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Editorial Notes.

Co-operation in Orissa.

Dewan Bahadur K. Deivasikhamani Mudaliar, Retired Joint Registrar of Co-operative Societies, Madras, who was requested by the Orissa Government to report on the condition of the co-operative movement in Orissa and to make suggestions for its reorganisation, has produced a very informing and helpful report, as was to be expected from a co-operator of his ability and experience. Our congratulations to him and to Mr. K. Subramanyam, Deputy Registrar, whose services were lent by the Madras Government to assist him. It is a report which deserves to be studied carefully not only by the co-operators of Orissa but by those of other provinces as well, especially those of this province, in as much as it reveals a striking contrast between the central banks and societies of North Orissa which until recently were included in the province of Bihar and were conducted according to the system prevailing there, and the central banks and societies of South Orissa which were part of the Madras Presidency and were developed on the Madras system. The contrast is full of lessons for all Indian co-operators. The report proper is divided into twelve chapters of which chapters III to VI are the most important, while chapter II containing notes on the various kinds of societies in the province forms a useful preliminary to the main part of the report. The financial position of the primary societies and central banks is described in chapter III, while suggestions for their re-construction are contained in the subsequent chapters, chapter V being devoted to a scheme for the starting of a

Provincial Bank. The other chapters deal with non-agricultural societies, land mortgage banks, audit, liquidation, legislation, reorganisation of the co-operative department etc., which are no doubt important in themselves but are less vital for the revival of the movement in Orissa and of less interest to co-operators in other provinces. Appendix II, giving an account of the financial position of each central bank, is of special interest.

Break-down of the Movement.

So far as North Orissa is concerned, there has been a complete break-down of the co-operative movement. Members in primary societies are unable to repay their loans, and even deserving members are unable to get fresh loans from the societies. They are obliged to go back to the money-lenders and borrow from them at usurious rates of interest. The central banks are unable to finance primary societies and also to meet their obligations to depositors. The position of the agricultural societies may be gathered from the following figures. The demand under principal from members was Rs. 36.30 lakhs, of which the amount collected was Rs. 2.20 lakhs or 6 per cent leaving 94 per cent as overdue. Under interest the demand was Rs. 23.5 lakhs, of which Rs. 3.13 or 13·3 per cent was collected, leaving an overdue of 86.7 per cent. Fresh loans issued by the societies to members amounted to only Rs. 0.65 lakhs or 1.80 per cent of the outstandings. Mr. Deivasikhamani Mudaliar estimates that about 50 per cent of the assets of the societies are bad or doubtful. In South Orissa the percentage of overdues under principal was 77.34 and that under interest was 62.49, while new loans issued during the year amounted to Rs. 1.25 lakhs or to 12.81 per cent of the loans outstanding. Thus the position of South Orissa is distinctly better.

In the central banks in North Orissa the collections amounted to 4.9 per cent of the demand under principal and to 18.3 per cent under interest, the overdues thus forming 95.1 and 81.7 per cent respectively. The amount of fresh loans issued was Rs. 0.46 lakhs or 1.2 per cent of the outstandings. At the time the report was written, 12 out of the 13 central banks were unable to pay back matured deposits and 9 of them to pay even interest on them. On 30th June 1937 such unpaid matured deposits formed about 50 per cent of the entire deposits. Naturally depositors are in a panic. "Some of them (central banks) have so far attempted to meet the situation, partly by pro-rata distribution of collections among the depositors and partly by transfer or sale to the depositors of the lands in their or societies'

possession in full or partial satisfaction of their deposits; while yet some others have repaid the deposits from collections to those who perhaps cried loud or who in the opinion of the Board of Directors deserved consideration—this is indeed a definitely untenable position." In contrast to this state of affairs in North Orissa, the two central banks of South Orissa never failed to meet their obligations to their depositors.

Causes of the Break-down.

