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Editorial Notes.

The Bihar and Orissa Co-operative Congress.

It is not often that the Governor of a province attends a co-operative conference. On the rare occasions when he does, he is generally content to open the conference with an encouraging speech and then leaves it. But His Excellency Sir Maurice Hallett, Governor of Bihar, did not follow such a course but sat through the whole opening session of the recent Bihar and Orissa Co-operative Congress held at Patna on the 6th April last. He listned earnestly to the addresses of the Chairman of the Reception Committee, Dr. Sachidananda Sinha, and of the President, the Hon. Mr. Ramadas Pantulu, then delivered a weighty speech himself and stayed on till the Hon. Dr. Syed Mahmud, the Minister in charge of Co-operation; had delivered his speech. His Excellency did this in order to show impressively to the public of Bihar that he and his Government realised the grave position into which the co-operative movement in the province had got, that they were determined to stand by it and to see that it was rehabilitated and reorganised. He has thereby earned the gratitude of the co-operators of Bihar and set a good example for the administrators of other provinces.

The situation in Bihar is indeed grave, as is to be gathered from the various speeches delivered at the Congress. The liabilities of the movement as a whole are estimated to exceed its assets by Rs. 50

to Rs. 55 lakhs. A central bank has been liquidated and several others are not in a position to meet their obligations to their depositors and other creditors. Public confidence in the movement has been thoroughly shaken and there has been a misconception in the public mind, as stated by Dr. Sinha, that the Government are indifferent to the fortunes of the co-operative institutions. To remove this misconception and to restore public confidence is of the greatest importance for the rehabilitation of the movement, as all banking, whether co-operative or other, depends upon a reasonable degree of confidence being reposed in it. It was with a view to restore that public confidence that the Governor gave several hours of his valuable time for the conference and stated in very clear terms: "The main point which Dr. Sinha has made was that Government were responsible for the development of the (co-operative) movement; Government must therefore be responsible for its rehabilitation. With that view I entirely agree; with that view my Ministry also agree . . . . . my Government are going to adopt with as little delay as possible a practical policy for the rehabilitation of the movement." Dr. Mahmud said, in as clear and emphatic words, "On behalf of Government I would reiterate our confidence in the future potentialities of the movement and would declare that Government have decided to rehabilitate the co-operative movement as early as possible and to take adequate steps to ensure its future expansion on sound lines, so that it may, in time, develop into a truly national organisation capable of making rural life richer and fuller in every way." These statements as well as the steps that are being taken by the Government for the rehabilitation of the movement should restore public confidence in it and also the morale of the official and non-official workers in the co-operative field.

Rehabilitation and Reorganisation.

Mr. Ramadas Pantulu's address was full of practical suggestions for the rehabilitation and improvement of the movement in Bihar. The Governor, who genuinely thanked Mr. Pantulu for the trouble he had taken to study the problem, expressed his approval of the general lines of his scheme and said that his Government would give due consideration to it. Mr. Pantulu has suggested that where liquidation is unavoidable, the liquidation proceedings should be speeded up as far as possible, that in some cases conciliation may be resorted to for scaling down the claims of creditors and where assets are frozen, suitable credit accommodation should be provided. Other

important suggestions include the reduction of the number of central banks so that there may be only one or two strong ones in each district able to run efficiently and to attract deposits at a cheap rate of interest, and the restoration of the lands which have got into the hands of central banks to their original owners more or less on the lines adopted in Burma. He has recommended further that after ascertaining the exact financial needs of the movement the Government should meet them by means of loans and subsidies through the Provincial Bank.

Dr. Mahmud outlined the steps which the Government proposed to take for rehabilitating the movement. They had obtained the services of a banking expert to advise them. The assets and liabilities of the central banks and other institutions would be carefully and thoroughly investigated. With a view to strengthen the banks and societies, they would be amalgamated or bifurcated as the circumstances of each institution required. Financial assistance to them would be given as required in the most suitable manner. New societies would be organised and adequate attention given for the development of non-credit activities. The marketing of agricultural produce would be promoted, especially by the organisation of sugarcane growers' societies, and a comprehensive scheme of rural development would be put into operation. Publicity and propaganda would be systematically undertaken with a view to inspire the villager to put his home and village right himself. He rightly observed: "The benefit of co-operative organisation cannot be estimated in terms of money alone. There is a more abiding and far-reaching gain in the way of self-help, training in business methods, unity and brotherly association for a common purpose." One very good result achieved by the conference was that it banished the feeling of helplessness and put optimism in the minds of the co-operators. With this feeling pervading, the worst of situations can be retrieved. We hope the next conference will give a good report of the progress achieved.

The Andhra Provincial Co-operative Conference.

The Eighth Andhra Provincial Co-operative Conference had a successful session at Vizianagaram on the 15th and 16th of April last. The proceedings commenced with the hoisting of the Co-operative Flag by Mr. Ramadas Pantulu, who explained its significance as the symbol of peace, unity and harmony. The conference was opened by the Hon. Mr. V. V. Giri and presided over by Mr. M. Narayana Rao, M.L.C., of Anantapur. In the course of his address Mr. Giri reminded the co-operators present that co-operative societies had been deliberately excluded from the operation of the Agriculturists Debt Relief Act, because the Registrar had taken various steps to scale down the dues of members to societies. The Registrar had no power to impose these steps on the societies and had therefore suggested them for adoption. Mr. Giri hoped that the societies would adopt them and fall in line as far as possible with the provisions of the Debt Relief Act so as to justify the confidence reposed in them by Government. He also pointed out that since the District Economic Councils had been abolished, the most suitable body left in the district to promote cottage industries was the Central Bank. If it devoted a part of its resources and energy for their promotion, he could promise to it all reasonable assistance from Government. He recommended, particularly for paddy-growing areas, the organisation of societies for pounding rice and pointed out that the new policy of Government to supply hand-pounded rice to hospitals and jails had created a large demand for it.

Mr. Narayana Rao thought that if before starting co-operative societies, the Government had introduced free and compulsory education, the societies would not have been the comparative failures they now were. He urged the Congress Government to introduce it now at least. He favoured the starting of multi-purpose societies wherever possible and the introduction of controlled credit in other places. With a popular Government in power, he felt that no distinction need be made between officials and non-officials in the field of co-operation and recommended the concentration of various functions such as audit, execution, liquidation, etc. in one and the same officer, who might be given charge of not more than about 25 societies.

The Resolutions.

Most of the resolutions passed at the conference deserve the sympathetic attention of societies as well as of the Department. We should commend particularly the resolutions that recommend that paid employees should be appointed as far as possible for rural societies or groups of them, that managers and secretaries of central, urban and land mortgage banks should be appointed only from among trained and qualified persons, that the rate of interest on loans given to housing societies prior to 1935 should be reduced to 4½ per cent, that no audit fees should be levied from loan and sale societies, as the margin available for them is too small to permit of the payment, that a separate audit section should be created under the control of

the Registrar and that steps should be taken by the Government and the Provincial Bank to organise a co-operative fire insurance society. To this class belongs the resolution which recommends that when a society which has invested its reserve fund with a central bank borrows from it, the rate of interest charged upto an amount equal to its reserve fund, should be the same as that allowed by the central bank on the reserve fund. In other words, if a central bank allows 4 per cent interest on the reserve funds of its affiliated societies invested with it, and charges 7 per cent on the loans issued to them, it should charge to a society only 4 per cent upto the amount of its reserve fund and 7 per cent only on the amounts exceeding it. At present the societies have a grievance that they are compelled to invest money belonging to them at a low rate of interest and borrow fresh money at a higher rate. At the conference some delegates demanded that societies should be permitted to use their reserve fund in their business, but when it was pointed out that the very purpose of the reserve fund would be defeated if that was permitted, they agreed to the resolution being worded as stated above. We hope the central banks and the Registrar will admit the reasonableness of this resolution and give it practical effect.

An Impracticable Resolution.

One resolution the conference passed against the advice of all experienced co-operators, which we are afraid will not show the conference in an enviable light. The resolution runs as follows: "Under no circumstances should the rate of interest charged by central banks to primary societies exceed 3 per cent and that charged by primary societies to their members exceed 4½ per cent." The central banks have themselves generally to pay more than 3 per cent on deposits and on loans from the Provincial Bank. How can they be expected to supply funds to the primary societies at a rate lower than what it costs them to get, let alone the margin which is necessary for working expenses? It appears that those who spoke for this resolution had in mind, not what was possible or not for the societies to do, but the effect they thought it would have on debt relief legislation! What a fanciful idea!

Sentimental.

One resolution recommended the splitting up of the Provincial Bank on linguistic lines, while another asked for the organisation of a separate central land mortgage bank for the Andhra districts. We believe these resolutions were not dictated by business needs but by the psychology which demands a separate Andhra province. We do not quarrel with that psychology, but from the point of view of the interests of co-operation, we should say the splitting up of the Provincial Bank would rob it of its present immense strength and prestige, and the creation of a separate central land mortgage bank for the Andhra districts—with the principal and interest of its debentures being guaranteed by Government—is for the present out of the range of practical politics. When the Andhra province comes into existence, we take it there will of course also come into existence an Andhra Provincial Bank and an Andhra Central Land Mortgage Bank. Their earlier creation, however, will not usher in the Andhra province.

Another resolution recommended the establishment of "Co-operative Ashrams" in suitable places for spreading the principles of co-operation. We do not quite understand what co-operative ashrams are. Every ashram is essentially co-operative in that its members work and live together, pooling their labour and what may be described as their income. But they are spiritual institutions, standing for self-sacrifice and service of particular kinds, and are not business organisations, which co-operative societies are. The present Co-operative propagandist bodies—unions and language federations—are not suitable for being converted into ashrams and we do not suppose that such conversion is contemplated by the resolution. We shall be much obliged to any reader who will be so good as to explain the resolution in these pages.

Distribution and Sale.

Two cases of appeal of great interest to co-operators came up recently before the Madras High Court. In both of them the Triplicane Stores, the T.U.C.S., was a party and in both of them the judgment was in its favour.

In one case, a Sanitary Inspector of the Saidapet Municipality demanded a sample of butter from one of the branches of the Triplicane Stores at Saidapet. The accountant in charge of the branch supplied the sample and took its value. On examination it was found to be adulterated. The accountant and the Secretary of the Triplicane Stores were prosecuted under the provisions of the Madras Prevention of Adulteration Act and the rules framed thereunder. The trial Court in Saidapet convicted the accountant and, the Secretary, but on

appeal to the Sub-divisional Magistrate, Saidapet, they were acquitted. Against the acquittal the Public Prosecutor appealed to the High Court. The case came up before Mr. Justice Lakshmana Rao, who in dismissing the appeal observed as follows :—

> "The conviction was set aside by the appellate court on the ground that in the case of a society registered under the Madras Co-operative Societies Act there can in law be only a distribution of the articles among the members and no sale, but it is unnecessary to consider this question as on the facts themselves the order of acquittal is right. The supply of samples under S. 14 of the Act is not a sale nor can the Secretary of the society or the Accountant of the Saidapet Branch be said to offer the butter for sale."

In the other case, the question considered unnecessary by Mr. Justice Lakshmana Rao was fully gone into by Mr. Justice Horwill. The facts of the case are these. The Food Inspector of the Corporation of Madras, who is a member of the Triplicane Stores, bought quantities of ghee from three branches of the Society, which on examination were found to be adulterated with 15 per cent of foreign fat. Consequently, the accountants of the three branches were prosecuted before the Third Presidency Magistrate and all of them were convicted by him. Appeals were preferred in the High Court against these convictions. Says a report in the *Hindu* of the 4th May :—

> "His Lordship, following the decision in 8 Q. B. 373, 60 Law Times 544 and 1915, 1 K. B. 119, set aside the conviction of the petitioners and held that in a co-operative society, the members were the proprietors of the goods of the society. It was admitted that goods would not be supplied to non-members and that goods were sold in pursuance of the right of every member of the Society to take goods from the general store of which he was a part-owner. The members' right to purchase goods sold by a co-operative society, arose not from the contract he entered into with the salesman of the Society but arose by virtue of the contract embodied under the rules of the Society which came into effect the moment he became a member of the Society. It followed, therefore, that the conviction of the accountants was wrong. It was of course true that members of the Society needed protection from unscrupulous vendors, and if it was found that a co-operative society was selling goods to persons who were not members of the Society, whether directly or indirectly, then undoubtedly the salesman of the Society would be liable and would deserve severe punishment. There was no evidence in the present case that goods were being sold to non-members, nor was there any evidence of lack of good faith on the part of the Society in the sale of those goods to its own members."

We confess we rather enjoy this discomfiture of the Madras Corporation, for it has been persistently attacking the Triplicane Stores, the Milk Supply Union and possibly other co-operative societies, knowing quite well that they have no profit motive and that they cater to the needs only of their members, who are competent to and do actually arrange for whatever kind of goods they want, and in supplying which the staff plays no higher part than carrying out instructions. These facts were brought home to the Corporation years ago in judgments, but it seems to possess the speculative spirit of a true litigant and goes to Court against them again and again with a tenacity which would be much appreciated if shown in other directions, and, it would appear, more for excitement than for the public weal. We hope we have seen the last of these prosecutions.

The Indian Co-operative Review and Debt Relief Act.

In the course of a thoughtful criticisms of the Madras Agriculturist Debt Relief Act, the *Indian Co-operative Review* (January—March 1938) expresses doubt about its provisions affecting joint stock banks being *intra vires*. It suggests that the matter be taken up before the Federal Court for decision. It is also of opinion that the distinction which the Act has made between the agricultural and non-agricultural members of a joint Hindu family is against the spirit of the Hindu Law as it being administered. We hope the Government will take steps to have these doubts cleared. We heartily endorse the following remarks of our esteemed contemporary with regard to the duty of co-operative institutions in connection with the Act.

> "The co-operative societies in the Province were excluded from the operation of the Act altogether for various reasons. But the justification for such exclusion will cease if the co-operative societies do not immediately bring down their rates of interest both on arrears and future loans to 6¼ per cent simple, where higher rates are now charged. Steps must be immediately taken to give effect to this proposal. Co-operative societies should also overhaul their organisation so as to step into the gap that may be created by the curtailment of credit by the moneylenders. At present the amount of credit advanced to agriculturists for seasonal needs by the credit societies is very inadequate. The transactions of many central banks have considerably gone down. So, co-operators must take stock of the situation and take immediate and effective steps to supply adequate credit to agriculturists."

Agricultural Colonisation in the Punjab.

By Rao Bahadur M. R. Ramaswami Sivan,
Late Principal, Agricultural College, Coimbatore. 67

The Punjab Government appointed some years ago a Special Colonisation officer, a senior I.C.S. officer, for 5 or 6 years and later a senior officer of the Provincial Service. Correct information was obtained about the actual areas of land suitable for cultivation and available for assignment, in small or big blocks and in old villages and new colonies. Rules were framed for the assignment of land, by sale or on lease, for different purposes, *e.g.*, for cultivation, for house building or for construction of markets, and to different classes of people—capitalists, yeomen, camel-chaudris, mule-breeders, village headmen, military pensioners, peasants and literates—and applications were called for. A few capitalists purchased lands in auction, but the bulk of the land was assigned on temporary lease, usually for 20 years, with the proviso that, when the lands were properly cultivated and the new colonies were kept sanitary to the satisfaction of the Deputy Commissioner, he may, any time after 5 years, grant permanent occupancy rights to the lessees.

Peasant Holdings.—I was able to see some of the lands cultivated by small peasant-cultivators, who had usually been assigned comparatively small areas, less than half a square or 12½ acres, and they were a happy and contented lot altogether.

Large Estates.—About a dozen large estates had been assigned to retired officers. I was not able to see the estate at Khanewal of Mr. Roberts, late Principal of the Lyallpur Agricultural College, to whom 7,500 acres of land were said to have been leased out for supplying improved strain of cotton seed to the Department, but I was able to visit the estates of Mr. Bansford, late Superintendent of the Hissar Cattle Farm and of Col. Bruce, to each of whom more than 3,000 acres of land had been assigned, in return for their obligation to supply a specified number of well-bred mules every year to the Military Department.

