decided as to how many farms should be opened.

(b) & (c) The attention of the Hon. Member is invited to the answer given to question No. 38.

Elections to the Board of Management of the P.C.U.

	Names of Members elected.	Names of Institutions represented.
	Elected by the General Body of the P.C.U.—	
1.	The Hon'ble Mr. V. Ramadas Pantulu, *President.*	
2.	Mr. T. A. Ramalingam Chettiyar.	*Vice-Presidents.*
3.	„ V. Ramamurthy Pantulu.	*Vice-Presidents.*
4.	„ V. Venkatasubbaiya.	*Secretaries.*
5.	„ N. Satyanarayana.	*Secretaries.*
6.	Rao Bahadur A. Rajabadar Mudaliar.	*Secretaries.*
7.	K. L. Narasimha Rao.	*Treasurer.*
	Provincial Societies—	
8.	Mr. K. Bhashyam Iyengar.	The Madras Provincial Co-operative Bank, Ltd.
9.	„ A. V. Ratnavelu Pillai.	The Madras Central Co-operative Land Mortgage Bank, Ltd.
10.	„ V. Venkatachalam ...	The South India Co-operative Insurance Society, Ltd.
	Language Federation—	
11.	Rai Bahadur V. Murugesa Mudaliar.	The Tamil Nadu Co-operative Federation.
	Central Banks—	
12.	Mr. Thangaswamy Thalaiver.	Tinnevelly District Co-operative Central Bank, Ltd.
13.	„ D. Mahalingam Pillai.	Tanjore Co-operative Central Bank, Ltd.
14.	„ R. A. Sivananda Mudaliar.	South Arcot District Co-operative Central Bank.
15.	„ V. Venkatachalapathy.	Kurnool District Co-operative Central Bank.
16.	„ P. Venkatasubba Reddy.	Nellore District Co-operative Banking Union.
17.	„ Nalluru Papayya Chowdhri.	Viziawada Co-operative Central Bank.
18.	„ M. P. Govinda Menon.	Malabar District Co-operative Central Bank.
19.	„ Ullal Mangesh Rao.	South Kanara District Central Co-operative Bank.
	Urban Banks—	
20.	Mr. S. Narasimhulu Pantulu.	Kurnool Urban Co-operative Credit Bank.
21.	„ S. D. Thirupathi Naidu.	Dharapuram Co-operative Urban Bank.
22.	„ S. Nagaswami Iyer.	Sivaganga Co-operative Urban Bank.

	Names of Members elected.	Names of Institutions represented.
Non-Credit Societies—		
23	Mr. G. Sriram Babu Naidu.	Madras City Co-operative Building Society.
24.	„ K. Rama Rao ...	Bellary Loan & Sale Society.
25.	Rao Sahib M. J. Venkatakrishna Pillai.	Madras Milk Supply Co-operative Union.
Primary Land Mortgage Banks—		
26.	Mr. V. Brahmayya Sastri.	Narasapur Co-operative Land Mortgage Bank.
27.	Rao Bahadur C. Sambasiva Chettiyar.	Conjeevaram Co-operative Land Mortgage Bank, Ltd.
District Federation and Local Unions (Including Audit Unions)—		
28.	Mr. L. Gangadhara Sastri.	Hindupur Co-operative Union.
29.	Rao Sahib K. N. Singaravelu Mudaliar.	Kalavai Co-operative Union.
30.	Mr. M. G. Parthasarathy Mudaliar.	Virdachalam Co-operative Union.
31.	„ A. Narayana Bhatt ...	Harpanahalli Co-operative Union.
32.	„ K. Venugopala Mudaliar.	Padalam Co-operative Union.
33.	„ G. Peddappa Reddy.	Madanapalle Co-operative Union.
34.	„ N. K. Palani Gounder.	Gobichettipalayam Co-operative Union.
35.	„ B. V. Rama Murthi Pantulu.	Gopalpur Co-operative Union.
36.	„ Godavari Satyanarayana.	Kotipalli Co-operative Union.
37.	„ Nekkalapu Veeriah ...	Dharmarajigudem Co-op. Union.
38.	„ Kari Lakshmana Rao.	Repally Co-operative Union.
39.	„ K. L. Bhandari ...	Coondapur Co-operative Union.
40.	„ Peddala Venkatasubbaiya.	Bezwada Co-operative Union.
41.	„ K. Ramanatha Iyer ...	Nandikotkur Co-operative Union.
42.	„ M. Veerasikkiah ...	Uttamapalayam Co-operative Union.
43.	„ K. Sundararami Reddy.	Indukurpet Co-operative Union.
44.	„ K. Belli Gowder ...	Kotagiri Co-operative Union.
45.	„ G. Alagirisawami Naidu.	Sundarapandiyam Co-operative Union.
46.	„ K. Kuppana Gounder.	Rasipuram Co-operative Union.
47.	„ S. Venkatarama Iyer.	Pattukottai Co-operative Union.
48.	„ M. N. Chinnaswami Reddiar.	Perumbalur Co-operative Union.
49.	„ P. Sriramulu Naidu.	Anakapallee Co-operative Union.
50.	Rao Bahadur T. M. Narayanaswami Pillai.	*Honorary Members Co-opted to the Board.*
51.	Mr. K. V. Raghavachariar.	
52.	Dr. P. Guramurthi.	

News and Notes.

We grieve to record the death of Mr. R. Srinivasa Aiyangar, a prominent Vakil of Tirukoilur and Secretary for a very long time of the local Co-operative Urban Bank. Some years ago he was a frequent contributor to the pages of this *Journal* and a familiar figure at the sessions of the Provincial Co-operative Conference. His death is a great loss to the movement in South Arcot District.