Mr. Mudaliar has given an instructive analysis of the causes for this break-down of the movement in Orissa. The majority of them are operative in other provinces also, while some are special to Orissa. Rapid expansion, that is, starting societies without teaching the applicants the principles and practice of co-operative business, is given the first place. The policy of 'full finance' and redemption of old debts, resulting in bad and over financing, is mentioned as the next potent factor. In the societies of North Orissa no maximum limit was fixed in the bye-laws for individual loans as fixed in the societies of South Orissa. Inefficiency of Panchayats, wilful default and propaganda for postponement or non-payment of debts are also mentioned. Of these the last is rather surprising. Among the causes special to Orissa should be mentioned the high rates of interest—15$\frac{5}{8}$ per cent was until recently the usual rate charged to the member, against 9$\frac{3}{8}$ per cent charged in Madras, Bombay and some other parts of India—legal restrictions on the transfer of lands, damages due to floods, and reckless and unsound financing of artisans' societies on the advice of the officials. The report gives some amazing instances of the last cause.

Reconstruction of the Movement.

Though the movement has come to this state, Mr. Mudaliar points out, it cannot be left to its fate, for then the ryot would have to be left to the tender mercy of the *Mahajan*. Government would have to come to his rescue in some form or other, and the best form in which it could do so is to give all the help needed to reconstruct the co-operative movement. Mr Mudaliar's suggestions may be briefly summerized as follows. A state-aided Provincial Co-operative Bank should be started for the province which will lend moneys directly to the primary societies through its branches, the loan applications being examined, considered and sanctioned by the field staff of the Bank. The panchayats of the primary societies will remain. Their local knowledge will be utilized for the distribution of the loans under proper safeguards. But they are not to have power to sanction loans. The Bank staff will educate them in business and co-operative methods, so that they may become capable of managing the societies efficiently later. It is recommended that Government should lend moneys to the Provincial Bank at 3 per cent and that the latter *should lend them to the primary societies at 6¼ per cent, which they will pass on to their members at 7½ per cent. Government support* will bring deposits from the public to the Provincial Bank, and ultimately it will be run without Government moneys. Mr. Mudaliar has given detailed suggestions regarding the constitution of the Bank, the functions of the staff, etc.

With regard to central banks, Mr. Mudaliar considers it necessary for Government to go to their rescue in order to enable them to repay their deposits. Indeed there is a moral obligation on them to do so, because in the public mind the central banks were closely associated with the Government and the deposits were due to this association. The chairmen of 9 out of 13 central banks were either Deputy Commissioners (Collectors) or Sub-Divisional officers, and in two banks Tahsildars were the honorary secretaries. In most places the central banks were located among Government buildings. Government may either give loans to the central banks to pay off the depositors, as the Governments of Burma and the Central Provinces did in the past, or issue to them long-term debentures guaranteeing the payment of their interest and principal. The first course is the better, as it will soon restore the confidence of the public in the central banks and make their revival possible. Depositors should be persuaded—and that could be done very easily—to forego all the accrued interest on their deposits. For the present the constitution of the central banks may be suspended and the work of collecting dues and making payments to creditors may be looked after by the agents of the Provincial Bank. When the central banks get out of the present morass their constitution may be restored. At present there are 13 central banks in North Orissa. They are far too many. Their resources and the areas of operations are too small for them to meet the establishment and other necessary charges. When they are restored, there should be only one central bank for a district, as is the case in South Orissa. In advancing loans to the central banks in their present condition the Government will of course be running a risk, but the risk has got to be faced.

The reconstruction of the primary agricultural societies may be difficult but has to be taken up urgently. Overdue interest may have

to be written off completely or nearly completely. A detailed examination has to be made into the assets and liabilities of each society. In many cases panchayats would have to be superseded and the management of the societies entrusted to competent persons. Debts should be scaled down so as to bring them within the repaying capacity of the members within a reasonable time, say fifteen years, and instalments fixed after making due allowance for the maintenance of the families and other necessary expenses of the members. Where resuscitation is not possible, liquidation would have to be resorted to. The central banks and the societies should confine themselves to the provision of short and intermediate term loans, a system of land mortgage banks being introduced for providing long-term loans.