I was, however, more interested in the experiment of Colonisation by University Graduates, about which I had heard from my friend, Khan Bahadur Fatehuddin, Deputy Director, Jullundur, and through whose kindness I had read some literature on the subject.

The genesis of the colonisation by the educated unemployed is worth notice. As far as I can gather from some published records to which I had access, the idea of settling Agricultural graduates on land emanated from Mr. Johnstone, Professor of Agriculture and Mr. F. W. Stewart, the then Principal of the Agricultural College, Lyallpur, as early as 1924. Owing to the sympathetic and prompt action of Mr. Milne, the then Director of Agriculture, and, acting on the memorial of the Lyallpur Agricultural College Old Boys' Association and on the recommendations of a Special Committee which included the late Sir Ganga Ram, the Punjab Government awarded a grant of 3,500 acres of land at Shergarh to the Principal of the Agricultural College for being assigned, at his discretion to select passed students of the College, at the rate of 75 acres each, on a lease for 5 years.

Subsequently the matter came up for further review why the scheme should be restricted to Agricultural graduates and whether unemployed Arts and Science graduates could not also be benefited by the scheme. Considerable amount of correspondence delayed the launching of the colonisation scheme at Shergarh. It was not until 1931, that a definite policy came to be adopted and this was due to the late Sir Fazli Hussain, then member of the Punjab Executive Council. In his visits to European countries, Sir Fazli Hussain seems to have been much impressed with the high standard of life displayed in small farms in Switzerland and France and, realising that such standard could be developed in Indian villages, only if educated men went to live in villages, he set about giving practical shape to the long-thought of scheme for such colonisation.

The Punjab Government decided to give a trial to the experiment of diverting all classes of educated unemployed to land, and the Principals of the colleges at Lahore and Lyallpur were asked to select the first colonists in the year 1932. The selection was as follows :—

Government College, Lahore	...	...	7
Foreman Christian College	...	...	7
Dyal Singh College ...	...	...	7
Sanatan Dharm College	...	...	7
D. A. V. College ...	...	...	7
Islamiah College	...	...	9
Agricultural College, Lyallpur	...	...	4
		Total ...	48

This list includes one L.L.B., one M.B., B.S., and one graduate of the Punjab Veternery College.

As the colonisation of land by the University graduates of the Punjab will be an eye-opener to graduates in other Provinces, I am taking the liberty of writing my impressions of the Graduate-Grantee-Chaks in some detail :—

Graduate-Grantee-Chaks in the Punjab :—As stated already the Principals of colleges selected 48 candidates out of a large number of applicants in 1932 and they were distributed in two Colonies called, (i) Graduate-Grantee-Chak No. 604-B, Gogra Branch and (ii) Graduate-Grantee-Chak No. 689—G.B., Teh. Tobe Tek Singh. Two Agricultural graduates were told off to each Chak. Each grantee was allotted 2 square or 50 kilas of land (1 kila=1⅛ acre). Blocks of 2 squares, separated by a kucha road, 16½ feet wide, were laid out on the outskirts of the colony as the fields of cultivation, all irrigable from the lower end of one of the Chenab Canals. Within the fields blocks of half an acre were assigned to each colonist, separated by wider roads, for building houses. In the centre of these house-building sites, a considerable area had been earmarked as the village-common, where play-grounds for the children had been provided and a decent Panchayat house had been built with a carefully laid-out park all round. An additional area of 3 squares of land had been allotted for municipal amenities and for meeting the expenses of maintaining the village-common.

It is a condition of the grant that the land should be cultivated by the tenants themselves, aided by paid labour, if necessary, but not by sub-tenants. It was made plain to them from the beginning that they were not offered a completely equipped village, but on the other hand, there were no habitations, no drinking water beyond the distant canal, and no amenities or marketing facilities, that the colonists must be prepared the suffer the usual hardships of all pioneers and that they must bring the requisite capital to purchase cattle and other needs of cultivation. The colonists must pay the regular assessment and water rates, from which they were excused in the first year of their occupation like every other new colonist. Apart from the grant of three squares to provide for municipal amenities, the opening of a Post Office and the general help and guidance, given by officers of different departments from time to time, the graduate colonists depend entirely on their own resources. At the time of my visit, each Chak had an elementary school for boys and girls and a village dispensary, whose expenses have hitherto been met from the common good fund, but I was informed that they would be taken over later on by the District Board.

The graduates came to these desolate places with a spirit of adventure and a certain amount of uncertainty both about their own fitness to do manual work and about their making sufficient income to lead a comfortable life, at least of the standard to which they had been accustomed during their college days. Five years experience has brought them a cheer and a confidence in themselves, and they are looking forward to more successful years in future.

(i) The experiences of Risaval Singh of Chak No. 694-B are detailed hereunder as a representative case. He is a native of Lyallpur District, passed B.Sc., Ag., from the Lyallpur Agricultural College, was in temporary service in the Department for 3 years, when he was retrenched, joined Chak in 1932, when he was 29 years of age and brought Rs. 2,000 as an advance from home. As a result of 5 years' working, he has repaid the advance of Rs. 2,000, has built a pucka house worth Rs. 4,000 and has livestock and deadstock worth Rs. 2,000, besides having maintained his family consisting of himself, his wife, his father and mother, his younger brother and 2 or 3 children.

The house is a terraced-brick building, containing six rooms in the living portion. Provision is made in his compound for one store-room, one cattle-shed for 16 animals, 2 rooms for permanent coolies, one tube-well for drinking water and gardening, and also a shed for storage of straw and roughage. A neat and useful vegetable and flower garden is maintained. There is also a compost pit in a corner, apart from a moveable four-screen lavatory.

His livestock consists of six strong working bullocks, 3 Delhi she buffaloes, 2 Montgomery cows and six young stock—all in excellent condition.

The dead-stock includes a three-roller sugar mill, a country-cart, 2 furrow-turning ploughs, one cotton sowing drill and 6 ploughs, besides spades, bill-hooks, crow-bars, sickles, baskets and gunnies.

As regards labour, the lands are worked by himself, his father, and younger brother and by 2 permanent servants who are paid Rs. 100 per annum, besides food estimated to cost Rs. 80 per annum. Occasional cooly labour is employed for picking cotton and harvesting grain, and they are paid either in cash or in kind. When paid in kind, the rate varies from 1 in 16 to 1 in 20. The amount

incurred on casual cooly labour during the previous year was Rs. 275.

Cropping scheme :—Out of his holding of 50 kilas, only 40 kilas were cultivated during the previous year. 14 kilas were under wheat, 12 kilas under cotton, 3 kilas under Toria, 1½ kilas under sugarcane, 3 kilas under Bengal gram and 6½ kilas under fodder. The Bengal gram was a failure in the last season, but wheat, cotton, jaggery and Toria realised a total income of Rs. 2,690. The fodder was fed to cattle and no valuation was made for it.

Land assessment and water rate amounted to Rs. 460 per annum. His net income during the last five years varied from Rs. 100 to Rs. 150 per mensem, depending largely on the prevailing prices of wheat and cotton in the market.

He is hopeful of bringing the entire area under cultivation and adopting more intensive farming in future years, and will not care to accept a Government job hereafter.

ii. The case of Sher Mohammad Hamid, M.A., (Econs.) from the Government College, Lahore, whose original home was in Ambala District, invested only Rs. 800 in the beginning, and he now owns a house worth Rs. 5,000, bigger and better furnished than that of Risaval Singh's Besides owning livestock and deadstock on the same scale as Risaval Singh, he has a good stock of Leghorn poultry, maintains 4 permanent servants and has been following Risaval Singh in all matters of cultivation and has been getting an average income of not less than Rs. 100 for the last 5 years. Mr. Risaval Singh is considered the recognised agricultural expert by all the other settlers.

iii. The figures furnished by Hari Singh, B. Sc., (Ag.,) belonging to Chak No. 689 G. B. are even more elaborate. His total income for the last season was Rs. 2,754 and the expenditure Rs. 1,800 showing an annual net income of Rs. 950. The statement given by Mr. Hari Singh seems to be an under-estimate, for the reason that the original advance had been paid back, bigger houses have been built, same number of livestock and deadstock are maintained and there are no outstanding debts.

The general impression left on me by a visit to these Graduate-Grantee-Chaks was that, with a certain amount of guidance on the part of officers of different Departments and serious willingness to work on the part of colonists, Arts & Science graduates will turn out as good practical farmers, exactly in the same manner as the Jewish University students expelled from Germany settled down in Palestine.

Reorganisation of the Co-operative Movement

BY MR M. S. NARASIMHA RAO, B.A., B.L., *Nellore.*

Resolution 10 passed at the last Madras Provincial Co-operative Conference specified some topics and recommended that a special conference should be convened at an early date for their consideration, after Memoranda on them had been circulated to societies. Messrs. K. Bhashyam and K. G. Sivaswami have dealt with those topics in the pages of this *Journal* in different numbers. The conveners of the recent Andhra Provincial Co-operative Conference held at Vizianagaram also invited the opinion of Andhra co-operators on those topics. I may therefore be permitted to express my views on them.

1. *Amalgamation of all District Banks with the Provincial Bank.*—The basis for the mooting of this proposal is that if provincial banks are brought directly into contact with the primary societies, and the individuality of the district banks is eliminated, the primary borrower will be able to have cheaper credit than he is having now. It is presupposed, and in my opinion wrongly, that the function discharged by the central bank at present is no other than that of a middleman, and the elimination of the district bank making it merely a branch of the Provincial Bank, will obviate the necessity of charging the primary borrower anything more than what the Provincial Bank charges the central bank by way of interest. Analogies from the practice prevailing in the other banks such as the Imperial Bank, the Bank of Hindustan, etc., are passed into service, in support of the proposal to abolish the independent existence of the district co-operative banks. I consider there is a fallacy in this proposal.

As a matter of fact, many central banks are not borrowing from the Provincial Bank. The deposit rates of many central banks are not higher than, and compare favourably with, the rates prevailing in the Provincial Bank. In these cases, the lending rate to societies is not more than what it would be if the Provincial Bank had lent directly to societies. There are no doubt some central banks which accept deposits at rates higher than the rates in the Provincial Bank. But in such cases, the cure does not lie in converting such banks as branches of the Provincial Bank, but in insisting on such central banks to accept and lend out money at lower rates.

The proposal to convert district banks into branches, far from improving the efficiency of the movement, will only result in the disorganisation of the work of rectification and scrutiny which the district banks are doing ably at present. Secondly, the elimination of the independence of the district banks will bring about the elimination of the honorary service of a large number of non-official gentlemen, who will certainly not have the same enthusiasum and willingness to serve in the advisory committees which may be formed in the wake of the conversion of the district banks into branches.

While I oppose the amalgamation proposed, I welcome the merger of two or three contiguous district banks which cannot by themselves separately stand on their own independent resources, into one central bank. There will be in such a case a great saving in the overhead charges and an all-round increase in effeciency.

2. *Provision of branches of Central Banks.*—The importance of this question can be appreciated, when the question of huge surpluses lying in central banks caused by reason of the slump in the movement has to be tackled. There are many unrepresented areas in the districts, not yet reached by co-operation. A scheme has to be framed for the absorption of these surpluses in such unrepresented places. In my opinion, it would be very desirable to start branches of central banks in convenient places here and there, for directly serving the needs of the people who have not the benefit of a co-operative society in their areas. Direct lending to agriculturists in such places may entail the necessity of having to make suitable amendments in the by-laws of the district banks. Local advisory boards may be formed in those areas to advise the bank on the propriety of sanctioning any loan applied for, on the security of produce or personal security. The formation of branches may facilitate the providing of facilities for production, supplying and marketing of products of cottage industries of various kinds. Being in close proximity with the primary producers, the financing of cottage industries can be looked after by them.

3. *Amalgamation of societies—Limited liability Multi-purpose societies.*—As the Burma Registrar has stated "the end of co-operation lies in rural reconstruction." A thorough overhauling of the rural society is the immediate need of the day. It is necessary that every rural society should so function that it may be looked upon by the persons who reside within its area as an organisation for the economic uplift of the community in various ways. There is no reason why the credit and non-credit aspects should be so scrupulously

kept apart from one another, as is being done at present by the Departmental Officers who are organising separate Loan and Sale societies even in areas where rural societies are functioning. It is not realised that though rural societies are doing at present only credit work the by-laws even as they exist do provide for the doing of non-credit work also. An ideal rural co-operative society should not only be a money-lender but must be a supplier of good seed and agricultural implements. It can simultaneously help in the marketing of produce, and grant loans on the security of the said produce before it is marketed. It can promote house building on sanitary lines and do several other useful acts. The reformation of the rural society should be done on the above lines. It should be made a multi-purpose society.

But we feel that to achieve the above object, the jurisdiction of the rural society should be extended to two or three villages. The extension of jurisdiction gives a two-fold advantage. Firstly it brings within control the play of local-factions in the choice of panchayatdars and in the administration of the society. Secondly the introduction of a better element in the administration will promote business being conducted on more efficient and businesslike lines. This system of " regioned Banks " is very essential for remedying the present defects and conducting future activity on proper lines.

The reformation of the rural society on the lines stated above requires the substitution of the limited liability system for the present unlimited liability. This latter system is scaring away several deserving men from entering the movement. The introduction of limited liability is overdue. Before converting the unlimited societies into limited, some provision has however to be made to safeguard the interests of the financing banks which have already lent money on the basis of unlimited liability. We consider that it would be sufficient if prior to the conversion to limited society the existing members of unlimited liability societies are made to undertake liability equivalent to the estimated bad debt uncovered by the surplus between assets and liabilities in the said Societies.

4. *Trained whole time agency for village co-operative societies.* —It goes without saying that the expansion of rural societies and their orientation on the new lines suggested will need the services of a trained whole time staff. But there should be no need to send away such incumbents as are at present doing efficiently accounts work in certain fairly well-to-do-societies. Recruitment in future

might be made from a list of trained men. Present incumbents may if necessary be deputed for training. Preference for training may be given to such existing panchayatdars who are at present attending to the work of maintenance of accounts.

5. *Formation of efficient co-operative service for all financing banks.*—There is a background to this question. An opinion prevails that owing to the peculiar constitution of the board of management of a financing bank by virtue of which the directors of primary rural societies get into Unions, through which they are again returned to the board of management, there is a lot of unofficial pressure exercised by the members on the secretary or the manager of the bank as the case may be, with the result that the efficiency of the Bank's administration has suffered considerably. In 1936, the Registrar suggests that at least the offices of the Secretary and the Manager may be provincialised. It is thought that by making those officers independent of the Board of Management, in the matter of recruitment, pay, prospects, and punishments, they would be able to exercise wholesome control on the staff, untramelled by the likes and dislikes of the members of the board of management. Mr. V. Ramdass Pantulu is also of opinion that provincialisation would lead to efficiency. He stated that the pay and prospects of the employees should not depend " on the vicissitudes of the elections" While we do not ignore the existence in some places of the conditions mentioned above, and while we also agree that at least the secretary of the bank might be endowed with authority and prestige which would enable him to get the business done without fear or favour, we are averse to agree to a proposition involving the reconciliation of the idea of an independent autonomous central bank, with the idea of any member of its staff being controlled by an outside provincial body. We cannot appreciate any arrangement by which powers are not reserved to the bank to control any member of its staff including the secretary. At the same time, we recognise that co-operation is not simply a socio-economic movement, but is business. It is necessary that the selection of staff should be made from out of the most competent men versed in co-operation and banking. This principle ought to be adopted in selecting every member of the staff. We also agree that recruitment, pay and prospects of the services should be regulated on certain general defined principles.

6. *Discretion to financing banks to utilise the services of Supervising Unions or open branches.*—We are of opinion that supervising unions have outlived their usefulness and are at present unnecessary appendages. We prefer the opening of branches to utilising the services of the Unions.

7. *Recognition of Urban Banks to lend in larger jurisdiction.*—We are of opinion that if this is allowed there will be unhealthy rivalry and conflict between central banks and urban banks. We are of opinion that this proposal is unsound.

are being popularised by these banks. One of the pictures showed how an agriculturist carrying cash with him from the market town after the disposal of his agricultural produce came to grief on the road owing to an attack of ruffians. The other, on the other hand, depicted the agriculturist who had a cheque for the amount as having safely arrived in spite of a similar experience, since the ruffians had no use for the cheque. The Hubli Land Mortgage Bank exhibited an interesting picture wherein the agriculturist with a large burden of old debt was gratefully relieved of it and was enabled to avail himself of conciliation in reducing his debt, which the Bank had squared up, securing for him the further benefits of low interest and easy instalments.