• • •

The portrait of Diwan Bahadur K. Deivasikhamani Mudaliar, retired Joint Registrar of Co-operative Societies, was unveiled in the premises of the South Arcot Central Co-operative Bank, Cuddalore, on the 23rd December last by the Hon. Mr. P. T. Rajan.

• • •

The Government of Madras have decided to increase the non-official element of the District Economic Councils from two to a maximum of four. Nominations will be made on the recommendation of the District Collector. The term of the non-officials has been fixed at two years from the date of their appointment.

• • •

The President and Secretary of the Sialia Co-operative Society in Ganjam District were sentenced by the District and Sessions Judge, Ganjam, on the 30th November last to two years' rigorous imprisonment each, on a charge of having misappropriated a sum of Rs. 229-12-0 and forging records for the purpose.

• • •

The membership of the Madanapalle Co-operative Town Bank increased from 470 to 493 during the year 1935-36 and there was a slight fall in the borrowings of the Bank. There is an increase in the overdues both under principal and interest. But the Bank earned a net profit of Rs. 5,897-0-0.

• • •

With the financial help of the Madras Provincial Co-operative Bank, the Madras Provincial Co-operative Union and the Rajahmundry Central Bank, the Andhra Sahakara Sammelanam has been able to revive from this month—January 1937—its Telugu monthly journal, *Sahakaramu.* Mr. N. Satyanarayana of Alamuru continues to be its editor and it is published from Rajahmundry as before. We trust that hereafter the Sammelanam will have an uninterrupted course of usefulness.

• • •

His Excellency Lord Erskine, while opening the second meeting of the Animal Husbandry Wing of the Central Board of Agriculture and Animal Husbandary at the Madras Veterinary College on the 14th December last, observed that the per capita consumption of milk in this presidency hardly amounted to 3 oz. per day, whereas in Great Britain and in the United States of America it was respectively 11 oz. and 17·5 oz.

During the year 1935-36, the membership of the Satyamangalam Co-operative Urban Bank increased from 267 to 288 and the deposits from Rs. 62,371-5 0 to Rs. 78,646-1-0. It earned a net profit of Rs. 2,726-14-0 compared with Rs. 2,781-5-0 in the previous year. This was the first Bank in the Coimbatore district to reduce its rate of interest to the members. The overdues were not heavy.

* * *

Speaking on 'Socialism and Co-operation' on the annual day of the Madhavapuram Branch of the T. U. C. S. on the 13th December last, Mr. Sami Venkatachalam Chetti, M.L.A., observed that an examination of the ideals of co-operation would show that co-operators were more practical socialists than the eloquent orators of socialism. He also deprecated the growing tendency of officials to interfere in the management of societies. Prof. S. K. Yegnanarayana Iyer, chairman, observed that the principles underlying co-operation and socialism were identical but that unfortunately socialism was misunderstood by many on account of its being taken as an equivalent to communism.

* * *

The Hon. Mr. P. T. Rajan, Development Minister, opened on the 10th December last the Chingleput District Rural Exhibition at Velacheri, close to Guindy, where a scheme of intensive rural uplift is being worked by the Agricultural and Co-operative Departments. The stalls of the exhibition consisted of a veterinary booth with charts and specimens, an Agriculture booth with improved models of ploughs and equipment for rearing poultry and a booth of the Industries department where a paddy-husk oven for domestic use was exhibited. A cattle show was also held at which cows, bullocks, buffaloes and calves were exhibited. Prizes were given for the best exhibits.

* * *

An exhibition was organised under the auspices of the All-India Village Industries Association at Faizpur at the time of the recent session of the Indian National Congress. Mahatma Gandhi, who opened the exhibition, observed that the purpose of organising it was to revive the dead and dying industries and that it contained exhibits which were produced not by graduates or degree-holders but by stronger hands which may not be able to sign but could surely produce goods. The exhibits included iron implements, skins, cloths and varieties of paper made from grass, bamboo and cocoanut.

* * *

An informal meeting of the employees of the co-operative banks in the Madras Presidency was held on the 15th December last at the Central Co-operative Institute, Madras. A Provincial Co-operative Non-official Employees' Association was formed for promoting and safeguarding the interests of the non-official co-operative employees in the presidency. A provisional committee was elected to draft rules and concert necessary measures for the working of the Association.

A conference of the Supervisors of the Unions working in the area of the Kumbakonam Co-operative Central Bank was held on the 7th December last at Kumbakonam under the chairmanship of Mr. C. S. Srinivasa Mudaliar, President of the Bank. The local Deputy Registrar, Mr. A. Palaniappa Mudaliar, opened the conference. It discussed various problems confronting the movement such as overdues, rectification, consolidation and development of non-credit activities.

* * *

The British Administered Areas Central Co-operative Union, Secunderabad, had at the end of the last co-operative year 26 society members and 38 individual members of whom 11 were life members. The chief functions of the Union are the organization of new societies and the audit of the member societies under the supervision of the Registrar. It organized only one society during the year and it changed the constitution of the Prudential Co-operative Credit Society, Secunderabad, making it a Central Bank. The accounts of all the 26 member societies were audited. The income of the Union is derived mainly from contributions from societies, subscriptions from individuals and grant from Government.

* * *

The Rajahmundry Co-operative Central Bank during the last co-operative year amended its by-laws suitably to help the agriculturists who sought loans from the Special Loans Officer of the Government. Special facilities were also created for ryots in the Rajahmundry taluk to seek loans at a considerably low rate of interest on the pledge of their produce by organizing a crop loan and sale society. There was a slight increase in the deposits with the Bank, which was mainly due to increased transactions in current deposits. It issued loans to members amounting to Rs. 64,927 and Rs. 81,125 were recovered. The percentage of balance to demand under principal and interest was 35.5 and 1.9 as against 47.4 and 1.3 in the previous year. The rectification work was done in 37 societies during the year. The working of the Bank during the year resulted in a net profit of Rs. 5,559-7-0.