From the resolutions of a conference of the representatives of central banks in Orissa, published elsewhere in this number, it will be seen that some of Mr. Mudaliar's recommendations are objected to. That was not unexpected. He himself has felt a good deal of uneasiness in his co-operative conscience in making some of these recommendations. He says with pain in his mind that he had to make them against his convictions of a life-time. We hope it will make him feel easier in his mind to know that many another earnest co-operator would recommend the temporary suspension of the democratic constitution of a society in order to save it from death, and the adoption of a similar course in respect of the movement itself in order to save it from utter ruin. His recommendations are on the whole well conceived and we trust they will be accepted and given effect to by the Orissa Government as far as its financial resources permit. Mr. Mudaliar has aptly concluded his report with the following passage:

"Some of my recommendations are, as I have stated, opposed to my own convictions and there are others which are open to criticism on grounds of principle or policy. But I sincerely believe that all my suggestions taken together represent a comprehensive method of attack on the problem and a definite line of future action which offer some degree of success. But I must also state that much of the success depends not so much upon the recommendations as upon the common endeavour, sacrifice, faith, zeal and singleness of purpose of those workers—official and non-official—to whose lot the future conduct of the movement will fall, and I am hopeful that the present mood of depression and disappointment may prove to be a prelude to an era of hope and cheerful endeavour for the greatest happiness of the greatest number. And surely Government will accelerate the dawn of this era if it can immediately announce its help and support to the movement and its determination to pull it up from its present difficulties and to place it once again on its legs."

Co-operation in Palestine.

The only news one reads of Palestine in the newspapers is about the murders and communal disturbances between the Arabs and the Jews. But behind this cloud of dust is an attractive picture of the economic and social life of the Jews being ordered on co-operative lines. *The Co-operative News* published recently in two successive issues an interesting account of the co-operative movement among the Jewish colonists, written by Mr. El. Galili, who was a fraternal delegate to the Scarborough Congress. According to him, 40 per cent of the Palestinian Jewry, including dependants, is now within the co-operative movement. The agricultural population in particular is carrying on its economic and social activities—production, sale, purchase, and the provision of amenities like schools and medical relief—on co-operative lines. Most of the workers on land are found in "co-operative" and "communal" settlements. "In the co-operative settlement marketing and purchasing is performed by the members in common; they assist one another in cases of illness or accident, their land is the property of the 'National Fund,' rented on hereditary lease and they do not employ any hired labour, for the great rule of their 'Co-operative Society of Workers' to which all the 106,000 of Palestine co-operators belong, is that none shall profit by exploiting the labour of others." The communal settlements also observe the same rules regarding land and employment of labour and, in addition, nobody has a separate plot or house or implements but the whole is run as a collective farm. Many industrial activities, not only in the settlements but also in towns, are carried on co-operatively. It is claimed for Palestine that in the matter of transport arrangements, it is more co-operative than all other countries. Its bus and lorry services are mostly co-operatively owned. "Many members of drivers' co-operatives have been murdered at the wheel, just as scores of members of communal and co-operative settlements have been killed at work. Without these drivers normal existence in most of the labour settlements of Palestine would not have been possible during this period." Mr. Galili points out that the adoption of co-operation distinguishes these pioneer settlements of Palestine from those of America and Australia of a few generations ago—indicative of the progress of human experience.

Land Mortgage Debentures.

At the meeting of the Legislative Assembly held on the 15th August, the Hon. Mr. V. V. Giri moved a resolution permitting the Government to raise from time to time as the need was felt, their guarantee on the principal and interest of the debentures of the Central Land Mortgage Bank from a maximum of Rs. 150 crores to Rs. 250 crores. In a note circulated previously, he had explained that owing to the Agriculturists' Debt Relief Act and the starting of new primary banks, the transactions of the Land Mortgage Banks had increased, that the maximum permitted for the issue of debentures had been practically reached and that as the present normal monthly credit demand was about Rs. 8 lakhs, the raising of the maximum by a crore was necessary to meet even the current year's needs. He had also pointed out that, following the advice of the Reserve Bank, the Central Land Mortgage Bank had increased the margin between its borrowing and lending rates, that it had instituted a sinking fund for the redemption of its debentures and that it was considering the restriction of dividend on shares to one per cent higher than the borrowing rate. The Reserve Bank had pointed out, the note said, that it was not desirable that Government guarantee on the Bank's debentures should be raised continually and that the Bank should be able to float debentures on its own credit. The note expressed the hope that this would be possible at an early date as the result of the steps already taken and proposed to be taken. Meanwhile the raising of the guarantee was recommended.