One proceeding from these stalls could next visit those devoted to co-operative propaganda and education. One of the charts, specially designed and prominently exhibited in these stalls, showed a number of people of different religions and professions under the banner of co-operation. A second poster by its side showed the steps leading the villager to fuller development and greater happiness. Three different series of steps were shown—these steps numbered seven and showed rainbow colours—each series representing one factor *viz.*, physical, educational and co-operative progress. In this section also were kept the various books, magazines, leaflets and handbills published by the Institute Branches of the Karnatak in past years as also those specially written and published for the Show. Amongst the latter may be mentioned "A short note on the progress of the Co-operative Movement in the Karnatak" and "Rural Reconstruction, its need and scope" (in English), "Land Mortgage Banks," "Co-operation and Village Improvements" and "Verses on Co-operation" (in Kanarese). A statement was also boldly exhibited detailing the different items of work carried on by the Institute Branches and another giving a pictorial idea of amounts donated by co-operative institutions towards charitable purposes with the sanction of the Institute. The magic lantern and slides relating to various topics exhibited by the propaganda staff in the villages were kept on view and attracted much notice. Well printed pictures illustrating the ideas of "Man above the Rupee", "Neglect of Village Industries" etc., which were specially brought down from Poona, were very impressive.

Visitors to the next two stalls could form a good idea of the work of Cattle Breeding societies, Poultry and Egg sale societies,

Cattle Insurance and Implement and Sale Societies. Here could be seen well sized photographs of the herds of cattle, breeding bulls and improved cows of the Sidenur, Sadalga and Yalvigi societies. The Poultry section gave a comparative idea of the country and improved eggs, the development of the chick and use of the incubator, which is profitably used in hatching the eggs of the Leghorn and other breeds. Here too could be seen the practical demonstration with the testing lamp of how to select good and fresh eggs.

The spectator who was interested in land improvement and crop protection activities could next learn a lot in the stalls showing the ground plans of the Kunnur Fencing Society, the Yalvigi Land Improvement Society, the Mutta and Salukatta Dam Construction Society, etc., Proceeding further, one could study the improvements brought about in the village of Kallabbe in the Kanara District as were well exhibited from a table model and a number of canvas paintings showing the different aspects of rural reconstruction as actually brought about. The importance of clean and well laid out houses was brought home to the minds of the spectators by the model of a clean village and one of the Dharwar Co-operative Housing Society.

Next in order came the stalls containing the exhibits of the Hubli and Gadag Cotton Sale Societies, the Gokak and Sankeshwar Agricultural Produce Sale Societies, the Kumta and Sirsi Arecanut Sale societies, the Sanikatta Salt Sale society and the Bydagi Chilli Sale Society. The Vegetable Growers' Sale Society of Belgaum arranged to keep a fresh stock of its produce everyday and its exhibits were very impressive. The visitor here had a practical idea of how co-operation within the different institutions could further the interest of the member in the different aspects of his life. Next to these exhibits were on view exhibits kept by the various weavers' societies, the industrial associations and the Hebsur Gudar Weavers' Society. The gudars or carpets of this society have been much in demand all over the Presidency and their production has been undertaken by the members who are mainly following the agricultural industry. Of industrlal interest were also the bangles prepared by members of the Ghodgeri Kajgar Society and the sandal wood and ivory articles prepared by the Gudigar members of the Kumta Urban Co-operative Bank. These articles of exquisite workmanship naturally drew large gatherings of patrons of art.

The visitors were next led on to the Industrial Section where also a large number of articles were on view and for sale, manufactured

The Co-operative Court of the Karnatak Agricultural Show, Belgaum.

BY MR. M. M. BASRUR, B. AG.

That the recent Karnatak Agricultural Show held at Belgaum in January last was a splendid success is agreed on all hands, and it is a matter of great satisfaction to the co-operators in the Karnatak that the Co-operative Court added not a little to its importance and interest. Since the holding of the last two Presidency Shows at Poona and Ahmedabad about a decade ago, shows of that nature did not come off during the last ten years. Meanwhile opinion had gained ground that smaller Divisional Shows, more intensive than extensive, would be of special utility, since attention could be concentrated on the scope, needs and work in the different Divisions. In accordance with this, the recent Show was held, and successfully held at Belgaum. It deserves to be mentioned that the arrangement of a separate Co-operative Court as a part of the Show was in the fitness of things, since the number of exhibits and the interest they created justified the arrangement. A number of co-operative institutions liberally contributed towards the Exhibition Fund and exhibits were also independently prepared and sent by some of the progressive bodies. The number of co-operators who witnessed the Exhibition was also a proof of the interest they keenly felt in the large number of activities demonstrated in the Show for the benefit of the villagers and townsmen alike. A short description of the Co-operative Court must be of interest to the reader and an attempt is therefore made herewith.

The Co-operative Court was arranged in the "B" Division of the Show Grounds and occupied the first square in the Division on the left, facing the Industrial Section. This occupied twenty stalls arranged in three lines, two of which faced each other and the third stood in front of the gates. The entrance and the exit gates had on either side a well marked map of the Karnatak with the Angel of co-operation depicted on it showing the numerical strength of societies. The space in the middle between these two gates was covered with a large canvas painting showing the progress and the financial position of the Karnatak Central Co-operative Bank Ltd., Dharwar. Below it was also pinned a curtain showing the activities which a multi-purpose society can undertake to include the various interests

of the rural co-operators. At the centre of the open square was constructed a small but decent pentagonal platform on which stood a model of a number of men and women holding up the globe of the world to show the strength of co-operation. Nearby stood a small hand-cart with proper maxims to show the importance of the agriculturists, the place of the citizen in the society, proper use of education etc., etc. written in short sentences. The platform had on each side three steps, and on each were written in bold letters words like economy, self-help, better production, better business, better living etc. In short, even a passing reader could grasp the general principles of co-operation and form an idea of the co-operative movement. The stalls inside amplified each aspect and enabled the more intensive study of the movement as in progress in the Karnatak.

The first two stalls exhibited maps, charts and photographs detailing the general progress of the co-operative movement and depicting the work of rural co-operative societies. Amongst the latter may be mentioned the societies at Harti, Navalur, Hulkoti, Almel and Chikkodi (Rural). A big map of the Karnatak showed the different types of societies, now numbering 1210, of the Division, with the distinct mark of each type duly stamped on the map; for instance, a cattle breeding society with a breeding bull, a sale society with a pair of balances, and credit societies with bags of money. The numerical progress of societies at an interval of every five years was marked on a chart by pictures of relative sizes of a building, the membership similarly was shown with duly proportioned human figures and so on. Each stall exhibited instructive and proper maxims in English, Marathi and Kanarese. Well written boards were also kept on view giving facts and figures regarding the progress. Photographs included those of buildings constructed by societies from their Reserve Fund, and promoters and workers of the societies.

The next two stalls were devoted to the exhibits relating to the District Central Banks, Land Mortgage Banks and Urban Banks. The imposing buildings of three out of the four District Banks, and of the Southern Maratha and Hubli Urban Banks were seen in due perspective in the large and well proportioned photographs. The working capital, Reserve Fund, membership and other details could be seen in clear graphs sent in by the different Banks. In addition to these, copies of annual reports were made available on their behalf to visitors who were inclined to a more detailed study. Two pictorial exhibits impressively explained the utility of cheques which by the co-operative institutions under the guidance of the Industrial Department. In conclusion one can say that the visitor to the Co-operative Court gathered a full idea of the movement, its scope and utility and also the lines of its future development. It was interesting to hear appreciative remarks made to this effect by high officials and gentlemen of standing in the public estimation. The large number of medals, certificates and cash prizes which were secured by co-operators and co-operative institutions have undoubtedly encouraged all interested in the Court. Not the least is the pleasure derived by the batch of demonstrators who under the active guidance of the Assistant Registrar did their best and had the satisfaction of finding their labour amply rewarded by the interest shown by the thousands of visitors, a large number of whom drew upon the material in making an intensive study.

Extracts.

STATUTORY REPORT OF THE RESERVE BANK.

Co-operative Marketing

19. As in the case of credit we consider that for developing co-operative marketing a start has to be made from the bottom. The present co-operative commission shop, consisting of members belonging to different villages, many of whom never make use of the shop while the rest sell only part of their produce through it, does not serve much useful purpose. A better plan would be to induce primary societies to take up joint marketing. It should be their duty to ensure the loyalty of the members and they should aim at selling their produce as far as possible in bulk, ensuring uniformity of quality by supplying approved seeds to their members. They should be assisted to build up inexpensive but serviceable godowns not so much for the purpose of holding up the produce as for facility of collection. We consider that both Government as well as land mortgage banks could usefully utilise their funds in making long term advances for the building of godowns. It is only after such organisations have been first gradually built up and are working successfully that it is possible to organise large central sale societies which would be in a position to undertake the much more technical tasks of grading, processing, stabilising prices by orderly marketing and providing against losses by hedging, straddling and similar operations. We consider that such central societies could become one of the best means of ensuring a fair price to the cultivator and establishing contact between him and the money market, but we must emphasize the need for preparing the way by small properly organised local beginnings. We wish also to reiterate our previous recommendation that a large marketing organisation, if it is to be worked successfully must employ persons with experience and knowledge of the market and cannot be directed by non-experts only.

Central and Provincial Banks.

20. As regards the central and provincial banks, there is also large scope for reform. There has been a considerable increase in the number of societies affiliated to some of the central banks; there is one bank which deals with as many as 680 societies. Where such large expansion has taken place the work has become unwieldy and the co-operative character of the bank tends to become slender. In such cases even if the central bank is to be retained it seems necessary that societies should be grouped into banking unions. We also feel that a provincial bank as the apex institution can play a much wider part in the direction and

guidance of the movement. It is in a sense the Reserve Bank of the movement. As such it should be responsible for giving a correct lead to the other co-operative banks on banking and financial matters. By insisting on the observance of correct principles it can materially improve the working of central banks. It should also serve as the development department for the co-operative movement, where a provincial institute or union does not exist for the purpose or does not function properly. Where such an institution does exist the provincial bank should work in collaboration with it and should take an active part in helping primary units to broaden their basis, in the reorganisation of the movement and in the extension of principles of co-operation to other spheres. The sound provincial and central co-operative banks at present find themselves in the dilemma that though they are able to attract plentiful deposits at cheap rates they are unable to utilise them to any appreciable extent in making fresh advances to primary societies on account of the heavy overdues outstanding against the societies. It is therefore in the interest of the banks that they should take an active part in the reorganization of the societies, so that the old outstandings may be cleared and fresh financing on a much larger scale and for more varied purposes may become possible. We consider that by interesting themselves in all activities calculated to tone up, consolidate and expand the movement, the provincial banks will make themselves far more useful than if they restrict their role to finance only.

Re-organisation on Banking Lines.

21. There is another important direction in which the central and provincial banks can be reformed. When the co-operative movement was started in India before the Great War, modern banking was for all practical purposes confined to the larger towns ; commercial banking as a means of supplying the interior of the country with credit was in its infancy. Since then, the Companies Act has been passed with its detailed provisions for the regulation of joint stock banking, for the restriction of their business to true commercial banking and for the maintenance and publication of proper accounts. Our own Act also makes provision for the supply of accurate and up-to-date information by the scheduled banks to us regarding their weekly position. We consider it essential that those responsible for the co-operative movement in the various provinces should take account of these developments and should remodel their banks accordingly. We realise that immediate and absolute uniformity is impracticable but the more active progress is made along these lines the better.

22. In particular, co-operative banks must maintain sufficient fluid resources to provide for the withdrawal of deposits. In some provinces the Registrars have laid down standards for fluid resource but

they do not seem to be always followed and in some provinces there seem to be no rules at all. The degree of fluidity of sound commercial banking should even be surpassed by co-operative banks in view of the much longer periods for which agricultural loans are granted as compared with commercial credits. They must also as in the case of primary societies maintain a sufficient margin between their borrowing and lending rates not only to meet their expenses but to build up their reserves. All the amount taken towards income must be actually realised and must not include any unrealised or unrealisable interest which has been added to the capital of the loans. The practice of carrying on bad debts from year to year without any proper scrutiny of the extent of the losses likely to occur on the one hand, and of large nominal provisions for bad debts out of unrealised profits on the other, merely hides the real state of affairs not only from the public but also not unfrequently from those in charge of the movement. Much stricter provision must be made for setting out overdues both of principal and interest in the balance sheet which should specify the maturity of the loans by categories, *e.g.*, under six months, six to twelve months, one to two years and over two years. The balance sheet must be prepared in such a way as to present a true picture of the condition of the bank and must be published with the punctuality and promptitude now insisted on in the case of commercial banks. One of the greatest difficulties in forming an objective view of the co-operative movement is the extraordinary diversity in practice between the various provinces in the matter of setting out assets and liabilities. There is no reason why co-operative banks should be in any way less responsible for publishing a properly drawn up and easily understandable account than the commercial banks and in seems to us necessary that the balance sheets of co-operative banks should be prepared in a uniform manner on the lines of Forms F and G under the Indian Companies Act with suitable modifications. We are considering such modifications and will approach the Provincial Governments to take steps to bring these forms into use.

Necessity for developing resources so as to dispense with outside backing.

23. It is sometimes argued that there is no need for change and that the co-operative banks, even constituted as they are, can attract sufficient funds. To this it may be replied without exaggeration that without the feeling that Government was behind the movement many of them would be unable to attract the deposits required even to maintain their present condition which in the case of some is one of stagnation, much less cope with the increasing requirements of the country. Government backing may have been necessary at the start but the ideal of the movement should be to become self-supporting as soon as possible. Co-operative banks must try to achieve this by organising their business on

the lines advocated above. Until they have built up adequate resources, to pass on the low rates, at which Government backing enables them to borrow, to the debtor with margins far lower than those which even the most optimistic commercial practice could condone is as pernicious to the borrower as it is ultimately disastrous to the lender.

Closer connection with commercial banks desirable.

24. It is a fallacy that because co-operative banks have to serve the needs of agriculturists they cannot be run on strictly banking lines. On the contrary, it is only in so far as the co-operative banks are good business concerns that they will be able to give real help to the agriculturists. On account of their more specialised acquaintance with agricultural conditions, the provincial and central banks are in a position to render useful service but if they are to fulfil this role they should reorganise their activities on the lines of commercial banks. As we have already explained, we do not consider it practicable in view of the past commitments of these banks that they should immediately recast themselves on exactly the same lines as joint stock banks. The process will have to vary from province to province according to the position of each bank, but we consider that the final object should be definitely set out and if this principle is recognised we will be glad to render such technical assistance as we can towards such reconstruction, having regard to the individual circumstances of the various institutions. We consider that it would contribute greatly to the health of the co-operative movement if closer contact could be established with first class commercial banks throughout and that those in charge of the movement in various provinces should get into touch with these commercial banks and take their advice in reorganising their business. Closer contact can also be established by co-operative banks making more use of commercial banks of standing for investment of their surplus funds as well as for obtaining credit from them on Government paper or otherwise. Commercial banks might also on their part utilise co-operative banks for the collection of bills in small places where they have no offices of their own. Such mutual dealings will promote mutual understanding and bring the co-operative bank more into touch with the commercial.

Training of the Staff.

25. We should like at this stage to emphasise one most important principle, namely, that sound banking is the result not so much of banking rules as of good bankers. In addition to the large class of those with a hereditary training in banking there is now a large and rapidly growing supply of young and active trained Indian bankers and nothing would be more helpful to the development of co-operative banks on banking lines than the recruitment of such trained staff to a far greater

extent than in the past. We feel that several of the deviations from the orthodox banking path which have occurred in the co-operative banks and which have contributed to their present difficulties have been due to the lack of proper banking knowledge on the part of the staff and sometimes even of those entrusted with the direction of the movement. In addition to taking new recruits trained in banking, the co-operative banks must make provision for the training of their existing staff in banking theory and practice. We further think that the provincial and more important central banks would benefit greatly if they could have some professional bankers on their boards. Their presence would not only serve to put a brake on any tendency to deviate from courses dictated by banking theory and practice but would also enhance the credit of the movement in the money market.