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Dealing with the working of the loan and sale societies in the Coimbatore district, one of the press communiques of the Government of Madras states:

"An important society of great benefit to the ryots is the Tiruppur Co-operative Trading Society, the primary object of which is to provide a favourable market for agricultural produce, chiefly cotton. This society advanced during the calender year 1935, Rs. 4,48,501 to the members on the security of their produce and recovered the advance from the sale proceeds of the produce. The society sold its members' produce to the extent of Rs. 3,66,308 and held stock valued at Rs. 1,47,230 pledged to it by the ryots on 31st December 1935. Two Junior Inspectors are in charge of this society to help in developing the business. The Tiruppur Co-operative Trading Society used to run a branch at Udumalpet, which is now registered and started as a separate society.

The Erode Loan and Sale Society advanced a sum of Rs. 61,457 to the members on the pledge of their produce mostly chillies and turmeric. The opening of a branch of this society at Kavandapadi is under consideration. A similar society at Pollachi to help the groundnut growers recently revived is expected to do tangible work.

The Government have provided in the budget for 1936-37 loans to the sum of Rs. 20,000 for the Tiruppur Co-operative Trading Society and Rs. 10,000 for the Udamalpet Trading Society for the construction of their own godowns."

* * *

The annual report of the Tinnevelly District Co-operative Central Bank for 1935-36 shows a slight decrease in its share capital due to the liquidation of some societies affiliated to it. The loan transactions with the societies increased by nearly 43 per cent over those of previous year. The percentage of balance to demand under principal and interest was 31.98 and 2.73 respectively as against 42.1 and 7.2 in the previous year. The period of suspension of the Unions in the area of the operations of the Bank was extended for one more year and the entire supervision was vested in a Committee consisting of the President, Vice-President and 5 others. To stimulate the work of supervision in the matter of collection of long standing arrears "a scheme of preference" was introduced. Three suspension who evinced great interest in this direction were given advance increments. Group confereuces were also held at different union areas to concert measures for the betterment of the condition of primary societies. The Bank evinced keen interest in the working of non-credit societies financed by it. The work of rectification and consolidation was carried on throughout the year. During the year under review it purchased the building which it had been occupying since 1920. Excluding Rs. 12,000 set apart towards Bad Debt Reserve, it earned a net divisible profit of Rs. 14,782-15-0 during the year.

* * *

One of the press communiques of the Government of Madras describing the activities of the Co-operative Department in the Salem district gives the following account of the loan and sale societies in the area.

"The Co-operative Department has of recent years been interesting itself in the marketing of the agricultural produce of ryots by setting up loan and sale societies in suitable areas. There are two such societies in Salem, one at Tiruchengodu and the other at Rasipuram. The latter

has been very successful of late. It collects the cotton and groundnut produce of cultivators in its warehouses at Rasipuram and Sendamangalam and conducts weekly auctions. Big merchants attend these auctions. Each ryot's produce is put up separately at the auction. The merchants bid, and the lot is knocked down to the highest bidder.

The auction system procures the ryot a competitive price. As the produce is weighed not by the buyer, but by the warehouse officer of the society in the society's standard balance, the ryot is also saved from false weights and weighments. When any ryot is not satisfied with the prices ruling at the auction, he leaves his produce in the society's warehouse until such time as prices rise in the market. If he is in need of funds to help him to wait, the society advances him a loan not exceeding 60 per cent of the current value of the produce left in the warehouse at the rate of 7 per cent per annum. Though the ryot has to pay a small commission on sales to the society and meet the godown and insurance charges, it has been estimated that the average gain to the ryot on account of the sale society is at least Rs. 3 per pothy of cotton. The society also provides additional facilities in the shape of salt, kerosene, fodder seeds, bran, etc., which it stocks and sells to cultivators at current rates. The profits derived by the society last year on account of all this business enabled it to declare a divedend of 6¼ per cent and distribute a small bonus on the value of goods sold through it. The Local Government have encouraged the society by sanctioning a loan of Rs. 10,000 to construct its own warehouses. They have also given it the free services of one Junior Inspector."

* * *

In the year 1935-36 the Trichinopoly Distrct Co-operative Central Bank disbursed towards loans to individuals and societies Rs. 10.32 lakhs and recovered Rs. 9.29 lakhs. There was a considerable increase in the loan transactions of the Bank compared with those of the previous year. The increase was mainly due to the reduction in the lending rate to 5½ per cent. The total borrowings of the Bank fell from Rs. 38.75 lakhs to 32.01 lakhs due to the withdrawal of Local Boards' deposits. There was a decrease in the surplus funds of the Bank on account of the sale of G P. notes worth Rs. 6.10 lakhs by which it realised a profit of Rs. 56,015-9-0. Of all the unions in the district the Trichy Taluk Union stood first in the matter of collection and the shield was awarded to it. The Musiri Union which stood next best was awarded a cup worth Rs 10. The work of rectification and consolidation was carried on throughout the year. The Bank encouraged throughout the year the expansion of non-credit activities, especially that of loan and sale societies. The percentage of balance to demand under principal and interest worked out to 46.3 and 5.9 as against 57.3 and 9.3 respectively in the previous year. The Bank earned a net profit Rs. 1,00,209-1-0—the highest in its history—but more than half of it was due to the sale of G. P. notes.