In the Assembly there was no opposition to the resolution from any quarter, the need for raising the guarantee was readily recognised, and the resolution was passed. The thanks of co-operators are due to Government and the Assembly for thus raising the guarantee. In giving effect to the resolution, we trust that both the Government and the Central Land Mortgage Bank will see to it that the money reaches the ultimate borrower at as cheap a rate of interest as possible, especially as only recently the rate of interest for him has been raised.

The Proposed Co-operative College.

We publish an article in this issue by Mr. P. J. Varkey, which is by way of reply to contributions we invited and published in the last issue of our journal. We are glad to note that Mr. Varkey is prepared to accept some of the modifications suggested by Mr. T. A. Ramalingam Chettiar and Mr. S. K. Yegnanarayana Iyer. But some of the vital objections raised by ourselves and Mr. V. Ramadas Pantulu to Government running the co-operative college have not been answered. Co operative training and propaganda are all the world over, and even in the rest of India, notably in Bombay, entrusted to co-operative federal organisations themselves, to which a grant is sometimes made by the Government. That a popular, or what ought to be a popular, movement should be guided and its education directed by an organisation built up for the purpose is the fundamental point emphasized by Mr. Ramadas Pantulu. Mr. K. C. Ramakrishnan has, besides drawing attention to the universal views and the practices that obtain in respect of co-operative education, stressed the difficulties peculiar to our Government running a co-operative college. It is less than fair to attribute to Mr. Ramakrishnan an anxiety that the University should run the course. He has very definitely and strongly stated the case for the Provincial Co-operative Union running the college. It is only if the Union authorities are unable or unwilling to run the college, he preferred the University running a diploma course in co-operation—leaving still to the Provincial Co-operative Union arrangements for practical training to the students—to the Government undertaking the task of higher education in co-operation, as the chances of a proper co-operative atmosphere obtaining there are much less than in the University. Nor can we accept Mr. Varkey's theory that a teacher of co-operative theory can have no practical knowledge of the working of the co-operative movement. We hope the question of advanced co-operative education and its management will be discussed in all its bearings without any personal bias or prejudice.

The Late Mr. A. Sivarama Menon.

We grieve to record the passing away suddenly of Mr. A. Sivarama Menon, Minister for Rural Development, Cochin, whom we congratulated only a couple of months ago on his being chosen to that responsible office. It is a great misfortune to the people of Cochin that they should be deprived of the services of so experienced a leader and promising Minister. We offer our deepest sympathy to the bereaved members of his family.

The Proposed College of Co-operation

By C. J Varkey, M.A, M.L.A.
Parliamentary Secretary to the Hon'ble Minister for Education Government of Madras

It is a source of gratification to me to see, from the last number of this journal, that my scheme for a College of Co-operation has 'revived' interest in the idea of a Co-operative College in this Province. The credit of having first conceived this idea must undoubtedly be given to the Madras Provincial Co-operative Union, because it was a committee of this Union that prepared, for the first time, in 1933, a complete scheme for the establishment of a Central Co-operative College for Madras. With the advent of a popular Government in our Province, I felt a need had arisen for an army of well-trained men, possessing an adequate knowledge of, and practical training in, the science of Co-operation, as well as the true spirit of the co-operative movement—men who will be real embodiments of the ideal of rural service and who will prove effective instruments in the hands of a national Government for reviving the ancient prosperity of the Indian village on up-to-date modern lines. It was with this purpose in view that I prepared the scheme and submitted it, in February 1938, to the Government for their consideration and final adoption with suitable changes that might be dictated by the past experience of the Department as well as by the long experience of the pioneers of the co-operative movement. It was a consolation for me to hear that the Department of Co-operation had already blessed the scheme and that the Provincial Co-operative Union had welcomed my move to reopen the question.