Land Mortgage Banks.

26. In our preliminary report we have discussed the short term and long term needs of the cultivator separately and in connection with the latter we have referred to the co-operative land mortgage banks. The question of such banks has of late assumed such importance that we propose to deal with it in detail in a separate bulletin which we shall be issuing shortly and we shall therefore indicate our views only briefly here. In the first place we should like to remove a misunderstanding which appears to have arisen over our general remarks in regard to these in our previous report. The statement that the advancing of funds for the liquidation of old debts is not the function of a banking institution as generally understood has been taken to mean that we were questioning the very necessity for long term credit. What we meant to convey was that ordinary banking institutions are not suitable agencies for the supply of long term credit, and that these required special organisations.

Liquidation of old debts.

27. Our investigations into the working of the land mortgage banks in India reveal that in the liquidation of old debts to which they are at present devoting their almost exclusive attention they are running the risk of falling into the same error which was committed by co-operative credit societies in the past and which is to a large extent responsible for the present plight of the movement, and that there is a danger of the land mortgage banks finding themselves ultimately in the same position as some of the co-operative banks with their assets frozen. A cultivator who is habitually running into debt cannot be saved merely by the grant of longer instalments with lower rates of interest. He must be trained and disciplined in the use of money and if he is living on a deficit economy, attempts must be made to increase his margin of profit. The old co-operative ideal was to make a man undergo a period of probation

in a co-operative society and to liquidate his old debt only after his fitness for this purpose had been tested. The present system in vogue in many places of taking up debtors without any previous knowledge and looking only to the security offered by them can hardly be said to have any real co-operative element in it. The security of land, as has been demonstrated more than once, proves an embarrassment rather than an asset when it has to be realised on a large scale, so that even a land mortgage bank must look more to the paying capacity of the debtor than to the mere value of his assets. We consider it highly desirable that arrangements should be made for the person whose debt is to be paid by the land mortgage bank to serve a period of probation with a good primary credit society and that even after the land mortgage bank has advanced him a loan he should continue to be a member of a multiple purpose society so that the regular repayment of his instalments may be ensured by proper supervision of his activities.

Co-ordination of Credit Societies and Mortgage Banks

28. Such an arrangement will also help the primary societies, which in the past have sometimes felt the necessity of liquidating and paying off previous debts of members before any dealings could be started with them, with the result that the volume of credit required by these societies has been greatly increased. After a debtor has served his period of probation with a village society, if it is found that his existing burden of indebtedness is obviously beyond his capacity to bear and such as to disqualify him for help from a land mortgage bank, Government might appoint conciliation boards which would reduce the capital and interest to a level at which he will be eligible for a loan from the mortgage bank. If this is done, the credit requirements of the primary society would be very materially reduced and could be mostly confined to advances for meeting the current expenses of cultivation. A member who did not show the co-operative desire to improve his position and who could not therefore be assisted by a land mortgage bank could be ejected from the society. In this way the society would not be burdened with the liability for the indebtedness of bad members.

Improvement of Land.

29. Though as we have already said the preoccupation of land mortgage banks with the liquidation of old debts was inevitable in the beginning and was probably a necessary step to clear the ground before any work of a constructive nature could be undertaken, we deprecate too exclusive concentration on that object to the neglect of the far more important work of supplying finance for the improvement of land which would be productive of permanent benefit to the agriculturist. After all, the main purpose of a long term loan raised on the security of land

should be the improvement of the land itself. It is true that the demand for this kind of loan is small at present. Even the provision which Government has made for the grant of loans for this purpose has not been availed of to any great extent. The decreasing returns from agriculture owing to the slump and the increasing fragmentation of holdings have given a further set back to any desire for effecting improvements which cost money. There can be no doubt, however, that there is need for improvement in many directions. For works of permanent improvement such as the erection of bunds, the installation of power units, levelling, fencing, etc., on a large scale, the digging of wells, reclamation, etc., the expenses of which can only be met out of the return from the increased production over a series of years, long term loans are necessary and land mortgage banks will be failing in their true purpose if they do not undertake this kind of finance. If people will not come to the banks of their own accord for such assistance it will be necessary for the banks to carry on propaganda for the purpose. They should make known the special facilities which they would be in a position to give for works of improvement, the amounts which can be advanced and the instalments with which they can be repaid. Special efforts might be made in selected areas and help might in the beginning be confined to people approved and recommended by co-operative societies. As the lack of compactness of the holdings often makes land improvement works unprofitable or impossible, land mortgage banks should also directly or indirectly encourage schemes for the consolidation of holdings. There are no doubt other difficulties in the grant of loans for improvements. It is, for, instance not free from doubt whether such loans on the mortgage of ancestral land could be binding on the co-parceners of a Hindu joint family including minors, but this difficulty could be got over by legislation. There are other minor legal hindrances of this nature to the working of land mortgage banks and wherever they are being established special legislation on the lines of the Madras Land Mortgage Banks Act seems essential if they are to function properly.

Co-ordination with Agricultural Department.

30. The need for the greatest caution in making advances for land improvement is obvious. One important reason for the reluctance of land mortgage banks to take up land improvement finance is their inability to get technical advice and to supervise the use of their loans, and it is here that the co-operation of the Agricultural Department of Government could be of considerable assistance. The Agricultural Department is primarily concerned with the improvement of agriculture and it is on its advice that loans under the Land Improvement Loans Act are at present granted by Governments in most of the provinces. In areas selected by land mortgage banks for advancing land improvement loans

Government might discontinue granting taccavi loans, and where the Agricultural Department approved of a land improvement loan being given to any landowner it might forward the case to the land mortgage bank. The local officers of the Agricultural Department could then help the banks in (*a*) propaganda and education of the cultivators in the facilities offered for the financing of land improvement, (*b*) assistance to cultivators in the preparation of suitable schemes for financing and (*c*) examination of the technical aspects of schemes submitted and inspection of subsequent progress after they had been put into effect. Before the volume of applications increases it will be necessary for the bank to maintain its own technical department but in the beginning such help should be rendered by the Agricultural Department. Mr. Jenkins, Director of Agriculture in the Bombay Presidency, to whom we are indebted for some of the views expressed above, considers that the financing of such land improvement schemes by the land mortgage banks would materially facilitate and implement the work of the Agricultural Department in the introduction and extension of agricultural improvements, many of which involve expenditure, which under existing circumstances is difficult to obtain.

The Co-operative Department.

31. In order to infuse new life into the societies, to introduce the various reforms we have suggested and to secure the growth of the movement on right and sound lines a highly progressive, efficient and well-trained staff is a vital necessity. The Maclagan Committee and the Royal Commission on Agriculture have both laid great stress on the intensive training of the staff in co-operation and rural economics. To these we would add the theory and practice of banking. The facilities existing for the training of the co-operative staff in most of the provinces do not yet seem to be adequate and much lee-way has to be made up. Since the Registrar forms the foundation of the whole movement, his training in co-operation, banking and rural economics requires the greatest possible attention. The Maclagan Committee set up the following very high standards for him :

" In order to fulfil his duties he must be continually studying co-operative literature, which is now most extensive ; he must make himself acquainted with economic conditions and practices both throughout India and in his own province ; he must know the principles and methods of joint-stock banking ; and must examine the systems of developing thrift and inculcating co-operation which have been tried in other countries. He is also head of a teaching establishment, and must devise effective means for impressing a real knowledge of co-operation on the bulk of the population. He has further to control a large staff, to draft model bye-laws and rules, to collect statistics and write reports, to advise Government on various subjects, and to keep in close touch with the higher

finance of the movement as managed by Provincial Banks and Central Banks.........He must keep in constant touch with markets.........His work is highly responsible, involving a watch over a large sums of money deposited by the public and a share in the responsibility for the economic fate of a province. It can well be realised that few officers are entrusted with work more serious or more exacting......... In dealings with other departments and with outside bankers and business men it is important to have as Registrar an officer of some standing, and it would in our opinion be a grave dereliction of its duty for a Local Government to entrust interests of so vital and so far-reaching a character as those controlled by the Registrar to any but picked officers of experience and authority.........It would in our opinion greatly enhance the usefulness of Registrars if the Local Governments were to enable them from time to time to make short visits to other provinces for the sake of studying, in the company of the local Registrar, the systems prevailing in parts of the country outside their own jurisdiction."

To these qualifications laid down by the Committee the Royal Commission added the following : " The modern Registrar must be fully abreast of the activities of all departments working for the improvement of rural conditions ; he must see that there is a sound foundation of Better Business to support the superstructure of Better Farming and Better Living ; the more efficient the movement, the more will other departments make use of it to promote their own special activities". It recommended that " Local Governments should select the best man available as Registrar ; on no account should the post be regarded as a convenient refuge for an official promoted by seniority to Collector's rank. Administrative experience, knowledge of the people and their economic conditions and ability to enlist the co-operation of honorary workers are essential qualifications. A Registrar, once appointed and proved efficient, should not be transferred from the post until the full benefit of continuity of policy has been assured. The minimum period during which he should hold the appointment should not be less than five years, on the assumption that he has already had two years service as Assistant or Joint Registrar and the maximum not more than ten............The movement is gathering force so rapidly in some provinces that the post of Registrar is becoming one of the most important under the Local Government and should be recognised as such". The Commission also considered it desirable that the Registrar should be sent on deputation to study conditions in Europe and that such deputation should be usually preceded by considerable study and experience of the movement in India. It also regarded as unsatisfactory the practice of combining the Registrar's office with various other duties and considered that the appointment of a full time incumbent would assist in removing the defects of the movement. We have given these lengthy quotations because we feel that not every Provincial Government has given these valuable recommendations the attention they deserve. The non-observance of these principles has resulted in hampering the progress of the movement in some of the provinces and we strongly recommend them to the serious consideration of the various Provincial Governments. We feel that if the movement in the Punjab is in a better condition than in most other provinces, this is to a great extent due to the provision of adequate and well trained staff as well as the appointment of specially trained officers as Registrars who have made a close study of the co-operative movement in India and abroad. In some of the provinces the staff is not only untrained but it is complained that it is inadequate. In one province our Agricultural Credit Department has noticed that the accounts of co-operative societies have remained unaudited by Government staff for nearly two years. Economy in this respect is clearly pernicious and we would recommend the Provincial Governments to consider the necessity of strengthening the staff wherever it is deficient.

32. The various suggestions that we have made in this Chapter for the improvement of the co-operative movement should not be construed to mean that none of the provinces are at present taking any steps to reform the movement in some of these ways. It is in fact the knowledge of the good effects which some of these measures are producing in several places that has prompted us to advocate their adoption elsewhere. What we wish to draw attention to is the necessity of a comprehensive reform of the movement as a whole based on a broad conception of the fundamentals of the problem and it is with this view that we have suggested various remedies necessary to strengthen the movement at every point even though some of these are already being tried in particular provinces. We feel that it is only if the movement is reformed in such a comprehensive manner that a real improvement can be brought about.

Correspondence.

PROVINCIALISATION OF SERVICES—CO-OPERATIVE NON-OFFICIAL EMPLOYEES.

It cannot be denied that the administration of Municipalities has improved much after the advent of the Commissioners. Answerable as they are to the Provincial Government, they are able to work whole-heartedly for the betterment of the Municipalities, without fear or favour, and the drawbacks of the days of honorary administrators have become a thing of the past. So long as the executive head of any institution has to depend on an elected body for his future, he cannot act with that amount of sincerity and straightforwardness that is required of him, and more so, if the body is changing year after year as in the co-operative institutions.

With very few selfless workers in the field, it cannot be expected that the right type of men will always be returned to the directorate by the general body in Co-operative Banks. These places are coveted more for the resultant power and influence and as such, to be assured of successive returns, certain amount of favouritism and partiality have to be exercised even in the daily routine. The paid employee, who is directly under the control of such a body, has to tune himself to suit their tastes.

The present position of a co-operative non-official employee is not so rosy as it appears. He has no future. He is not assured of his job. By a single stroke of the pen the management can throw him out of employment, if they so desire. Their decision in these matters is final and cannot be questioned by any outside body. Working under such odds, he has of necessity to adjust himself to changing circumstances every year.

Such a state of things should not be allowed to continue any longer in financial institutions. Growing as they are, they must have a contented staff, which is by itself the best asset for any Bank. The employee should have security of tenure in office. The benefits of provident fund and time scale of pay should be extended to him. Only such attractions will draw the best human material.

Provincialisation of non-official services will go a long way to achieve this end. With a bright future behind him, the employee will put forth his best efforts to acquit himself ably, assured as he is, that he will not be affected by local politics. Further, occasional transfers of the paid staff in financial institutions in the province will minimise fraud and enable detections of previous shortcomings in their working.

There should be a Provincial Committee of three to control the services, consisting of the Registrar of Co-operative Societies or his nominee, one to be elected by the Banks concerned and a third member to be elected by the Provincial Employees Union. The Committee should have power to draw into its fold all Co-operating Banking institutions having a turnover of say, '2 lakhs a year. They should have the direct control over the securities offered by the employees, and other contributions. The Committee may draft suitable rules to govern the services and offer uniform facilities to all the members, in matters relating to promotions, leave and other benefits.

There cannot but be some amount of opposition in the early stages for this scheme of provincialisation, but in the best interests of the movement it is high time for provincial co-operators to look into the question and appreciate the motive behind the suggestion and do something tangible to improve the lot of the employees and make the services more attractive.

L. SIVARAMAKRISHNAN.

INSTRUCTION 4 IN REGISTRAR'S CIRCULAR NO. F. 1625/37 DATED 18-3-38.

The instruction under reference is as follows :—" In the case of societies in charge of an agent under the by-laws or a Manager under section 43 of the Madras Co-operative Societies Act VI of 1932 it is not advisable that he should take upon himself the responsibility of filing a suit under section 51 (I) (c). In such cases the plaint should be supported by General Body resolution of the societies concerned."

Examining the soundness of the instructions as regards the portion concerned with persons appointed by the Registrar under section 43, with due respect to those who are responsible for this rule, it has to be observed that it frustrates the very object with which section 43 of Act VI of 1932 was introduced. That section authorises the Registrar to dissolve the committee in cases where in his opinion it does not function properly and appoint a suitable person or persons to manage the affairs of the society. Sub-section 2 says that such person or persons shall, subject to the control of the Registrar and to such instructions as he may from time to time give, have power to exercise all or any of the functions of the committee or any officer of the society etc. That section has been introduced to vest in the Registrar certain powers by exercising which he may get over the difficulties caused by the existence of incapable or perverse panchayatdars, by substituting for them a suitable person or persons for managing the affairs of the society. It means that before appointing a person as Manager, the Registrar satisfies himself with regards the capacity and trustworthiness of the person to be appointed as Manager. The Manager thus appointed has been till now given wide discretion to act under section 51. The Registrar, while being pleased to allow him to take action in cases falling under the other clauses of sub-section 1 of section 51, directs him to seek the permission of the General Body of the society before acting in cases falling under clause (*c*). The clause is concerned with disputes " between the society or its committee and any past committee, any officer, agent or servant, or any past officer, past agent or past servant or the nominee, heirs or legal re-presentatives of any deceased officer, deceased

agent or deceased servant of the society." This clause was introdued by Act V of 1937. Originally the clause run as follows:

(*c*) between the society or its committee and any officer agent or servant of the society.

The amendment was really made to get over the decision of the Madras High Court in 42 Law Weekly 912 where King J pointed out that the then existing clause (*c*) had no application to disputes with ex-directors.

In other words, the legislature intended that the Registrar should be vested with powers to try disputes coming within the scope of clause (*c*) of sub-section 1 of section 51.