* * *

The annual report of the U. P. Co-operative Union for 1935-36 shows satisfactory progress. The income of the Union for the year under report was Rs. 1,36,673. The supervising staff of the Union consisted of 251 supervisors, one assistant supervisor and 6 village guides. There was an increase in the field staff compared with the previous year; it was due to new admissions and the organisation of new societies. The total number of societies organized during the year was 632 of which 516 were credit and 116 of other types. The work done by village guides showed all round improvement. With the limited funds at its disposal, the Union carried on rural reconstruction work in all districts of the province. It conducted training classes for supervisors. Of the 42 candidates who sat for the examination 25 were successful. The English edition of the *U. P. Co-operative Journal* continued to appear under the editorship of Mr. B. Mukherjee. The *Dehat* adopted by the Union as its organ in the place of the vernacular edition of the *U. P. Co-operative Journal* continued to appear weekly and it is getting very popular among societies. The 20th U. P. Co-operative Conference was held in February 1936 at Aligarh and was presided over by Mr. P. W. Marsh, Commissioner of Meerut Division.

* * *

Farmers' Co-operative Societies in the U.S.A. experienced in 1935-36 an increase of 30 per cent over the trade of 1934-35 in the marketing of eggs and other poultry produce. The business in 1935-36 amounted to 69 million dollars.

* * *

In 1934 there were 697 Farmers' Co-operative Associations in Canada. These has 3,41,020 members and 3,301 places of business. The sales of produce of members amounted to nearly 121 million dollars, which supplies of requisites to members amounted to 9¼ million dollars.

* * *

There are only a few societies in the Federated Malaya States. They are "general purpose" societies, unlike societies, elsewhere which have specific aims and objects. One society promoted the destruction of rats and another of squirrels and of flying-foxes by combined action of their members. Sanitation and water-supply were attended to by other societies—obviously because the members could not wait until the State found time to provide these amenities.

* * *

"The more highly co-operative the country, the higher in general is its plane of culture. It is a curious fact that first among the countries of the world comes Iceland—a little oasis of culture farthest from the marts

of trade. Some 75 per cent of the business of this country is carried on by its co-operative societies. In proportion to population, Iceland produces more eminent scientists, scholars, artists, poets, explorers, and inventors than any other country. No country has more enlightened—and less-government. None has less crime, poverty, unemployment, illiteracy, and social delinquency. Then comes Denmark, more than one-half of whose business is carried on by co-operative societies. This is a country which is inhabited by a people who took one of the least fertile soils of Europe and made it the most productive; where fifty years ago 40 per cent of the farms were occupied by tenants and where today less than 7 per cent of the farms are tenant lands; where the poverty, the unemployment, the crime, and the social degradations which characterize America are rarely to be seen; where a majority of the members of the national parliament are members of co-operative societies; and where the average citizen whom one meets on the road or in the field is discovered to be an educated person." (*Co-operation and Market News.*)

List of Societies Registered in November 1936.

Serial No.	Name of Society.	District.
1	The Vellore Arunthuthyhrs' Co-operative Leather Works Society, Ltd.	N. Arcot.
2	The Vellakuttai Co-operative Sale Society, Ltd. ...	,,
3	The Arcot ,, ...	,,
4	The Guntur ,, ...	Guntur.
5	The Pithapur Crop Loan and Sale Society, Ltd. ...	East Godavari.
6	The Pittala Vemavaram Co-operative Society ...	West Godavari.
7	The Cuddapah Co-op. Land Mortgage Bank, Ltd....	Cuddapah.
8	The Muthukur Co-op. Loan and Sale Society, Ltd.	Nellore.
9	The Tiruttani Co-op. Loan and Sale Society, Ltd....	Chittor.
10	The Malabar District Co-operative Produce Sale Society, Ltd.	Malabar.
11	Govardhanagiri Co-op. Milk Supply Society Ltd....	Chingleput
12	Kannapalayam ,, ...	,,
13	Aypanthangal ,, ...	,,
14	Manimangalam ,, ...	,,
15	Vedapalayam ,, ...	,,
16	The Conjeevaram Co-operative Sale Society, Ltd....	,,
17	The Nannilam Co-operative Sale Society, Ltd. ...	Tanjore.
18	The Vizagapatam Co-op. Land Mortgage Bank, Ltd.	Vizagapatam.

List of Societies Cancelled in November 1936.

Serial No.	Name of Society.	District.
1	Perumpanai Co-operative Society ...	Tinnevelly.
2	Conjeevaram Amareswarar Co-operative Society ...	Chingleput
3	Chandrambadi Co-operative Society ...	N. Arcot.
4	Sirinium ,, ...	Chingleput
5	Singlipatti ,, ..	Salem.
6	Thurukapalli ,, ...	Anantapur.
7	Thadoyampatti ,, ...	Madura.
8	Vulimeswaram ,, ...	East Godavari.
9	Narendrapuram Local Co-operative Union ...	,,
10	Valasai Co-operative Society ...	S. Arcot.
11	Perungappur Co-operative Society ...	,,
12	Kothavaru ,, ...	Vizag.
13	Pattukottai Naidu Co-operative Society ...	Tanjore.
14	Valur Channel Employee's Co-operative Society ...	Salem.
15	Kulithalai Weavers' Co-operative Society ...	Trichy.
16	Athiyur Melthuli ,, ...	Chingleput
17	Muthandipatti ,, ...	Tanjore.

Registrar's Circulars.

I

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE SOCIETIES,
B-1. 7373/36. *Madras, Dated 15th December 1936.*

T. AUSTIN ESQ., I.C.S.,
Registrar.

Sub:—Land Mortgage Banks and loan and sale societies—co-ordination of activities.

At the conference of the representatives of primary land mortgage banks held on 10-10-36, the question of starting loan and, sale societies at the headquarters of land mortgage banks was considered. A copy of the resolution passed at the conference is extracted below :—

> *Resolution No. 10*—Resolved that this conference is of opinion that it is desirable to have a loan and sale society working at the headquarters of every land mortgage bank and it accordingly recommends to the Board and the Registrar to establish them whenever necessary facilities exist.