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Critical Examination of the Scheme

That my scheme has helped to revive interest in the idea of a Co operative College is amply evidenced by the attention paid, and the space devoted, to this topic in the last issue of the journal. As many as four veterans—co-operators and educationists—have come forward with their critical examination of the fundamental features as well as the several details of my scheme, comparing it with the scheme already prepared by the Union five years ago. The Hon'ble Sri V. Ramadas Pantulu, B.A., B.L., Sri T. A. Ramaligam Chettiar, B.A., B.L., M.L.C. (Madras), Sri K. C. Ramakrishnan, M.A., Lecturer in Economics, University of Madras, and Professor S. K. Yegnanarayana Aiyar, M.A., are men who have something

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substantial to contribute to the discussion of the subject in hand. I must confess that, in the course of their critical examination of the scheme, they have made proposals that make it possible to introduce suitable changes in it—proposals that deserve our serious consideration, coming, as they do, from men possessing personal experience in the co-operative movement as well as in the university and collegiate education. As we are all agreed on the need of having such a college, and as we are all equally anxious to bring it into existence with the least possible delay, we must adopt a policy of accommodation and not press too much one's own point of view, nor place personal considerations above public good. On my part, I am prepared to accept any modifications that are reasonable and are best calculated to serve the purpose that all of us have in view.

Four Proposals

The first point—perhaps the most important—that ought to be carefully considered is the nature of the authority in whose hands the management of the college is to be vested. We find four proposals before us. Mr. Ramadas Pantulu will have it as a purely private concern, "established and conducted by a genuine Co-operative organisation." According to him, "The Madras Provincial Co-operative Union, or some other co-operative foundation or trust to be constituted, must be entrusted with the task." Prof. Yegnanarayana Aiyar more or less agrees with his principle, and says: "an *ad hoc* Board of Management be constituted, consisting of representatives of various provincial bodies interested in the growth of genuine Co-operation." But Mr. Ramalingam Chettiar differs from this view. Unlike others, he is not opposed to having an official block in the Board, consisting of "the Registrar of Co-operative Societies, a revenue officer, a public health officer and an agricultural officer." He wants on the management several interests to be represented, and insists on the non-official element being strongly represented. There is still a third view, whose champion is Mr. Ramakrishnan of the University, who, with his academic vision, wants the course to be under the University management. The common factor among all these supporters of the idea of a college is that it should not be a concern of the Government; it should not be a Government college like the Law College or the Medical College. This view is diametrically opposed to mine, because, according to me, it must be a Government college, but I am prepared to modify my view if a satisfactory alternative could be thought of.

Objects and Scope of the College

The question of management cannot be satisfactorily answered unless another question of a more fundamental nature is answered: What are the objects and scope of the college? As I originally conceived it, the college was intended to serve only two purposes—(1) "the College would not only help the Government of Madras to find an adequate supply of well instructed and trained hands to staff its growing Department, but (2) the Government would also help the cause of the spread of co-operative movement in the country by supplying well trained men turned out by the college." After going through the able contribution of Mr. Ramalingam Chettiar, I am persuaded to modify the scope of the college. I am convinced that this college should be utilised also for another purpose—a purpose that could not possibly be served otherwise, *viz.*, the training of men for rural service in its widest sense, and not only producing co-operators. I do see the force of his argument: "If the training is to be confined to the subjects mentioned in the communication sent by the Registrar, the graduates who will pass out of the college will have to be employed only for co-operative work."

In the light of the forthcoming scheme for the expansion of the system of village panchayats, contemplated by the Government, and in the light of the fact that "there should be guidance and supervision from outside at least for some considerable time until the villagers are able to look after themselves and provide for supervision themselves", the products of the proposed college ought to be, not only specialists in Co-operation, but "village guides", helping and guiding the villagers in improving their agriculture, social habits and living—in short, dealing with all aspects of village life. Therefore, though for brevity's sake we may call it "College of Co-operation," it will really be "College of Co-operation and Rural Science." Since Co-operation is a very important part of Rural Science, and since there is no possibility, or even necessity, for another college for imparting training in Rural Science apart from Co-operation, the best solution seems to be to make the proposed college serve the additional purpose of equipping young men with adequate knowledge and training not only in Co operation, but also in Rural Science in all its aspects, one most important aspect being Co-operation. These men will be guides of villagers and of Village Panchayats in their all-sided improvement, helping them in establishing co-operative societies, stores and other organisations; in improving agriculture and marketing facilities; in educating them on the value of sanitation and nutritive food, and such other matters.