It is well known that troubles in societies arise only when the directors who are as usual men of vast influence with the General Body misbehave. It is only for setting at rest these troubles and for recovering sums which as in 42 Law Weekly have been lost to the society on account of the negligence of the directors or ex-directors that Managers are appointed. The mere supersession of the committee does not in any way make the ex-directors or past officers the less influential with the General Body. Even the authors of this instruction ought to have known that it is utterly impossible in such cases to get the consent of the General Body for taking action. In case of societies having very few members it may not be impossible to convene a General Body in such cases for such purposes. In case of societies having a large number of persons where it is not possible even to get a quorum to convene annual meetings it is not possible to see the advisability of strictly following this instruction especially when by delaying the submission of a reference properties which have to be attached before judgment are likely to be alienated.

It is hoped that the Registrar will be pleased to reconsider the advisability of fettering the discretion of persons whom he entrusts with the management of Societies under section 43 of the Madras Act VI of 1932. If he is dissatisfied with any of his nominees he may remove him from office and substitute for him a person whom he knows to be really efficient. It is already a matter of complaint that, in societies where the committees have been superseded under section 43 and where the affairs of the society warrant the continuance of such supersession, the manager is not permitted to exercise the powers of the committee and advance loans even to deserving members. The Department, it is said, does not want its subordinates to take any responsibility. The position is really un-understandable. Either the Department should take up the responsibility and exercise the rights vested in it under section 43, or section 43 should be removed from the statute books. Rights are co-extensive with responsibilities and it not fair that such rights should in any way be exercised by persons who are afraid of taking any responsibility. Official interference—even in these democratic days—is desirable and in some cases absolutely necessary in the interests of the members, but it should not be for frustrating the very object for which the legislature has authorised such an interference.

P. K. SRINIVASARAGHAVA ACHARYAR.

Conferences.

THE BIHAR AND ORISSA CO-OPERATIVE CONGRESS.

The Twentieth session of the Bihar and Orissa Co-operative Congress was held at Patna on the 6th and 7th of April last. Dr. Sachidananda Sinha, the veteran publicist of Bihar, welcomed the delegates as Chairman of the Reception Committee, while the Hon'ble Mr. V. Ramadas Pantulu presided over the Congress. The session was invested with special importance by H. E. the Governor and the Hon'ble Dr. Mahmud delivering messages in person to the Congress assuring co-operators and the public that Government was resolved to stand by the Movement and to see that it was rehabilitated and reorganised. His Excellency was good enough to stay throughout the morning sitting on the 6th.

Below are given extracts from the addresses of Dr. Sinha and Mr. Pantulu, the full speech of His Excellency and the substantial part of Dr. Mahmud's speech.

DR. SACHIDANANDA SINHA'S SPEECH.

The Co-operative movement, like so many other beneficent measures, owes its birth and development to Government initiative. It was started by Government early in this century, with public funds, and through Government officers. The Government passed a special Act in 1904, which was substantially modified and amended in 1912, in order to extend the scope of the organisation. Government then clearly assumed responsibility for the movement both by its legislation and conduct. Circulars were issued to District and Sub-divisional officers to take special interest in its working, and officers were warned that their capacity for holding charge of districts, or sub-divisions, would be judged by the amount of interest taken by them in the co-operative movement. Departmental officers were asked to raise funds for financing the banks and by inducing their friends and relatives to deposit their money in the Co-operative banks and societies. Mr. Abdy Collins, the then energetic and zealous head of the department, pestered our lives by his too frequent calls at our houses to induce us to invest all our lives' savings in the co-operative banks, and many of us yielded to his persuasive eloquence. The annual reports of the department encouraged and praised officials and non-officials who took part in the movement, and Government conferred on them promotions or titles in recognition of their services to it.

How, in spite of all these things, can Government ever disown their responsibility for the Co-operative movement? In the face of the facts I have mentioned and the declarations I have quoted from, it is by no means open to Government to shirk their responsibility. But the liquidation of a certain central bank, and the failure of many central banks, to meet their obligations to their depositors and creditors, have rudely shaken the confidence of the public in the movement. The economic depression, which has been prevailing

for the last few years, has been very largely responsible for the present financial difficulties of most of the central banks, and regard being had to such circumstances, Government are morally, if not legally, bound to come to their rescue It is no answer to say that the tax-payers' money should not be spent any more. The tax-payers' money was spent hitherto and I think, will have to be spent, even now, because the movement has still in it vast potentialities for doing good to the agriculturists, which after all is one of the most primary duties of a civilised Government like ours.

If, as I believe, Government have faith in the movement and have genuine sympathy with it—as opposed to mere lip-sympathy—if they want to save the situation, they cannot but support all those banks that are in difficulty at present. In some other provinces (such as Bengal and the Central Provinces) the Local Governments came to the rescue of the Co-operative movement when it was faced with a similar situation. There is no reason why the Bihar Government should assume an attitude which may lead people to infer, rightly or wrongly, that they are indifferent to the fortunes of the co-operative organisation. There is a good deal of misconception in the public mind in regard to the attitude of Government about our movement, and I venture to hope that the Hon'ble the Minister will encourage us today by giving an assurance that Government are genuinely sympathetic, and they will do all that lies in their power, not only to support the movement financially, which is at present moment faced with a grave crisis, but to do what will lead to its development and expansion.

THE HON. MR. RAMADAS PANTULU'S SPEECH.

Rehabilitation Scheme.

Now I proceed to submit for your consideration what I consider to be the outstanding features of the rehabilitation scheme. Three main questions arise from the position stated above apart from a mass of complex detail. The first question is how and from what source are we to derive the sum of about Rs. 50 to 55 lakhs which represents the excess of our liabilities over our assets. I find that there is a suggestion to reduce this deficit, partially, by utilising a portion of our owned capital—share capital and reserves—for the purpose before trying to find the balance. The share capital cannot obviously be withdrawn from the movement, if it is to be kept as a going concern. I am not also in favour of using the reserve fund, either wholly or partly, to reduce the deficit.

The second question is how do we stand in relation to our creditors and to what extent we can satisfy them. It seems to me that our creditors have to be differentiated and should be delicately approached, the approach naturally varying with the financial position of the debtor banks. Firstly there are creditors whose money is locked up in banks which are actually in liquidation or which must necessarily be liquidated. Normally the remedy of the creditors in such cases is to receive such dividends as the liquidators may be able to pay from time to time, from the assets as and when realised. The help which they may legitimately expect from the Government is to speed up the liquidation proceedings and make them as inexpensive as possible, so that the dividend may be as satisfactorily as possible and paid as quickly as it can be. It is wise to leave this class of creditors as that.

Then come creditors who are slightly more fortunate and whose debtor banks are not on the verge of bankruptcy, though their assets are attenuated. They realise that they cannot get back their money in full, but expectantly look forward to their claims being, at least, partially satisfied by payment. The quicker the payment in cash, the larger will be the concession to the debtor. It is in this class of cases that holding the creditors meetings under section 24 (*a*) and other methods of concialiation to bring down the claims of the creditors may prove most helpful, if sources are found to satisfy such claims by cash payment. Funds, to the extent needed to pay the reduced claims of these creditors, will have to be raised, as promptly as possible on the assets of these banks.

Lastly, there are creditors of the banks which possess sufficient assets to cover the liabilities either in full or to a large extent. But the existence of assets is not the same thing as their availability to meet the liabilities. Every creditor of a technically solvent debtor, without liquid assets, knows the difficulty of realisation. So, if we handle with tact and consideration this class of creditors, I am sure, they may also be persuaded to cut down their demands.

The Provincial Bank is of course in the same boat along with the depositors of the central banks and must therefore, be necessarily prepared to lose some part of its investments in the central banks, which I understand are round about Rs. 70 lakhs. Its loans may be anywhere between Rs. 15 to 25 lakhs. I hope that the Government will treat the Provincial Bank with special consideration.

Third question that arises in connection with this rehabilitation scheme is what are the good assets of the movement which can be mobilised to raise the credit required to meet our needs under the scheme. Our main assets are the outstanding debts from the members. A thorough and expert investigation to assess the assets and liabilities of the central banks and the societies must be conducted, with a view to ascertain them, with as much precision as possible. Every endeavour should also be made to dispose off, as quickly as possible, our real assets, that is, lands purchased in satisfaction of claims against members. Wherever possible, such schemes must be so worked as to restore the lands to the members under a suitable plan for recovery of the purchase money, in easy instalments, before the title is allowed to vest finally in the purchaser.

Such of the outstanding loans as are not considered irrecoverable and written off, but neverthless cannot be recovered in the normal course as short

or intermediate loans, should be placed on a definite long-term basis. In doing so it is not necessary to fix a uniform period of 15 or 20 or 25 years, for repayment in all cases, as suggested by some. A suitable period should be fixed, having regard to the revised estimate of the repaying capacity of the debtor, the value of the security behind the loan and other relevant circumstances in each case. In thus assessing the repaying capacity of a member and fixing the kists, due margin should be left to enable him to borrow and repay each year for his seasonal needs. But the arrears cannot possibly be recovered with the interest burden at the present rates. The arrears of interest must as far as possible be either totally remitted or substantially reduced. I plead for total remission.

After having thus ascertained the immediate financial needs of the movement, the extent of the provision needed to meet by cash payment the revised claims of such of the depositors and creditors of the provincial bank and the central banks as do not agree to an extension of the term for the payment and the amount of long term money needed to help the members through the rehabilitation scheme, we must approach the Government for the necessary monetary assistance. In what form that assistant can be safely and usefully given is a matter primarily for your Government to decide.

Reorganisation Scheme.

Now a few words about the scheme of reorganisation.

(1) The reduction of the number of your central banks, many of which are too weak and unfit to command adequate credit and resources is an absolute necessity. How the reduction is to be effected is a matter for examination in the light of the local conditions: some may have to be liquidated, some amalgamated and some merged into a new central bank to be established in a suitable place. One strong central bank for each District must be the ideal, with as few exceptions as possible. One far reaching and beneficial effect of this reform will be to reduce the cost of management of the central banks and consequently the margin between their borrowing rates and the lending rates to the members of your societies, which is still as high as $12\frac{1}{2}$ per cent. It is the abnormal costs of management and the consequent heavy margins of financing banks that account for your high lending rate. Every endeavour should be made to eliminate waste and bring down cost of management. I however fully realise that the rehabilitation scheme will, for obvious reasons, have the immediate effect of increasing the cost of management. But when the reconstituted central banks begin to function vigorously, with large working capital, the costs will come down.

(2) The relations between the Provincial Bank and the central banks must be placed on a better defined and more satisfactory basis so as to ensure effective co-ordination of financial policies—regulation of lending and borrowing rates and methods of loaning. I do not like the idea of this reform being effected by legislation or the exercise of the compelling power of the

Registrar. It must be done by consent and the convention method which will grow into a settled practice. This has become possible in Madras and there is no reason why it should not in Bihar. If necessary the constitution of the Provincial Bank may be modified so as to make it a true apex bank in which the federated units have a real voice. I am not in favour of the central banks being made the branches of the Provincial Bank. They must be independent and strong institutions federated into a robust Provincial Bank. It may be necessary in carrying out the rehabilitation scheme, to entrust the management of a few central banks to the Provincial Bank as a temporary measure. But it should not be extended into a scheme of virtually making the central banks the branches of the Provincial Bank or of vesting in the Provincial Bank administrative control over the central banks. If banking facilities have to be extended, branches of central banks may be established in suitable subdivision centres. In other words, I desire to commend for your acceptance the recommendation of the Hubback Committee, in favour of the loose type federation of the financing units, no unit having administrative control over another.

(3) Strengthening the societies which are the foundation of the movement and on which the entire edifice of co-operative credit organisation rests, is of course as vital as improvements at the top. An overhauling and rectification programme is however the more immediate need than any drastic changes in the constitution and the functions of the existing credit societies. Bad societies which are a source of weakness to the movement and undesirable members who are a handicap to the societies should unhesitatingly be weeded out. Where the membership of a society is too small to work successfully, effort should be made to increase the membership so that as many residents of the village as possible may be brought in to make the society serve as an organisation for the whole village. Where conditions require and permit, small societies operating within a short radius may be amalgamated. New societies should, unless local opinion views with disfavour, be formed on a limited liability basis and functions other than pure credit, may also be assigned to them, specially the supplying of good seed, manures and implements to help the agricultural industry. Where it is possible to do so, the society may also be helped to offer facilities to their members to market their agricultural produce profitably. Old unbusinesslike methods must be rigorously stopped and all loans must be advanced with care and caution and with due regard to the repaying capacity. Your societies and central banks when reconstituted will have a large field to cover, namely, the supply of short and intermediate credit—no small service to the movement, specially at this juncture when organised rural banking must step into the gap that will be created by curtailment of credit by money-lenders and other unregulated credit agencies, whose usurious activities will soon be brought under effective control, by schemes of debt relief.

(4) The question of long term finance for the normal needs of the movement is one which presents considerable difficulties at present. I am in full agreement with the view expressed by the Hubback Committee about the desirability of establishing land mortgage banks with as much expedition as is compatible with sound organisation. But I feel that this is a particularly inopportune time for starting land mortgage banks however advantageous and necessary it may be to do so. Even under normal conditions, land mortgage banks can succeed only with substantial State aid. In spite of the numerous facilities—statutory and administrative—hitherto given by the Government of Madras, besides guaranteeing the principal and interest to the extent of Rs. 175 lakhs, we are faced with practical difficulties in expanding our land mortgage banking system without continued help from the Government. You in Bihar are now put to the immediate necessity of converting your existing short term loans into long term loans with substantial State aid. I doubt whether it would be prudent or even expedient to ask the Government for further financial assistance at this juncture, to provide for normal long term credit, through a system of land mortgage banks.

(5) The question of the improvement and reorganisation of the services of the non-official co-operative organisations is coming to the front in many provinces. The employment of properly trained men and improving their conditions of service is a great need of the movement everywhere. The higher services in the central banks and other institutions should, in my opinion, be placed on a provincial or a suitable regional cadre so as to provide for transfers and promotions of members of such services and taking them into the Department also when possible. Every Central Bank must have a properly trained and paid Manager or Secretary. This may be treated as a part of your reorganisation scheme, for your movement will considerably benefit thereby.

(6) The reorganisation scheme must be so conceived and executed as to give full scope for non-official initiative and enterprise and to reduce official control and interference to the minimum required to safeguard the interests of the movement. Making co-operative law more stringent and sharpening its sections will not avail to make the movement a success; it must be remembered that its success inevitably depends on the devotion to the cause, zeal and energy of the non-official leaders and workers. These conditions cannot be secured under a system of perpetual tutelage and spoon-feeding.

H. E. SIR MAURICE HALLETT'S SPEECH.

Mr. President, Ladies and Gentlemen,

There are many subjects of which I have little knowledge and co-operative credit is one of them. Though I have held numerous posts during my period of service in this province, I have never had to deal with any of the problems connected with the movement and have never had occasion to study them. I have tried to become better acquainted with the problems that have confronted us during recent months, but I must admit finding them very difficult and complicated. I have come here to-day therefore as a pupil rather than as a teacher, as I cannot claim that anything which I say will help in the solution of our difficulties.

Coming here as a pupil, I feel I have spent a very useful morning listening to the speeches of Dr. Sinha, the Chairman of the Reception Committee, and the very illuminating address of the Hon. Mr. Pantulu. We are all most grateful to him for putting himself to the trouble and inconvenience of a visit to Patna at this season of the year, and I feel sure that his suggestions will prove of the greatest help to us.

Dr. Sinha has reminded us of the history of the movement in this province; he has proved conclusively that Government have been responsible for the movement in the past, that enthusiastic and optimistic Registrars such as my friend Mr. Abdy Collins encouraged, or to quote Dr. Sinha, pestered residents in the province to invest their money in this department and that in other ways Government led investors to believe that they would always support the movement. Possibly it may seem to some here to-day that Mr. Collins and others who were responsible for the department of Co-operative Credit in its early days were unduly optimistic, but I would recall the fact that Mr. Collins was Registrar and issued the circulars which have been quoted as long ago as 1913 or 1914, that is to say before the great war. At that time everything looked clear ahead, there were no clouds visible, not even of the size of a man's hand, and it was justifiable to look forward in a spirit of enthusiastic optimism. Then came the 4th August 1914 and the storm broke. The war did not, it is true, affect India as much as European countries, but India was affected by the economic cataclysms which have taken place since 1918, the boom in prices that took place immediately after the war and the even more disastrous slump which occured in 1930. Here in Bihar we had the further disaster of the Earthquake. I do not wish to lay too much stress on those who were directing the movement in the early days to mention them.