2. The Deputy Registrars and the Sub-Deputy Registrars in independent charge are informed that loan and sale societies may be registered at the headquarters of land mortgage banks provided there are reasonable chances of their working successfully. The activities of land mortgage banks and of loan and sale societies may be co-ordinated to the advantage of both and also to the advantage of borrowers, who are mostly agriculturists. When instalments of loans in primary land mortgage banks fall due, the time may not be favourable for the borrowers to sell their produce and meet the demands of land mortgage banks. Loan and sale societies working in the area can advance loans to members of primary land mortgage banks on the pledge of produce and thus enable them to repay the instalments due to land mortgage banks in time and also enable them to hold up their produce for a better price. The sums advanced by loan and sale societies may be recovered out of the sale proceeds of the produce pledged.

3. The supervisors of land mortgage banks and the Non-credit Senior Inspectors of the Department may, during their tours bring home to the borrowers the advantages of land mortgage banks and of loan and sale societies and explain how they can avail themselves of the opportunities afforded by the the institutions.

II

D. Dis. B. 8865/36. *Madras, Dated 17th December 36.*

Sub:—Audit—Audit Reports—Reconciliation *memos*—interest accrued on Central Bank's loans—furnishing of.

Instances have come to the notice of the Registrar where the interest accrued on the loans due by societies to Central Banks as calculated by the auditors is found to be wrong, at the time of test-audit. Some auditors explain that the mistakes crept in on account of the *different rates of* interest charged by Central Banks, for different loans. If the accrued interest is noted in the reconciliation memos furnished by the Central Banks, auditors can check the correctness of their calculations with reference to those figures and also reconcile discrepancies, if any. The Registrar therefore desires that an additional item should be added in the printed form of reconciliation memo, for exhibiting *the interest accrued on the Central Bank's loans.* All the Central Banks are requested to furnish this additional information in the reconciliation memo commencing from 1936-37. Deputy Registrars and Sub-Deputy Registrars in independent charge should inform all Inspectors of this change in the form and see that the reconcilation memos are supplied to the audit staff in good time.

ACKNOWLEDGMENTS.

(1) Year-Book of Agricultural Co-operation (1936).
Edited by 'The Horace Plunkett Foundation.'

(2) Co-operative Drama (Tamil).
By V. K. Rajagopala Iyer.

(3) Indian Co-operative Review (October 1936).

(4) Report on the working of the Co-operative Societies in the Pudukkottai State (Fasli 1344).

(5) Indian Review (December 1936).

(6) The People's Journal (December 1936).

Extracts.

FUTURE OF CO-OPERATIVE CREDIT SOCIETIES

WHERE THE CONFERENCE FAILED TO LEAD

BY V. RAMADAS PANTULU.

The twelfth Conference of Registrars of Co-operative Societies in India which has just concluded its session in New Delhi, while it afforded an opportunity to co-operators from the several provinces to take stock of the present position of the movement and compare notes, has not made a serious attempt to give a useful lead to the provinces or to formulate any constructive proposals for the improvement of the movement. That the movement had considerably deteriorated since 1930, when the present economic depression started in its ruinous course, no one denies. To the Indian agriculturist whose income from land is very slender and whose subsidiary occupations which once used to supplement his income from land are almost entirely destroyed, catastrophic fall in the price of agricultural products and land values must necessarily mean an economic collapse. It is therefore no wonder that the members of rural credit societies should have defaulted largely in the repayment of their loans, *resulting in the mounting up of overdues in the societies.*

Economic Blizzard.

On the other hand to those who have a true insight into the economic conditions of rural India it must be a matter for gratification that a large proportion of the societies have been able to withstand the devastating effects of the economic blizzard and a certain proportion of the members have been able to discharge their obligations. Much of the adverse criticism that is levelled against the movement is the outcome of ignorance or prejudice. The unfriendly critics of the movement fall into two classes: those who believe that the movement is dry-docked for repair and may or may not not be launched again on its voyage and those who say that it is thrown on the scrap heap as being utterly unseaworthy. Fortunately, there was no evidence of this attitude towards the movement at the Conference.

Sir Jagadish's Spirit.

The opening address of Sir Jagadish Prasad, while it was outspoken in regard to the many ills from which the movement had been suffering, struck an optimistic note and breathed the spirit of a constructive critic who had faith in the recuperative power as well as the potentiality of the movement for the economic uplift of the agriculturist. But the net output of the deliberations of the Conference by way of constructive suggestions to purge the movement of its evils and to revitalise it has been very little. The atmosphere in which the Conference met and the procedure adopted in regard to the formulation of subjects for discussion are, in my opinion, alike responsible for this paucity of constructive thought.

Ever since the deterioration in the working of the societies began to make itself felt and became a source of anxiety to the Registrars, the energy of the latter naturally came to be concentrated more and more on the increased use of their plenary and coercive powers to arrest the growth of arrears, to improve collections, to detect frauds and to bring dishonest managers to book. In this process almost every Registrar found that the powers vested in him by the All-India Act of 1912, or his own Provincial Act where there is one, were inadequate and had been asking for more and more plenary powers and for a very much larger measure of official control over the societies and their committees of management. All ideas of expansion of the movement or reforming it on lines better suited to the conditions of the life of the people in the light of the experience gained by us in the last three decades had been relegated to the background, if not altogether aside.

The One Object.

The preliminary deliberations of the Registrars which preceded the open session of the Conference, judging from the draft resolutions, which emerged from those deliberations, seem to have been largely confined to devising measures for the rectification of the existing societies through departmental action helped by new drastic and summary powers to be vested in Registrars. To mention only one instance, it was proposed to vest Registrars with powers to surcharge members and office-bearers of co-operative bank making them liable for loss caused to the bank by any acts of omission or commission on their part. This power is to be exercised without even a right to the aggrieved person to go to a Civil Court for redress. It can be easily seen how this powever can be abused and non-official honorary workers can be heavily penalised even for errors of judgment in loaning. But the good sense and sympathy of the President, Sir Jagdish, came to the rescue of the non-officials and prevented the passing of this and some other resolutions framed in a similar spirit. The note that characterised the official resolutions was one of a pathetic faith in departmental spoonfeeding and in the efficacy of subjecting non-official co-operators to strict official surveillance and control. The essentially popular and democratic character of the movement and the need to encourage non-official initiative and enterprise were almost entirely forgotten. The recommendations of the Linlithgow Commission in regard to the happy blending of official and non-official effort seem to have been lost sight of.