It was a real gratification for me to realise that my conception of co-operators' work coincided with that of the Hon. Dr. T. S. S. Rajan, Minister for Public Health. Addressing the students of the Central Co-operative Institute, Madras, recently, he observed:

> "Co-operation was the one department of national reconstruction which was connected to the health and well-being of the villagers. It was up to the co-operators to realise the need for improving the health of the villagers by co-operative efforts."

He told them that they should devote their attention to the questions of protected water-supply and improving the quality of the food of the villagers. In fact, their position in the economy of village uplift is very important and responsible.

Management of the College

Having thus defined the objects and scope of the proposed college, we are now in a better position to determine the agency to conduct it. Since what is proposed is a very comprehensive training, since one of the main objects is to improve the condition of co-operation by producing a better type of co-operators to be employed in Government service as well as in co-operative work under the indirect control of the Department, since the present men in or under the control of the Department are to be given Refresher Courses, and since the Government have to improve village life through such men trained in Co-operation and Rural Science, the proposed institution must be under the management of the Government, and not under a private trust or organisation. Such a specialised professional training must not be entrusted to private bodies, but must be under the direct and effective management and control of the Government. I do not entertain the fears of Mr. Ramadas Pantulu that "instruction from such a source is more harmful than useful," nor do I agree with his view that the college will be "no more than a mere branch of the Registrar's office." The Department would be only glad if the expert members on the staff of the college were to offer constructive criticism on Departmental or Government's plans and programmes.

But, in the light of the fact that, in this work of co-operation and village uplift, the Government stand to gain by the willing co-operation of non-official enthusiastic workers, their participation

in the management of the college, is to be welcomed. I am prepared to accept the happy suggestion of Mr. Ramalingam Chettiar, to have a Board of Management in which several interests are represented—the Departments of Government concerned in this work of rural uplift as well as an adequate number of non-officials actively interested in the field of Co-operation and rural work. I am also prepared to agree with Mr. Ramadas Pantulu that such a board should not be merely an advisory committee, but must have an effective voice in the management of the college, thus giving to experienced co-operators and others an opportunity to help the Government and the Department, in directing the work of the college on proper and healthy lines. Instead of being "conducted by the co-operators themselves", it will be conducted by the Government with the effective co-operation of co-operators, thereby avoiding, on the one hand, the dangers which Mr. Ramadas Pantulu apprehends, and, on the other, the difficulties of a private body conducting such a professional college.

There is one other proposal, the one made by Mr. Ramakrishnan, who wants the course to be managed by the University Department of Economics, which proposal, in the light of what is said above, may be ruled out of consideration. In the first place, both the Government and the private or non-official agencies would like to have in the management of the college an effective voice, which, I am sure, the University will not be prepared to grant. Secondly, I am afraid the analogy to the new University Department of Politics and Public Administration is not quite happy: something more than a mere book knowledge, acquired within the walls of the lecture room of the University Buildings, is necessary in the training of the men we want for Co-operation and rural reconstruction work. In fact, Mr. Ramakrishnan himself has given away the whole show when he admitted: "The only element that the University may not (why,—will not) be expected to provide for is the co-operative atmosphere, outside the class-room." Thirdly, the University itself may not like to undertake the training of *professional* men of the type we need, though Mr. Ramakrishnan, who is specialising in Rural Economics, would naturally like to have the proposed course under the University as a sort of sub-department or side activity of the Economics Department. Therefore, this academic proposal to make the course a mainly academic one may be left out of account as an undesirable and impractical suggestion.

Details of the Scheme

Having arrived at a satisfactory solution of the main problem of management and control, the other questions become secondary. Details of the scheme, such as the subjects to be taught, the nature of the training to be imparted, the composition of the staff, and the financial aspects of the scheme, could be left to be worked out in course of time. But I should like to touch on one or two of these details. There is indeed, some force in Prof. Yegnanarayana Aiyar's suggestion that *only graduates* should be admitted to the course. Considering that we are providing a course of but two years for such an all-important formation of young men, and that adequate knowledge and practical training are to be imparted, I think that, in order to make this formation effective, it is better to take in only graduates, particularly graduates in Economics. If it is found by experts that Mathematics or Chemistry graduates (who have had no special background of knowledge for the particular post-graduate course in the proposed college), could also be developed into proper materials that could profit by the course contemplated, I have no objection to throwing the course open to graduates in all subjects.