Government's Responsibility.

However the main point which Dr. Sinha has made was that Government were responsible for the development of the movement; Government must therefore be responsible for its rehabilitation. With that view I entirely agree; with that view my Ministry also agree and the Hon. Dr. Mahmud will later this morning explain to you as far as practicable the steps which he proposes to take to re-establish public confidence in the movement. Some of the difficult problems, in particular the financial problem, which arise cannot be said to be wholly solved and it is not possible for the Hon. Minister to put before you a cut and dried scheme. Any scheme, if it is to be successful, must be based on experience and fact, and in some matters, as far

as I understand the problem, we do not yet quite know how we stand. However I am confident, and I think that after you have heard Dr. Mahmud's speech, you will share my confidence, that my Government are going to adopt with as little delay as possible a practical policy for the rehabilitation of the movement.

That policy will in all probability follow in many respects the advice given us to-day by the Hon. Mr. Pantulu.

Mr. Pantulu's Views.

I do not propose to discuss in detail the Hon. Mr. Pantulu's admirable lecture. He has at the beginning started in a spirit of optimism and he has closed his address with an exhortation asking us to dismiss all pessimism from our minds, and I am very glad that he has done so, for if we are pessimistic and frightened by the magnitude of the problem, we may drift into the attitude that nothing can be done. I may also say that I fully agree with his observation that "the failure of the co-operative movement to achieve its aim in the past was as much due to the absence of co-operative virtues among its votaries as to the presence of external factors which obstruct the advance of the movement and which can be removed only by courageous and well-planned State action." He has also quoted with approval a statement recently made by my Prime Minister that we must not merely keep the movement alive but also make it more beautiful and convert it into an instrument for making the life of the village community fuller in every way. With that too I fully agree.

Expert Advice.

If we tackle the problem before us in a spirit of optimism, we shall, I feel, sure, achieve some success. We must of course also in dealing with the problem follow strictly sound rules of banking and finance. As Mr. Pantulu has pointed out, our past sins include not merely non-observance of moral precepts of co-operation but also the violation of the material rules of the business code. Workers in the movement whether they are officials or non-officials, however well trained they may be in the principles of co-operation, cannot be expected to be banking or financial experts. We must have some experts to guide them in the right path and I would like at this stage to express my thanks to the Reserve Bank of India and its Governor, Sir James Taylor, for lending us the services of Mr. Punjabi to help us in dealing with the question. We must have a good staff, though Mr. Pantulu has shown that to acquire such a staff is none too easy. But as Mr. Punjabi has said in a report which I have seen, a silver lining can only appear in the dark clouds which are ahead of us when the golden rules of banking are followed.

I have already spoken too long for I know you must all be anxious to hear what the Hon. Minister is going to say. If merely by my presence

Rural Development Scheme

A comprehensive scheme of rural development will soon be put into operation in the province. The scheme provides for intensive work in all the villages lying within at least one police station in each of the 16 districts in the province. Steps will be taken for harmonising the work of all the nation building departments with a view to secure on all-round improvement of village life in the selected areas. It would, however, be realised by all that rural development, if it is to be real, must grow from within the village and should not and cannot be a gift from outside, nor can it be imposed by an extraneous authority. The nature and extent of the progress will depend on the sincerity and spirit of social service on the part of the villagers themselves. All that the local leaders and Government staff can do is to inspire the villager to put his home and village right himself. Our system of education, particularly primary education, publicity and propaganda, will have to be so organised as to set the average villager thinking to improve his surroundings and to raise his standard of living. The people will then sink their differences and join with one another in working on a co-operative basis for improving their homes, farms and villagers. The vision of a better village and of a better Bihar must be brought home to every man, woman and child throughout the length and breadth of the province. I would appeal to every officer of every department, every Zemindar, every local leader and very educated citizen in the province to think and realise that the privileged position which he occupies, carries with it a special responsibility and a special obligation to his less fortunate fellowmen and that he must contribute his quota in the movement for a better Bihar, if it is to be successfully carried out on a national scale. Difficulties there must be many and in any scheme of nation-building some risks must necessarily be taken. While there is no ground for too much optimism, I am one those who believe that given self-help, character, truth, non-violence and unity as the cardinal principles on which the reorganisation of village life is to be based, we may well find adequate inspiration for our work from the possibility, if not the certainty, of a better future. In view of the limit of provincial revenues, the paid staff can never be adequate and the progress of the movement will depend more and more on the nature and extent of the keenness and missionary zeal on the part of honorary workers, particularly of those living in rural areas. I would, therefore, fervently appeal to all the citizens of Bihar, particularly to the young educated persons, men as well as women, to come forward to take their share of responsibility, in the way of helping in the scheme of reconstruction.

All India Provincial Banks' and Institutes' Associations

The following resolutions were passed at the joint session of the Standing Committees of the Indian Provincial Banks' Association and the All India Co-operative Institutes' Association held at Vizianagaram on the 16th and 17th April 1938.

Resolutions.

1. The Co-operators of India, representing crores of members of the country, note with the most profound anxiety the insecurity which prevents the re-establishment of normal relations between the people and realising the unprecedented situation of tension in international relations and constant menace of war, note with horror the possibility of humanity being once again plunged into armed conflict which would certainly shake, if it did not destroy, the foundations of our civilization.

They once more reaffirm their conviction that the co-operative system of economy, combined with the spirit of association which animates its activities and inspires its social ideals, furnishes the truest basis of international understanding and the surest guarantee of universal peace.

2. While emphasising the importance of honorary services in village societies, this meeting is of opinion that trained paid agents to look after the work of village societies are necessary. Where societies are too small to employ such services a person may be employed for a number of societies in convenient groups of villages.

If in any province an amendment to the by-laws of societies is necessary to embody this scheme, steps should be taken in that behalf.

3. This meeting requests the Provincial Co-operative Institutes and Provincial Co-operative Banks to give due encouragement for the formation of " multi-purpose" societies with limited liability and operation over convenient groups of villages where practicable and conditions for their successful working are forthcoming; but such new societies should not be established where they are likely to compete with existing societies.

4. (*a*) This meeting once more reiterates its opinion that to the extent the Co-operative Societies' Acts in the British Indian Provinces and States empower the Registrars (i) to interfere with the normal internal administration of societies, (ii) to supersede the committees of the co-operative banks without the concurrence of the financing or the apex bank, (iii) to remove officers and members from societies at their discretion, (iv) to frame or modify the byelaws of societies without the concurrence of the general bodies, and (v) to surcharge members and past members of committees and officers and past officers of societies for acts done in their official capacity, without an opportunity for appeal to a civil court by the person aggrieved, they are opposed to the basic principles of Co-operation as a popular movement and should be suitably

here to-day I have made even a small contribution to the rehabilitation of this valuable movement in Bihar, I am glad, I still have faith in the movement and feel that we shall be able with so many willing helpers to set it on a sound basis.

DR. SYED MAHMUD'S ADDRESS.

............On behalf of Government I would reiterate our confidence in the future potentialities of the movement and would declare that Government have decided to rehabilitate the co-operative movement as early as possible and to take adequate steps to ensure its future expansion on sound lines so that it may, in time, develop into a truly national organisation capable of making rural life richer and fuller in every way. I do not think that any useful purpose would be served by my entering into a discussion into what have often been described as the " sins of the past " or by any attempt on my part to apportion the blame between the paid and honorary workers. Whatever may have been the causes responsible for the present stagnation the time is come, when the movement must undergo a searching self-examination. Until the stock-taking is complete and facts and figures showing the true state of affairs of the banks and societies are available, you will appreciate the difficulty of Government in deciding and declaring what precise steps Government may have to take for securing the rehabilitation of the movement in general or individual banks or unions in particular.

Proposed Measures.

Government have appointed a Banking Expert to help them in their examination of these problems. An intensive enquiry into the assets, liabilities and repaying capacities of societies and central banks will very shortly be undertaken. As soon as the enquiry in respect of each group of banks is completed Government propose to take up the question of rehabilitation by amalgamation or bifurcation of banks and societies, or by a combination of both these processes according to the circumstances of each case. In the process of rehabilitation, societies and banks which cannot meet a reasonable proportion of their total liabilities may have to be weeded out in the interest of the movement, but Government will try their best to protect the better societies under these banks and provide financial assistance for them by bringing them within the orbit of reconstructed banks. Side by side with the elimination of undesirable members, societies and banks, the strength of the movement will have to be increased by the organisation of new societies on sound lines. Government will in due course take steps to provide necessary funds through the provincial Bank or otherwise to put the rehabilitated banks and new societies on a sound financial position.

Non-credit side of Movement

It is believed that the failure of the present organisation is largely due to the absence of adequate attention to the development of non-credit side of

the movement when it was initiated. There is unlimited scope of future development of the movement for removing illiteracy, for introducing better methods of farming and marketing, for reducing unemployment, for consolidation of holdings, for organising the supply of raw materials for cottage industries and the marketing of the products on a co-operative basis. In view of the increasing pressure of population on agriculture, the earnings of the agriculturist must be increased by the development of subsidiary occupations on a co-operative basis. It is not enough for him to secure cheap credit, he must also be helped in judicious investment of the money borrowed so as to be able to earn the maximum possible return and in this matter all the nation-building departments, particularly the Agriculture, the Industries and Veterinary, will have to work in close co-operation with the Co-operative Department.

An interesting experiment in Agricultural marketing is going on in the form of cane-growers' co-operative societies, which have been recently re-organised on a large scale, with five circles in charge of five special officers. It is proposed to organise the growers of cane, specially those living within the reserve areas to be formed under the Sugar Factories Control Act, on a co-operative basis as quickly as possible and thus remove considerable difficulties of the growers in the marketing of sugarcane. The question of co-operative production and marketing of a certain other commodities, like lac, is also engaging the attention of Government. I would, however, emphasise that the benefit of co-operative organisation cannot be estimated in terms of money alone. There is a more abiding and far-reaching gain in the way of developing self-help, training in business methods, unity and brotherly association for a common purpose.

Training and Education

Co-operative training and education are essential factors in the progress of co-operation and rural development. It must be realised, once for all, that mere idealism and good intentions are not enough for ensuring success. The work of co-operative organisation is becoming more and more technical every day and those persons, both paid and honorary who are entrusted with the duties of guiding the working of co-operative institutions must be adequately trained in the technique of co-operative organisation and must keep them up-to-date by study and training through refresher courses. As pointed out by me while performing the inauguration ceremony of the Co-operative Training Institute at Pusa on the 27th March last, more and more importance will have to be given in future to the adequate training of different classes of officers of the co-operative department as well as members and office-bearers of societies and banks. In view of the prevailing illiteracy among the masses, publicity among the masses—publicity and propaganda—will have to be systematically organised on modern lines for restoring public confidence and for securing new recruits.

amended by deleting such provisions. The Acts should be so framed as to make the society the centre of the picture and not the Registrar.

(*b*) This meeting further disapproves to any rule or statutory provision limiting the period of the tenure of any office bearer of a society or requiring the permission of the Registrar for re-election to any office after the expiry of the period.

(*c*) This meeting also disapproves of any rule or statutory provision insisting on a prescribed minimum of share capital or deposits as qualifications for membership of a committee of a society.

5. This meeting urges on the Provincial Governments the necessity of directing their immediate attention towards securing a fair and reasonable price for jute, cotton, wheat, sugarcane, cocoanut and other commercial crops and for this purpose recommends that the said Governments in co-operation with the Government of India consider the adoption of some or any of the following suggestions :—

(i) Co-operative marketing of commercial crops.

(ii) Fixation of a reasonable minimum price by legislation.

(iii) Restriction and regulation of cultivating of crops by legislation.

6. This meeting urges on the Provincial Governments that, in view of the intimate connection between Agriculture and Rural Industry and Co-operation, the concerned Departments be put under one Minister and their activities should be co-ordinated for common planning and joint action.

7. Where there is no provision for attachment before judgment in respect of sums due to co-operative societies, suitable amendments should be introduced to the Co-operative Societies' Acts to provide for it.

8. This meeting recognises the imperative need for extending relief to heavily indebted members of primary village societies and the urgency and desirability of seeing that lands which Central Banks in some provinces had to buy in satisfaction of debts owed to them by the primary societies or their members are disposed of; and therefore appeals to all co-operative organisations and specially the Provincial Banks and Governments in the Provinces of British India and the Indian States to adopt measures along the lines indicated in Bulletin No. 3 of the Reserve Bank of India (shortly known as the Burma scheme) with such modifications as local conditions in the Provinces or States may require or other equally effective and suitable methods; and with this end in view the committee suggests that the instalments for recovery of debts owed by members of primary societies be spread over in sufficiently long periods with due regard to the repaying capacity of the members and also to adopt the rent purchase system described in para 2 of Bulletin No. 3 of the Reserve Bank of India; and the Committee earnestly appeals to Governments in

the Provinces and the States to help these ameliorative measures by such financial or executive assistance as may be needed to rehabilitate the co-operative movement.

9. This meeting recommends to the Provincial Governments that suitable action be taken in regard to the following recommendation contained in the Statutory Report of the Reserve Bank of India :—

Regulation of money lending and making registration compulsory for money lenders and providing for maintenance of accounts by money lenders in prescribed from and periodical inspection thereof.

10. This meeting disapproves of the recommendation of the Reserve Bank of India in paragraph 20 of their Statutory Report about reconstruction of Central Banks into banking unions; but where it is proposed to constitute banking unions as an experimental measure where conditions for their successful working are forth coming, such experiments may be tried.

11. This meeting entirely disapproves the observations made by the Reserve Bank of India in paragraph 27 of their Statutory Report regarding loans by Land Mortgage Banks for discharge of prior debts and disagrees with the recommendations therein.

12. This meeting regrets to note that the attitude adopted by the Reserve Bank towards Provincial Co-operative Banks, as reflected in paragraphs 34 and 37 of the Statutory Report is entirely inconsistent with and opposed to the letter and spirit of the Reserve Bank Act and requests the Government of India and the Reserve Bank to take steps to place the Provincial Co-operative Banks on the same footing as the scheduled banks in all respects for the purposes of the Act.

The insistence of the Reserve Bank in paragraph 37 that the Provincial Banks should maintain minimum balances with the Reserve Bank contravenes the policy underlying the specific exemption given to Provincial Banks in the matter of maintenance of such balances under the Act.

13. This meeting does not agree with the views of the Reserve Bank that the various demands and suggestions of Co-operative institutions are not urgent and the amendments to the Act proposed by them may be taken up at a later time, and urges once more on the Reserve Bank those amendments, especially the following resolutions passed at the session held in Delhi (March 1937) and at Bangalore in July 1937 :—

(A) (*i*) This meeting is of opinion that the intention of the Act in creating the Agricultural Credit Department has not been kept in view by the Bank and urges on the Bank to so work section 54, clause (*b*) of the Act as to help Provincial Co-operative Banks with short term financial accommodation so long as the security offered for the loans is sound and no risk is involved in them, specially for the purpose of developing sale and supply (marketing) societies on the security of promissory notes executed by Provincial Co-operative Banks supported by documents of title to goods or pledge of goods.

(ii) This meeting resolves to request the Central Board of the Reserve Bank of India to invest in or lend on the security of debentures issued by Provincial Banks and Land Mortgage Banks where the principle and interest thereof have been guaranteed by the Central or the Provincial Governments.

(iii) This Conference recommends to the Government of India to amend the Reserve Bank of India Act so as to secure to Provincial Banks and Co-operative societies in Indian States the same rights and privileges as are available to banks and societies in British India, under the Act.

(B) This conference after due consideration of the recommendations contained in the Report issued under section 55 of the Reserve Bank of India Act, resolves to express its view on the matters stated below :—

(i) This conference does not favour the organisation of Apex Land Mortgage Banks on joint stock basis. In Provinces where there are no Co-operative Apex Land Mortgage Banks, steps should be taken to form such Apex Banks on a co-operative basis on an adequate scale.

(ii) This conference does not agree with the view that the Provincial Banks do not command the confidence of the investing public, by their Boards being largely composed of borrowers. The constitution of Apex Banks is in accordance with sound principles of co-operation and they do command in abundance the confidence of the public.