The resolutions passed by the Conference on such important subjects as the provision for long term credit, improved facilities for marketing of agricultural produce and finding outlets for surplus funds which

now exist in co-operative banks are couched in conventional language and give no practical guidance to any one concerned. The Provinces are generally exhorted to establish land mortgage banks to supply long term credit and though the attention of the Conference was drawn to numerous difficulties that stand in the way of forming those banks, no attempt was made to advise either the Provincial Governments or non-official organisations as to how to overcome those difficulties, nor was it indicated how long term credit could be found for agriculturists in areas where land mortgage banks could not be started. All that was said in regard to facilities for marketing was that the marketing organisations of the Government of India and Local Governments should maintain the closest touch with the co-operative movement on its marketing side. The Government of India and the Local Governments have marketing offices and no marketing organisations and the nature of the help to be given by the marketing officers to the co-operative sale societies is not even indicated. As for the utilisation of the surpluses in the co-operative banks the Conference had a very simple solution to offer namely "Do not take more money than you can find an outlet for; reduce the volume of your deposits." But what the co-operators wanted to know from the Conference was whether it had any solution to offer in regard to the utilisation for the economic benefit of agriculturists, of money which is easily flowing into co-operative banks at very low rates of interest and often at rates at which the Government is liable to borrow. There was no answer to this question.

The most important resolution that was passed at the Conference in my opinion was the one moved by the Registrar of the Punjab to the effect that the co-operative movement should be used to the fullest extent possible for extending the rural reconstruction movement. No Provincial Government seems to have so far realised the usefulness of the co-operative movement as a means for organising the rural population for better-living, better farming, and better business. In the schemes of economic planning that are widely advertised now a days by the Provincial Governments, the co-operative movement does not find an adequate place. It is hoped that the opinion expressed by the Conference that the co-operative agency is the best and in many areas the only means for providing the organisation without which the rural re-construction movement cannot achieve lasting or permanent results will be taken serious note of by the Provincial Governments and that the co-operative organisations will be made full use of in all the rural development schemes. It cannot be said that the Provincial Governments are handicapped by want of proper advice, for the Royal Commission on Agriculture had devoted much space in their report to methods of rural development through co-operation. Many of those recommendations have not yet been tackled seriously.

(*Roy's Weekly, Delhi.*)

FRUIT AND VEGETABLES

BY MISS MARGARET DIGBY,
Secretary, Horace Plunkett Foundation.

Fruit and vegetables are grown almost throughout the world. They may be the product of large scale plantations or (as in the case of glass-house cultivation) of almost factory conditions, but in the main they are the typical small man's crop, more especially the small acreage crop, for the capital and labour required is often relatively high. They constitute a branch of agriculture which is appropriate to the specialist, but in which the mixed farmer also plays, in the aggregate, an important part. From this circumstance alone come a notable lack of uniformity in the skill or at least in the attention devoted to cultivation and handling. But the main difference affecting the marketing of fruit and vegetables is not whether they are produced on large or small holdings, or even the quality of the product, but its degree of perishability. Nearly all fruits and many vegetables are highly perishable in their natural state. (Citrus and a few other tropical fruits and many roots vegetables are the principal exceptions). They can, however, be preserved or processed by means of canning, drying, and the manufacture of wines, syrups and jams. Cold storage has also gone far and may go further since even flowers, once the very symbol of perishability, may now be made to last through an ocean voyage of several weeks. All the elements of diversity in the fruit and vegetable industry have been reflected in co-operative marketing, but perishability has fixed the main types, and these are shown in perfection by the market gardens of Holland and the citrus plantations of the New World.

Market gardening is one of the traditional industries of the Netherlands. Everyone has read of the tulip boom of a past century; the Dutch garden is as famous as the Persian carpet, and almost as symmetrical. In the flat land of Holland, gardens, each of an acre or two only, extend for miles in a sequence unbroken save for what appear from an aeroplane to be shining lakes, but which are in fact glasshouses, where grapes and tomatoes defy the seasons. In the open ground, early potatoes, onions, cabbages, cucumbers, lettuces and other vegetables succeed one another through the years. Strawberries are increasing. Some districts specialise in trees and shrubs, others in flowers. The bulb industry, which in spring covers the soil of Holland with an immense patchwork of brilliant colours, is well known, but it does not stand alone. Many years ago the draining of a lake threw a number of poor fisher-men out of employment. With the help of a co-operative credit bank, a co-operative selling organisation and the good soil at the bottom of the now dry lake, they set up as market gardeners, producing pot plants and cut flowers, especially roses and lilac, while some

specialised in the glass house production of cactuses. To-day the village shows every sign of prosperity, and its output is valuable enough to warrant aeroplane transport of the choicer blooms.