On one other detail, too, I am prepared to revise my scheme. After hearing the very sensible views of Mr. Ramalingam Chettiar and of Prof. Yegnanarayana Aiyar on this question of the staff required, and after taking into consideration the modifications now proposed in the scope and nature of the course, I think my suggestions in the scheme as regards the staff of the college have to be revised. The staff should consist of three sections or three types of men: (1) *The Permanent Staff*, which may consist of a Principal, a Vice-Principal, two Lecturers (instead of 3 proposed) and a Tutor; (2) *Part-time Lecturers* (as suggested by Mr. Ramalingam Chettiar, on the analogy of the Professors in the various subjects in the Medical College), drawn from the Departments of Government, such as Co-operation, Revenue, Public Health, Agriculture, and perhaps also Education, and I would add, experts of the University like Professor P. J. Thomas; (3) *Honorary Lecturers* (as suggested by Prof. Yegnanarayana Aiyar) who may be allowed to participate in this work, being honorary workers with the required knowledge and experience, by giving a definite course of lectures on their own special subjects. Such a staff will be the proper body of competent men to impart the necessary knowledge and training to those who undergo the course.

In the fore-going re-examination and revision of my scheme, I have taken into account whatever appeared to me as healthy constructive criticism and as helpful practical suggestions in the contributions made by the four eminent co-operators and educationists. Perhaps further thinking by these as well as by other minds might help us to improve the scheme still more, and also to solve many other difficulties. An opportunity to do so will be available, if and when the Academic Council of the Madras University approves of the idea of instituting a Degree in Co-operation in the University, and appoints a committee to examine the question and to work out the details of the plan. And when the University authorities discuss the question, those interested in the scheme have a duty to perform: if any one attempts to throw buckets of cold water over the scheme, let them pour pots of boiling water over it. Meanwhile, let us not permit our personal views and interests to cloud the issue—to have a College of Co-operation or not. When once we are convinced of the need for it, let us make sacrifices of our personal ideas and opinions, and co-operate together in the real spirit of co-operation, whose progress along right lines every one of us has at heart. Let us thus prove ourselves to be true co-operators, and bring into existence at an early date a College of Co-operation—an institution which will be the happy consumation of the noble services done by non-official pioneers of the co-operative movement, and which, at the same time, will be a notable feather in the cap of the new popular Government of Madras.

Multi-Purpose Co-operative Societies.

By N. Satyanarayana.

The co-operative movement in Madras is nearly 35 years old. Though its progress during this period cannot be said to be unsatisfactory, there are many who hold the opinion that it has not achieved the object with which it was started and that rural credit has not shown sufficient expansion so as to be really helptul to the village agriculturist. In consequence, there is a feeling that a new orientation in the policy of co-operative movement is necessary and this feeling was given public expression to by the Hon'ble the Revenue Minister in his speech on the occasion of the opening of the Co-operative Rural Bank at Alamuru, which was started on lines greatly differing from those of the existing village societies. Coming as it did from a member of the Government who is keen on the rehabilitation of the village, the suggestions contained therein have been very closely examined by prominent co-operators in the Province.

It will not, therefore, be out of place to analyse the scheme and the criticisms against it and see whether it is really in the interests of the movement to adopt it as a new line of development.

The salient features of the new scheme as proposed by the Revenue Minister are :—

1. The organisation of Multi-purpose societies with limited liability for groups of villages.
2. The financing of these new primaries directly by the Provincial Co-operative Bank.

The criticism thereon may also be put under two heads :

1. The proposed Multi-purpose society is superfluous and unworkable.
2. The abolition of the Central Banks and their replacement by the branches of the Provincial Bank is more costly and increases the risk at the same time.