(iii) This conference is of opinion that the view of the Reserve Bank that the margin between the lending rates of co-operative banks and societies is low and should be raised, is not correct as a general statement. The adequacy of margin depends mainly upon the difference between the borrowing and lending rates, cost of management and requirements of reserves for bad debts. While conceding that these factors depend upon local conditions and circumstances, this conference places on record its considered opinion that the aim of the co-operative banks and societies should be to make credit to the borrowing members as cheap as possible and the existing lending rates should not be raised except where local conditions make it absolutely necessary.

(iv) This conference considers it undesirable to provide any representation to depositors or commercial bankers as such on boards of co-operative banks, whether by nomination or other means.

(v) This conference while agreeing with the view that long term credit should be provided only through Land Mortgage Banks is not

in favour of the recommendation that loans from Central Banks and societies should be strictly confined to cultivation finance only.

Other necessary forms of short and intermediate credit required by members should also be found by Rural Societies and Central Banks in order to prevent them from resorting to money-lenders; provided, however, that the deposits and borrowings of the banks should be so regulated as to permit such loans being granted from those sources.

(vi) This conference, while recognising the necessity of bringing down the level of debts of members where there is no reasonable prospect of recovery in full even if long extensions are given, does not consider it desirable that any hard and fast rules should be laid down for all banks and in all areas. With the rise in prices and other favourable conditions, the position may change as it has done already in certain areas and it must be left to the banks and societies to deal with the problem according to local conditions.

(vii) This conference agrees with the view that the practice of making debentures of land mortgage banks redeemable at any time is unsound, a period should be fixed for the redemption of those debentures, a fund into which collections of principal are pooled should be formed for redeeming debentures and provision should also be made for retiring them by purchase in open market whenever possible.

14. This meeting is of opinion that efforts should be made in each province where the Land Mortgage Banks have come into existence to divert such of the borrowers of the existing societies as have absorbed heavy loans to the said Land Mortgage Banks; so that while the latter may have a clientele which is already familiar with the principles and working of co-operative bodies, the societies may be relieved of heavy loans and they may start with a clean slate for furtherance of short term finance, and the Central Banks whose loans the societies have absorbed may also be freed from the incubus of frozen assets.

15. This meeting requests the Provincial Governments to issue instructions to their Revenue Officers, and if necessary to amend the Tenancy and Revenue laws so as to make it obligatory, that whenever lands are sold, notices should be given to land mortgage banks, central banks and societies whenever such properties are put to auction for arrears of land revenue or rent to enable such institutions to pay such arrears.

16. This meeting requests the Provincial Governments to take prompt steps to increase the repaying capacity of the members of the village societies by improving their agriculture, introducing cottage industries and making adequate arrangements for marketing their products through the Development Departments of the Provinces.

The Andhra Provincial Co-operative Conference.

The following resolutions (translated from Telugu) were passed at the Eighth Andhra Provincial Co-operative Conference held at Vizianagaram on the 15th and 16th of April last.

I. Condolences.

II. Rural Societies.

1. A co-operative society should be started for every village and where that is not feasible for at least a group of villages.

2. Trained paid employees should be appointed as far as possible for every society or group of societies.

3. Due encouragement should be given to co-operators who wish to start multipurpose societies.

4. Under no circumstances should the rate of interest charged by the Central Banks to primary societies exceed 3 per cent and that charged by primary societies to their members exceed 4½ per cent.

5. The normal credit of every member in a primary society should be fixed once a year and cash credit to that extent should be given him on the continued mortgage security of his lands.

III. Central Banks.

1. As the Central Banks in the Andhra Districts enjoy good credit and are able to attract sufficient deposits for meeting the needs of the societies, there is no need for effecting any changes in them.

2. The Madras Provincial Bank should be split up on linguistic lines.

3. Under no circumstances should Government officials be appointed on the staff of the co-operative institutions, and those who are so appointed at present should be immediately reverted.

4. A list should be maintained of persons who have undergone proper training in co-operation; and only those whose names are found in such a list should be appointed as Managers or Secretaries of Central, Urban and Land Mortgage Banks when they wish to appoint paid staff. Similarly a list should be maintained of persons fit to be supervisors, and posts of supervisors should be filled from persons found in the list.

IV. Land Mortgage Banks.

1. Primary land mortgage banks should arrange to give loans to their members for not less than 30 years.

2. A separate central land mortgage bank should be organised for the primary land mortgage banks in the Andhra Districts.

3. This conference views with disapproval the action of Government in insisting, while raising the amount of guarantee on the central land mortgage banks debentures, upon the primary banks raising their rate of interest to 5½ per cent and requests the Government to restore the rate to 5 per cent as hitherto.

4. It is necessary that land mortgage banks should be started for each Taluq.

5. Government are requested to do away with the nomination of Directors to land mortgage banks, as such nominations are opposed to the principles of co-operation.

6. Directors of land mortgage banks should be vested with the power of calling for documents or summoning witnesses whenever they think such a course is necessary.

V. House Building Societies.

1. The rate of interest on loans given by house building societies prior to 1935 should be reduced to 4½ per cent.

VI. Loan and Sale Societies.

1. As the starting of separate loan and sale societies has not proved helpful either to societies or to members, arrangements should be made for central banks giving loans as before through primary societies, and where primary societies do not exist, directly to agriculturists on the pledge of their produce.

2. Central banks should make it possible for the loan and sale societies to issue loans to their members on pledge of produce at a rate not exceeding 3½ per cent.

3. As loan and sale societies are not working at a reasonable profit no audit fees should be levied on them.

VII. Co-operative Education.

1. Co-operative training classes, training institutions and propaganda should be conducted through Language Federations.

2. Training classes for panchayatdars and members should be organised in every village, and if that is not possible, one should be arranged for 3 or 4 neighbouring societies.

3. Government are requested to arrange for instruction in co-operation in the Andhra University and in schools.

VIII. Andhra Sahakara Sammelanam.

1. The Provincial Bank and the Provincial Union are requested to see that the funds necessary for publishing the Telugu co-operative journal are made available from the Common Good Fund of the Provincial Bank.

2. The attention of all co-operative banks and unions in the Andhra Desa is drawn to by-law 21 of the Sammelanam and they are requested to support that institution by joining it as members and giving it donations.

3. It is the duty of every co-operative society in Andhra Desa to subscribe for the monthly co-operative journal published by the Sammelanam.

4. This conference requests the Presidents, Vice-Presidents and Secretaries of the Madras Provincial Co-operative Union and of the Language Federations of the Andhra and Tamil Nad to form themselves into a Committee for bringing about a better co-ordination of their activities and for suggesting the amendment of their bye-laws if necessary, and requests Hon'ble Mr. V. Ramadas Pantulu to be the convener of this Committee.

IX. Debt Relief Act.

1. Any financial help which Government proposes to give to Agriculturists in connection with the Debt Relief Act and in order to improve the economic condition of the ryots, should be given through co-operative societies.

X. Audit.

1. For the audit of societies a separate audit section should be created under the control of the Registrar; the audit of central, urban and land mortgage banks should be entrusted only to registered accountants; a list of approved registered accountants should be prepared by the Registrar and the banks should be free to engage their own auditors from among those in the list.

XI. Co-operative Insurance.

1. The progress made by the South India Co-operative Insurance Society is appreciated and co-operators are requested to give it due encouragement.

2. The Government and the Provincial Bank are requested to take steps to organise a Co-operative Fire Insurance Society.

XII. Recommendations of the Reserve Bank.

1. This conference disapproves the recommendation of the Reserve Bank for the co-option of bankers on the directorates of central banks.

2. As the conditions mentioned by the Reserve Bank for the starting of a central bank are satisfied by the Bhimavaram Taluq, the starting of a central bank for that area is recommended.

XIII. Miscellaneous.

1. Societies should be empowered to file suits against non-member individuals and institutions.

2. Co-operative Ashrams may be established in suitable places for spreading the principles of co-operation.

3. Government are requested to establish co-operative Labour societies and to direct the Public Works Department and the Local Bodies to give all their contracts to them at scheduled rates.

4. Marketing societies should be established immediately in all Taluq Towns.

5. The Government and the Provincial Bank are requested to take necessary steps for improving cottage industries through co-operative societies.

6. Only Indians should be appointed to the post of the Registrar of Co-operative Societies; and only those who know well the languages of the districts concerned should be appointed as Deputy and Sub-Deputy Registrars.

7. When a society which has invested its Reserve Fund in the Central Bank borrows from it, the rate of interest on the loan upto a sum equal to the Reserve Fund should be the same as the interest allowed on the Reserve Fund.

8. Encumbrance certificates should be given free to co-operative societies as formerly.

9. Central banks are requested to grant 10 year long term loans to primary societies.

10. The amendments to the Co-operative Societies Act, drafted by the Provincial Banks at the request of the 7th Andhra Provincial Conference, are approved and recommended to Government for adoption.

IMPERIAL CONFERENCE ON AGRICULTURAL CO-OPERATION.

Glasgow Empire Exhibition, July 18, 19, 20, 1938.

The Agricultural Co-operative Organisations of the British Isles, through their Agricultural Organisation societies and the Co-operation Committee of the National Farmers Unions, have decided to hold a Conference at the British Empire Exhibition in Glasgow to give representatives of Agricultural Co-operative Organisations in the British Empire an opportunity of meeting. No such conference has been held since 1924. In the meantime there have been many changes in the organisations through which primary producers must work to obtain requirements, market products and obtain credit, and many changes in the organisations which primary producers establish for their own service and protection.

There are many bonds of interest between these organisations of primary producers in different parts of the Empire, and these may be strengthened by exchange of instruction and ideas which may be obtained through personal contacts.

The Conference, which will be held from Monday, 18th July to Wednesday, 20th July 1938, at the British Empire Exhibition in Glasgow, has the support of the Scottish Department of Agriculture, the Ministry of Agriculture and Fisheries, the Ministry of Agriculture for Northern Ireland and the Development Commissioners, who have agreed to contribute to expenses. The nucleus for the Conference will be provided by agricultural co-operators from the British Isles, but co-operators from all parts of the British Commonwealth will be in the country and at the Exhibition, and it is expected that they will take the opportunity of attending the Conference.

The promoters realise that the notice given is extremely short but they hope that the importance of the subjects to be discussed and the value of the opportunity of meeting to share knowledge of common problems and methods of attack or solution will bring a large attendance of representatives of overseas co-operative bodies. It is not desired that membership of the conference should be placed on too rigid basis, but it is felt that it should be generally limited to those connected with primary producer-controlled organisations and to the relevant government departments to whom invitations of courtesy may be extended.

It is hoped that the Conference will be opened by the Secretary of State for Scotland, the Rt. Hon. Walter Elliot, and there will be an opening address on the present position of Agricultural Co-operation by Dr. C. R. Fay. Further Sessions will be devoted to the sale of agricultural requirements, modern marketing problems with special reference to milk, dairy produce and fruit, co-operation and state control, and the relations between co-operative producers and consumers. One Session will be reserved for the discussion of problems of particular commodities, taking place between commodity groups formed from among those attending the conference. As far as possible speakers will be drawn from different parts of the British Commonwealth and will deal with problems in which they are experts. A full report will afterwards be issued.

It is hoped the days following the conference may be devoted to excursions in which members will have an opportunity of seeing something of the co-operative movement in Scotland and possibly other parts of the British Isles.

Admission will be by registration ticket and badge. No admission fee will be charged but delegates will be responsible for their own expenses. Further particulars will be issued in due course. Those who are interested should address enquiries to the Secretary, M. Digby, Horace Plunkett Foundation, 10 Doughty Street, London, W. C. 1, who would also be glad to receive as early as possible notifications of intention to attend the conference.

News and Notes.

The recommendations of the Reserve Bank of India that co-operative financial institutions will do well to co-opt on their directorates persons with banking experience, though they may not be members of the institutions, was considered and rejected at the Bankers' Conference held at the premises of the Madras Provincial Co-operative Bank on the 23rd April last and at the Extra-ordinary General Body meeting of the Provincial Co-operative Bank held on the 24th April.

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The Christian Central Bank, Madras, has notified the societies which have invested their reserve funds with it that the interest on them from 1-7-1938 will be reduced from 3½ per cent to 3 per cent.

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On the occasion of the 34th Anniversary of the Triplicane Urban Co-operative Society, which was celebrated on the 9th of April last, Rao Sahib T. S. Subramaniya Aiyar, one of the founder-members of the society, unveiled the portrait of the late Rao Sahib T. K. Hanumantha Rao, another founder-member. On the same occasion Mr. T. R. Venkatarama Sastri declared open the reconstituted library of the society.

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The Hon'ble Mr. Yakub Hussain opened the Gandhi Rural Reconstruction Conference of the Thumbur Villages at Asokapuri near Villupuram in South Arcot District. Mr. Basheer Ahmed Sayeed and Dr. Varadarajulu Naidu also spoke at the conference.

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In a lecture which Mr. K. S. Venkataramani delivered recently at the Ranade Hall, Mylapore, on rural reconstruction, he advocated the creation of a Rural Reconstruction Portfolio and a Special Rural Service. He urged the rapid spread of primary education, the teachers being obtained by conscription, if necessary. He described the faction-promoting village officer as Public Enemy No. 1 and favoured the idea of village officers being made non-hereditary and transferable. The Hon'ble Mr. V. V. Giri presided over the lecture.

* * *

While presiding over a meeting at the Central Co-operative Institute recently, Rao Bahadur M. Giriappa, Joint Registrar, had a dig at pensioners, whom he referred to as 'building houses in Mambalam (Madras), forming an Association and ruminating over their past glories'. He would like them to go to the villages, settle there, cheer up the rural folk and help them to derive fuller benefits out of the facilities provided by Government. If he had the powers of a Hitler, he said, he would compel the pensioners to go and settle in the villages. One hopes that these ideas will persist in him when he himself becomes a pensioner.

In the first week of April last a fruit growers' co-operative society was started at Kannandahalli in Krishnagiri Taluq, Salem District, which will arrange for the sale of not only mangoes and grapes but also gingelly, coconut, palm jaggery and other products.

On 31st March there were about 22 jaggery producing societies in Salem District consisting chiefly of ex-tappers. It is proposed to organise in all sixty such societies in the district and a staff of 4 Junior Inspectors has been sanctioned by the Government for the purpose.

A summer school of Rural Reconstruction was opened on the 1st of May at Rasipuram and it is to go on for a month. Instruction will be given in games suitable for villagers, in co-operation, agriculture, thrift, marketing, prohibition, etc.

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In response to the appeal made by Government in para 3 of the review of the Registrar's report to Central and Urban banks to fall in line in general with the provisions of the Agriculturists Debt Relief Act, the Tiruvadi Co-operative Credit Society, Tanjore District, has recently adopted the following special by-law :—

"Notwithstanding anything contained in the by-laws of the Society, the bonds and decrees,

(a) the interest on all loans outstanding on 1-4-38 shall be calculated at $1\frac{1}{4}$ pies per rupee per mensem, or at the rate provided in the decree whichever is less, simple interest, from the date of the loan and after deducting the interest paid, the balance only shall be taken as interest due. If the interest already collected exceeds the interest due as above, the excess shall be credited to the principal or other amounts due by the borrower, provided that no cash repayments shall be made on any account.

(b) Interest or enhanced rate shall not be charged for amounts overdue."

* * *

The Registrar of Co-operative Societies in Mysore has issued a circular prohibiting the practice of societies depositing their unused funds in other primary societies and requiring them to deposit their reserve and other funds only in the Apex Bank.

* * *

Dr. Syed Mahmud, Minister of Education and Development, Bihar, convened some time ago a conference of persons interested in the sugar industry in Bihar and the United Provinces. In his opening address he pointed out that while within the last five years the number of sugar factories in India had risen from 57 to 168 and the country had become quite independent of foreign imports, the condition of the industry could not at all be said to be satisfactory. He would support the abolition of the additional excise duty and the maintenance of the present high

tariff wall, only if the manufacturers satisfied his conscience that they were giving fair prices for cane and were treating their labour fairly. At the same time he advised the representatives of cane-growers to become organised so as to get their due share of benefit from the protectionist policy of the Government.