The story could be repeated (barring the romantic touch of the rose laden aeroplane) of a hundred market gardening villages. How has it been done? The co-operative auction sales of to-day (known as "veiling") originated about forty years ago when a few groups of gardeners established a common market place in which to display their goods. Gradually the auction method was introduced, the form became more co-operative and the members more closely bound by mutual obligations, while the society as a whole, on the one hand assumed responsibility for the products submitted and on the other enforced higher standards upon its members. Finally, a central organisation was formed in 1917 to secure the centralisation made necessary by war conditions, and local auctions affiliated themselves to it. There are now about 150 auctions, two-thirds of them in North and South Holland, with between 50,000 and 55,000 members and a turnover of over £8,000,000. Local auctions vary somewhat in form, though all but four are co-operative organisations legally as well as in practice. Some have limited liability. More are without share capital and have unlimited liability or liability fixed on some variable factor such as turnover with the society. Membership is in every case for five years and carries a contract to deliver all produce over that period, the only exception being where a grower is himself a recognised exporter. In order to put up the often handsome buildings owned by the auction societies, loans are obtained, generally from the local gardeners' co-operative credit bank, which are paid off progressively. In some cases auctions which have paid off their loans charge an entrance fee to new members. Each member has one vote. A very small quantity of non-members produce is sometimes acceptd.

The method of auction in the Netherlands has been described, but is worth repeating. A well-equipped auction possesses its own wharfs, and it might almost be said, docks, for the bulk of the produce comes by canal in flat-bottomed boats. Some of it is unloaded on arrival on to trolley tables, but much frequently remains in the boats. The actual sale takes place in a large hall, at one end of which is a species of orchestra at which the buyers sit at tiered desks. The buyers lease their places, but a few are generally left free for new or poor buyers. Opposite them, and somewhat in the position of the conductor, is a large clock face with a movable hand and a series of figures inscribed round the dial, rising in value clockwise. Below it is a raised desk for the clerk of the auction, and between it and the orchestra a lane is left which in many cases is occupied by a small canal which communicates by a water gate at either end with the "dock" outside. This canal can be covered over with flooring when it is desired to sell goods on trolleys, but the more characteristic sales are made from boats. One boat after another is polled through the water-gate and allowed to pause below the dial. The name of the producer and the quantity and nature of goods offered is called out and an employee of the market holds up specimens of produce for the inspection of buyers. Sometimes a cabbage or a lettuce will be thrown up to the orchestra, pinched between the sceptical finger and thumb of a buyer and tossed down again on to the boat. In the meantime, the dial hand has been set in motion and runs rapidly from the higher values to the lower. As soon as a figure is reached which one of the buyers is prepared to give, he presses an electric button in his desk, the hand stops and at the same time one of a number of small squares bearing figures and arranged in the centre of the dial is illumined, thus indicating the number of the buyer. The sale is rapidly recorded by the clerk-one copy of the note being handed to the producer and the duplicate transferred to the office of the market, where it is checked, and a third copy given to the buyer, which entitles him to delivery of the produce. By this time the barge has moved on and others have taken its place. The whole process is carried through with admirable order and at an astonishingly rapid pace. The market undertakes the sale of all products of whatever quality and the grading is left to members; if any lots are found to be fraudulently packed, the sale is cancelled and the goods resold at the end of the auction. Packs are generally standardised and satisfactory. Lots are sold under the names or known numbers of the growers and the produce of expert and honest producers is much sought after. Sellers are in some cases entitled to withdraw their produce if the price reached is insufficient, or the first ten sales may be withdrawn if the market has opened badly. No auctioneer in the English sense is employed, but besided the necessary clerks and proters, the secretary or a member of the managing committee must be present at sales to see that all is properly carried out. The auction charges a certain commission, which is deducted from the price paid to growers and covers running costs and capital charges, the remainder being returned to members as bonus on their sales. A foreign observer has remarked of the auctions: "All selling arrangements operate like an exhibition at which buyers act as judges of the goods displayed and allot prizes. Everyone who takes part sees the produce and the packing methods of his neighbours and competitors and also the prices which each obtains, and he can strive to be equal to the best."

For many products the proportion sold through co-operative auctions reached 90 per cent or 100 per cent. But the organisation of gardeners does not stop short with the establishment of auctions. Horticultural winter schools, experimental stations and plant disease

services are the work of Government, but the gardeners have devised co-operative services of their own. Their co-operative credit banks are as well organised as those of the farmers and as they are federated in the same central banks. Credit-thirsty gardeners are able to draw on the savings of the more conservative peasants to finance their undertakings. Co-operative societies for the supply of horticultural requirements also exist in most districts, and not only supply fertilisers, tools, pots, fuel and glass, but undertake the construction of houses and frames and the installation of heating apparatus.

Co-operative auctions of fruit and vegetables, not always on precoisely the same lines, exits also in Belgium, Germany and England. Other societies undertake the grading and packing of members' produce and sell it on commission, sometimes to urban consumers' co-operative societies. Others arrange for special seasonal sales of fruit to jam factories and others again (for instance in Switzerland, Czechoslovakia and Austria) are themselves engaged in the manufacture of fruit syrups. Nearly all of these are local societies, though they are generally members of some non-trading federation.

The production of citrus fruits is concentrated in California and Florida, with a few smaller areas. It is sold on distant markets and growers early felt the need to protect themselves against dealers and commission agents. In California the first co-operative organisations undertook pooling of crops and sale by auction or direct to the trade. Local "exchanges" as they were called, were set up and brands established. Packing and selling were usually entrusted to a broker working at a fixed commission. An attempt to organise jointly with shippers was a failure. These local exchanges were gradually linked together and surrendered part of their individual authority. They are now federated in one large organisation, the California Fruit Growers Exchange, covering the whole state and handling 90 per cent of the lemons and 70 per cent of the oranges. There are also a few smaller co-operative organisations in other parts of the United States.