* * *

Reductions of principal and rates of interest are provided in the Bill recently passed by the C.P., Assembly amending the Reduction of Interest Act. If a debt is incurred on or before 31-12-1925, its principal is reduced by 30 per cent ; if incurred subsequent to 31-12-1925 but prior to 1-10-1929, 20 per cent ; and if after 1-10-1929 but prior to 31-12-1930, 15 per cent. If the amount of a debt is Rs. 2,500 or less, the rate of interest chargeable, if compound, will be 5 per cent, and if simple, 7 and 10 per cent respectively on secured and unsecured debts. But if the debt exceeds Rs. 2,500, the compound interest rate will be 4 per cent and the simple interest rates 6 and 8 per cent respectively on secured and unsecured debts.

* * *

The twelfth Annual Travancore Rural Service Exhibition was held at Marthandam on the 20th April, Dr. G. H. Mees of Holland delivering the opening address. He said that the Indian villager must have faith in his own powers and capacities and in the possibilities of his country. He must re-orient himself in many ways and get that wonderful quality for which Dr. Hatch's great country was so well known—efficiency. The meeting was also addressed by Mr. Leang of China who was a student of this year's Rural Training School at Marthandam.

* * *

The State of Morvi in Kathiawad has adopted a debt relief scheme, somewhat on the model of Madras. An important feature of this scheme is that if a cultivator's average annual earning is Rs. 300, he need discharge debts only up to Rs. 1,500—that is, five times his annual income. His total debt will be proportionately distributed among all the creditors and the amounts settled as due to them by a Conciliation Committee will be paid by the State.

* * *

As measures for the relief of the ryot's indebtedness, the Hyderabad State proposes to establish debt conciliation boards, to pass a law limiting the rate of interest and requiring money lenders to register themselves and to obtain licenses and to enact a simple law of rural insolvency.

* * *

Under the auspices of the Palluruthy Rural Reconstruction Co-operative Society in Cochin State, an agricultural and industrial exhibition was organised and it was opened on the 25th April by Mr. K. P. Kannan Nair, Secretary to Government. He said that it had been decided to allot Rs. 20,000 in the next year's budget to help the rural reconstruction activities of the centre.

* * *

The prospectus of the Orissa Provincial Co-operative Land Mortgage Bank is issued over the names of Mr. Jagannath Misra, Parliamentary Secretary to Government, and Mr. Satish Chandra Roy, Deputy Registrar of Co-operative Societies, Cuttack. Its authorised share capital is Rs. 2 lakhs, divided into three classes of shares A, B and C. A class shares are intended for investors. Their issue is limited to 1000 shares, each of the value of Rs. 100. Ne individual may hold more than 50 shares. The Government have taken shares of this class worth Rs. 25,000. B class shares are intended for borrowers and are of the value of Rs. 10 each. C class shares, which are of the value of Re. 1 each, are meant for co-shares of mortgagors. The Bank issues loans for 20 years at 6 per cent interest to the extent of 1/3 of the estimated value of the mortgaged lands. The principal and interest of the debentures of the Bank are guaranteed by the Orissa Government.

* * *

We are indebted to the News Service of the International Co-operative Alliance for the information that a Japanese firm is preparing a new artificial fibre, called "Silk-Wool" from protein contained in the Soya Bean. One of the advantages of the new product is its cheapness, its cost of production being half of artificial silk and one third below wood-wool. It is said to possess all the qualities of pure sheep's wool and even a greater capacity for retaining heat. Poland is erecting a factory for producing wool from the casein of milk. The industry when established is, however, not expected to be a burden on the country's dairy industry.

* * *

"Co-operative Information", published at the irregular intervals by the International Labour Office, Geneva, contains the following regarding the Co-operative credit societies in Switzerland :

"Among the financial institutions of all types and groups, the Raiffeisen societies have shown the most important development proportionately. They also constitute the only group of banking Institutions in the country in which so far, no bankruptcies have occurred or compositions have been made, and which have never sought the assistance of the State."

* * *

On the 1st January, 1938, there were in all 51,988 Co-operative societies, in Germany. Of these 20.005 were urban and rural credit societies. 22,239 agricultural non-credit societies, 3,372 building societies, 1,201 trade purchasing societies, 1,917 artisans societies, 533 producers and workers societies and 1,488 consumers' societies.

List of Societies Registered in March and April 1938.

Serial No.	Names of the Societies.	District.
	March.	
1	The Gudivada Municipal Employees' Co-operative Society, Ltd.	Kistna.
2	The Chinaganjam Egg Marketing Co-operative Society	Guntur.
3	The Unnava Sree Anjaneya Co-operative Society.	"
4	The Bapatla Co-operative Building Society, Ltd.	"
5	The Nellore Ladies' Co-operative Thrift and Loan Society, Ltd.	Nellore.
6	The Chittoor Government Training School Students' Co-operative Stores, Ltd. ...	Chittoor.
7	The Talavedu Co-operative Poultry Farming Society, Ltd.	"
8	The Madras Casuarina Growers' Co-operative Sale Society, Ltd.	Madras.
9	The Pennathur Firka Agricultural Improvement Co-operative Society, Ltd.	N. Arcot.
10	The Puliamangalam Co-operative Credit Society.	"
11	The Tanjore Khaddar Production and Sale Society, Ltd.	Tanjore.
12	The Nachiarkoil Metal Works Co-operative Society, Ltd.	"
13	The Thandigudi Co-operative Credit Society. ...	Madura.
14	The Vilpatti Co-operative Credit Society ...	"
15	The Devakottah Co-operative Building Society, Ltd.	Ramnad.
16	The Ramanathapuram Co-operative Milk Supply Society, Ltd.	Coimbatore.
17	The Manickkampalayam Co-operative Society ...	"
18	The Ikkarai Bolvampatti Co-operative Society ...	"
19	The Madampatty Moopars' Co-operative Credit Society	Salem.
20	The Periampatti Moopars' Co-operative Credit Society	"
21	The Kalarpathy Moopar Co-operative Credit Society	"
22	The Kodipatti Moopar Co-operative Credit Society	"
23	The Vellakalpatti Moopar Co-operative Credit Society	"
24	The Katchupatti Kalyani Moopars Co-operative Credit Society	"
25	The Kolli Hills Co-operative Credit Society ...	"

Serial No.	Names of the Societies.	District.
26	The Naduppati Tappers Co-operative Society ...	Salem.
27	The Odayapatty Co-operative Credit Society ...	"
28	The Kannandahalli Co-operative Fruit Growers' Society, Ltd.	"
29	The Norman Printing Bureau Employees' Co-operative Thrift and Loan Society, Ltd. ...	Malabar.

April.

Serial No.	Names of the Societies.	District.
1	The Velpur Weavers' Co-operative Purchase and Sale Society, Ltd.	W. Godavari.
2	The Komarru Weavers' Co-operative Purchase and Sale Society, Ltd.	"
3	The Pedalanka Field Labourers' Co-operative Society	"
4	The Ungutur Subaschandra Bose Co-operative Society	Kistna.
5	The Kavuru Spinning Women's Co-operative Purchase and Sale Society, Ltd.	Guntur.
6	The Peteru Khadi Weavers' Co-operative Sale Society, Ltd.	"
7	The Andhra Khadi Co-operative Central Sale Society, Ltd.	"
8	The Kalyana Kavuru Vinayashramam Spinners and Weavers' Co-operative Sale Society, Ltd.	"
9	The Jonnalagadda Sree Seetharama Co-operative Society	"
10	The Bapatla Co-operative Stores, Ltd. ...	"
11	The Rajupalem Co-operative Credit Society ...	Nellore.
12	The Puttur Weavers' Co-operative Purchase and Sale Society, Ltd.	Chittoor.
13	The Hospet Non-Official Co-operative Employees' Co-operative Credit Society, Ltd. ...	Bellary.
14	The Tiruvannamalai Brahmins Co-operative Better Living Society, Ltd.	N. Arcot.
15	The Trichinopoly Co-operative Milk Supply Society, Ltd.	Trichinopoly.
16	The Gookal Co-operative Credit Society ...	Madura.
17	The Eluvanampatti Co-operative Credit Society...	"
18	The Pantrimalai Co-operative Credit Society ...	"
19	The Ayyapatti Co-operative Credit Society ...	"
20	The Takkolam Jalanatheeswarar Co-operative Consolidation of Holdings Society, Ltd. ...	N. Arcot.
21	The Namakkal Board High School Students' Co-operative Stores, Ltd.	Salem.
22	The Namagiripatti Co-operative Society ...	"

Serial No.	Names of the Societies.	District.
23	The Reddihalli Co-operative Credit Society ...	Salem.
24	The Narannappanchavadi Konga Moopar Co-operative Society	"
25	The Sadayapalayam St. Sabestian Co-operative Society	"
26	The Kullampatty Konga Moopar Co-operative Society	"
27	The Salem Co-operative Land Mortgage Bank Ltd.	"
28	The Erikattuvalavoo Konga Moopar Co-operative Society	"
29	The Chinnasoragai Vettaraya Perumal Co-operative Society	"
30	The Chittoor Moopar Co-operative Society ...	"

				Rs.	A.	P.
16	Tamarind (Bangalore) per candy of 500 lbs.		...	33	4	0
	„ (Chittoor and Vellore) „		Rs. 21 to	24	8	0
17	Brown sugar (per candy of 500 lbs.)		Rs. 35 to	37	0	0
18	Kamala oranges (Nagpur) per 105 fruits	Big size	...	3	9	0
	„	Medium	...	2	5	0
	„	Small	...	1	9	0
19	Coriander seeds (Cuddapah) per candy of 500 lbs.		...	45	8	0
	„ (Guntur) „ „		...	35	0	0
20	Green Chillies per maund of 25 lbs.		...	0	12	0
21	Brinjals per maund of 25 lbs.		...	0	12	0
22	Hill plantains per 1000	Big size	...	8	0	0
	„ „	Medium	...	6	0	0
	„ „	Small	...	4	0	0
23	Hand pounded raw rice (Molakulukulu) per bag of 32 Madras measures		...	8	12	0
24	Milled raw rice (Molakulukulu) per bag of 32 Madras measures		...	7	14	0
25	Hair oil produced by the Viziavada co-operative Better Living Society, Ltd., Bezwada per bottle		...	0	9	0
26	Honey-Dindugul per 1 lb.		...	0	6	0
27	Thirupathur dholl 4½ measures		...	1	0	0
28	Tomatoes 1 maund of 25 lbs.	Big size red colour	...	1	0	0
	„	Medium „	...	0	12	0
	„	Small white colour	...	0	8	0
29	Turmeric per candy of 500 lbs.	(Hand polished)	...	50	0	0
	„	(Machine polished)	...	55	0	0
30	Grapes (Kodaikanal) per basket of 25 lbs.		Rs. 2/8 to	2	12	0
31	Mangoes Malgoa per 105 fruits		Rs. 6 to	7	0	0
	„ Peethar „		„ 2 to	3	0	0
	„ Goa „		„ 3 to	4	0	0

List of Societies Cancelled in March and April 1938.

Serial No.	Names of the Societies.	District.	Date of Cancellation.
	March.		
1	Konkeypudi C. S. ...	Kistna ...	1-3-38
2	Kodavalur C. S. ...	Nellore ...	3-3-38
3	The Bhatlapenumarru L. C. Union Ltd.	Kistna ...	,,
4	Bhoganampad C. S.	Nellore ...	,,
5	Jayankondam Panchama C. S. ...	Trichinopoly...	,,
6	Surakkuli C. S.	,, ...	,,
7	Kantepalli C. S.	Nellore ...	,,
8	Modakkalur C. S.	Malabar ...	,,
9	Thottiyam Betel Growers C. S. ...	Trichinopoly..	,,
10	The Campbell Land Reclamation C.S.	,, ...	4-3-38
11	Vilagam C. S.	Chingleput ...	,,
12	Sholathangal C. S.	,, ...	,,
13	Singapuram C. S.	Malabar ...	5-3-38
14	Onachamavu C. S.	,, ...	6-3-38
15	Alanallur C. S.	,, ...	,,
16	Repalli Sri Venugopal C. S. ...	Guntur ...	9-3-38
17	T. Naduveli C. S.	Trichinopoly..	,,
18	Uppudi Christian C. S. ...	Guntur ...	,,
19	Kodavalivaripalam, Tenants C. S. ...	,, ...	16-3-38
20	Thalamunda C. S.	Malabar ...	,,
21	Chamakkalayi C. S.	,, ...	,,
22	The Rev. Settlement PartyNo. II C.S.	Salem ...	17-3-38
23	Thubadu Christian C. S. ...	Guntur ...	,,
24	The Wren Bennet Staff C. S. ...	Madras ...	,,
25	Vadakkalur Adi Dravida C. S. ...	Trichinopoly..	18-3-38
26	Kurumbakur C. S.	Malabar ...	,,
27	Arur C. S.	Nellore ...	25-3-38
28	Arasadi Vinayagar C. S. ...	Madras ...	27-3-38
29	Marudakkudi C. S. ...	Tanjore ...	,,
	April.		
1	Upparapalam C. S. ...	Guntur ...	4-4-38
2	Unnamalaipalayam C. S. ...	North Arcot..	6-4-38
3	Manampoondi Harihara Puthiraswami C. S. ...	South Arcot..	7-4-38
4	Perintalmanna Local Co-op. Union Ltd. ...	Malabar ...	7-4-38
5	Tellicherry Local Co-op. Union, Ltd.	,, ...	7-4-38
6	Avidanallur C. S. ...	,, ...	12-4-38
7	Peruvayal C. S. ...	,, ...	12-4-38
8	Zamin Elamangalam C. S. ...	Trichinopoly.	12-4-38
9	Chettiarpatti C. S. ...	Ramnad ...	23-4-38
10	Kappiyur C. S. ...	Malabar ...	26-4-38

Market News.

[The following statement was supplied to us for publication by the Madras Provincial Co-operative Marketing Society, Ltd.]

Madras Market prices as on 11-5-38.

		Rs.	A.	P.
1	Chillies (Pari) per candy of 500 lbs.	77	0	0
	,, (Trichy.) ,,	77	0	0
	,, (Rangoon) ,,	68	4	0
2	Garlic (Tiruppur Calcutta) ,,	32	0	0
3	Onions (Bellary) ,,	10	0	0
4	Potatoes (Ooty) Kidney Round Uru per candy of 500 lbs.	26	0	0
	,, ,, Rasi ,,	Rs. 23 to 24	0	0
	,, ,, Podi ,,	,, 21 to 22	0	0
	,, Bangalore & Malur Ricket Uru. per candy of 500 lbs.	26	0	0
	,, ,, ,, Marseilus ,,	23	0	0
	,, ,, ,, Nattu ,,	21	0	0
	,, Rangoon ,,	20	0	0
5	Jaggery (Ambur and Vellore) 'A' class per candy of 500 lbs.	35	0	0
	,, ,, 'B' ,,	Rs. 28 to 31	8	0
6	Sathugudi oranges (Kodur) per 105 fruits Big size and Medium mixed.	8	1	0
	,, ,, ,, Small size	4	9	0
7	Sapotas per 105 fruits Big size. ...	1	1	0
	,, ,, Medium ...	0	13	0
	,, ,, Small ...	0	9	0
8	Plantains (Bangala) per 6 bunches Big, Medium & Small	3	8	0
	,, Rasthali per 1,000	7	8	0
	,, Green per 1,000	5	8	0
9	Ghee per tin of 12 visses Rasipuram ...	19	9	0
10	Butter-Tenali special per tin of 12 visses. ...	18	14	0
	,, -Gudivada special ,, ...	18	2	0
	,, Ordinary ,, ...	16	0	0
11	Lime fruits per 1050 Big size. ...	6	0	0
	,, ,, Small size. ...	3	0	0
12	Soapnuts per candy of 500 lbs. ...	47	4	0
13	Ginger green per maund of 25 lbs. ...	2	0	0
14	Pepper (office) 1 maund of 25 lbs. ...	4	4	0
	,, (Bedagi) ,, ...	6	2	0
15	Yam (1 maund of 25 lbs.) ...	0	10	0

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