The method followed in all these organisations is very similar. Local packing units are formed by the growers, and may be with or without share capital. Each has its own Committee and is responsible for the picking, grading and loading of members' crops. It is usual to arrange a monthly or fortnightly pool, according to variety, grade and season. All expenses, loosses and profits are also pooled. District exchanges consist of groups of local packing units, with occasionally individual members. They fix minimum prices and make contracts with the locals and centrals and generally act as a link between them. The Central Exchange is a co-operative society without share capital formed by the district exchanges. An interesting experiment in co-operative technique is that its directors meet in public. Its main business is to keep in touch with markets and direct the orderly flow of members' produce. Consuming areas are divided into market districts in each of which an office is established in charge of a representative of the Exchange. Fruit is allocated to the different sales markets according to demand and sold on consignment. Much goes direct to the retailers; some is sold by auction. The California Exchange maintains rail inspectors, who watch the progress of fruit on the railways. It also carries on extensive advertising, as well as legal and horticultural advisory work. Such services are paid for under contract. The Exchange controls sales as well as grading and packing. The California Exchange has a subsidiary organisation engaged in manufacturing orange juice and similar products from the culls. The Florida Exchange has a subsidiary society supplying growers' requirements, and another making loans, both to local associations, in the form of invested capital, and also to individual growers on the security of a mortgage on land and on the crop, which also involves insurance of the crop and a contract to sell it through the exchange. Since 1906 the production of oranges and grapefruit in the United States has tripled, not a little being due to the advertising and propaganda carried on by the Exchanges. The organisation has stood the recent financial stress well, and falling demand has been met by establishing quota for (*i*) packing fruit and (*ii*) loose fruit for local sale, and sending the balance to the processing plant. Increased expenditure on advertising has also been adopted.

Raisins are also an important crop in California, which produces over two-thirds of the world output. Local co-operative organisation was started as early as 1889. In 1912 the California Associated Raisin Company was formed with share capital and the participation of some non-growers. Later the well-known "Sunmaid" brand was adopted. The Society was reorganised and placed on more co-operative lines in 1923. It was also restrained by law from fixing retail prices. The new organisation is in three separate units. The first, a co-operative association without share capital, receives raisins from its members and makes advances which, however, vary in amount. It is a central, not a federal organisation, and though it has divided its area into districts, it has no local societies affiliated. The second, which is co-operative company with share capital, some of which is held by non-members, receives the raisins from the first and prepares them for market at 28 packing stations. The third, also co-operative and without share capital, is responsible for marketing. No non-members' raisins are handled. Members enter into fifteen-year contracts to supply, but these may be revised on due notice. All sales are made through the society's own representatives. It undertakes the manufacture of by-products.

The American fruit marketing societies, with their elaborate federal organisation and deliberate method of operation are poles apart from the local independence and summary business of the Netherlands auctions. They have suffered somewhat in the violent changes through which the United States have been passing, the Raisin growers in particular being for a time caught up in the mechanism of Stabilisation Corporations established by the ill-fated Federal Farm Board. They do however represent one of the most remarkable achievements in co-operative marketing. Other dired fruits—prunes, apricots, peaches and figs—are the subject of similar undertakings, so are walnuts, almonds and one or two varieties of fresh but not acutely perishable fruits, like apples and cranberries. Citrus fruits are handled by large scale co-operative societies working for export in such countries as Jamaica, Palestine, South Africa and Australia, and the last two also have dried fruit organisations. These societies may be federal in character, with democratically organised local societies, or they may be severely centralised, but they are all either national in scope or at least cover a homogeneous area equivalent in size to many of the smaller European countries. At the same time, the stages of marketing are frequently divided between the local societies or branches which are responsible for assembling, grading, packing and sometimes storing, and the central or federal body which does not handle the commodity but arranges for its shipment and sale in distant consumihg centres through its own agents or through brokers paid on commission. Pooling is carried out almost universally and, owing to the long period which must elapse between harvest and sale, it is usual to make an advance payment to growers up to two-thirds of the anticipated price.

The diversity of fruit and vegetable marketing societies raises a number of questions. Local societies are well adapted to serving a local market, but where the market is distant and competitive, the value of federation becomes apparent. Specialised societies handling one crop only show certain gains in efficiency, but their period of activity is usually seasonal, and a long idle period for plant and staff is apt to be costly. Processing has been successful when the society has run a canning factory or a syrup factory as its main business. As a means of disposing of surplus it is rarely profitable, since costly plant is used to handle fluctuating supplies of (usually) inferior produce. Pooling has enormous advantages in uniformity, bulk handling and general high quality, but it is not always liked by growers, who feel it gives no reward to individual excellence. On the other hand the auction method, though it has met with brilliant success in Holland and gives less opportunity for risk and miscalculation, can do less to influence prices than a method which brings a wider field of transport and distribution under the growers' control. No growers' co-operative has completely eliminated the middlemen except those, mostly local societies, which sell direct to the consumers' co-operative societies. This is only a small development at present, but it undoubtedly points to the only sound method of advance, not only on account of the economies to be effected, but because herein lies the solution to one of the worst dilemmas of marketing federations on a national scale—the temptation to bring about price stabilisation and with it over-production. (*Indian Co-operative Review*).

THE LATEST CRAZE OF RURAL UPLIFT.

Little grants of money,
Lots of plans and schemes,
Give Rural Uplifters
The India of their dreams.

Commissioners, Collectors,
And underdogs all band
Together just to make Ind
A far, far better land.

Daubs of paint and whitewash;
Phenyle in the drains;
Avenues of green trees;
Gramophone refrains.

Wells, where "poochies" frisk, will
Be slap up-to-date,
And dusty, rutted roadways
Wiped right off the slate.

Pa, and Ma and kids to
School must daily go;
Thus the humble *shedki-log*
Learn to earn more dough.

Lazy village *moorghies*
Now must toe the line,
And do some more "shelling" out
Working over-time.

Reconstructed cows will scorn
The municipal tap,
And give pails of Grade A milk
Quite *pani*-less. *Verb. sap.*

Punny, half-starved bullocks
Soon will fade from sight;
In their stead will rise up
Bovines of strength and might.

Then when the money's finished,
And Government let's go,
I bet the lowly ryot
Restores the *status quo*!

"SLIB."

(*Times of India Illustrated Weekly*).