It is common ground amongst most co-operators that the present weakness of the movement is the result of the concentration on credit by all societies and of their failure to help the agriculturist by taking a hand in the supply of his requirements like improved seed,

manure and appliances or in the sale of his produce to his advantage. This makes it clear that in order that a co-operative institution might be useful to its members, it must undertake these functions also along with credit But it is pointed out by the critics that "the much advertised scheme of Multi-purpose Bank does not actually differ materially in its practical aims and objects from the existing rural credit system " and that " if such wider functions were not hitherto discharged by the primaries, it was not due to want of power under the by-law but due to want of human material and other factors".

Before examining what these factors are, it is better to state clearly one thing. In the co-operative movement, as in so many other fields, we have arrived at a stage when we can no longer remain content with theoretical possibilities and powers. Legal capacity and practical achievements are two different things, though the former might be a condition precedent to the latter. What is at present needed is a co-operative society that actually discharges the various functions enumerated above, not one that has merely the power to do so.

Now coming to the question of human material and other factors which disable the existing societies from functioning in spheres other than that of credit, the suggestion evidently is that, if the existing societies themselves cannot profitably take up new functions in spite of their standing and experience, new societies with a still wider range of operations cannot be expected to get over this want, and function successfully. But this very argument urged against the Multi-purpose society points as a matter of fact to its necessity. From the annual report of the Registrar of Co-operative Societies for the year 1936-37, it is seen that out of nearly 11,500 agricultural credit societies about 10,000 are put in 'C' and 'D' classes, showing that they are not working satisfactorily even in credit business, the main reason therefor being that it is difficult to find a good band of honorary workers in each village, and also a whole-time man to look after the affairs of the society carefully. The average working capital of a village society in the province comes to about Rs. 5,000 and a very large number of societies are below the average. Hence most of them have a revenue of less than Rs. 50 per annum, if the margin between the lending and borrowing rates is 1 per cent. It is obvious that these small units are economically weak and unable to maintain a paid staff. We cannot expect too much work from the honorary workers. This point was recognised some time back and there was a proposal to appoint a paid clerk for a group of societies to look after their routine work. But this scheme was given up after a trial of one year as it was found unworkable in practice. If for a single purpose society which lends and collects money there is a dearth of honorary workers, is it too much to say that the difficulty would become almost unsurmountable, if we should find workers for different societies for credit, marketing and sale, etc., one for each purpose in each village? In Cahill's report, the same difficulty was pointed out even in an advanced country like Germany. There it is stated, "One of the principal difficulties operating against the creation of a separate agricultural supply society in a village, in which a credit society is already established, is the dearth of suitable men to fill the responsible offices in the two societies". It is, therefore, inevitable if co-operative activity, in spheres other than that of credit, is to develop, there should be societies, one for a group of villages and not one for each. It is to overcome this difficulty of want of human material that a society with a wider area of operations is proposed, so that a number of efficient directors may be available and paid staff appointed for the routine work of the society. The successful working of the land mortgage banks and loan and sale societies can partly be attributed to this factor.

One may, however, ask whether this experiment has been tried elsewhere and found to be workable, or whether the reformist zeal in our co-operative movement is pushing us to untrodden paths. The experiences of a few countries are given below.

We read in Cahill's report:

"Raiffeisen, whose general principles are expressed in the articles of federation, held that the individual rural society was not only to accept savings deposits and lend money to members for the purpose of their business, but was also to buy manures and other farm requirements, agricultural products, purchase and maintain machinery on the joint account of members and if advisable carry on the business of dairying, buying and selling cattle, etc., as part of its activity". "Other leaders held that the business of banking should be separated from other business which should be undertaken by societies independently constituted. Experience has in part justified their contention. Dairies and other co-operative undertakings requiring technical management and considerable capital cannot be suitably carried on as a mere department of a village credit society. As to the supply of agricultural requisites and the sale of agricultural

products the principle of separation was laid down by the opponents of Raiffeisen, but has not proved reliable in practice, especially in regard to the supply of agricultural requisites."

From the above passage it is clear that the failure, if any, is not due to the different purposes as proposed for the Rural Banks, but only to their advances into special fields. In this connection we may profitably refer to an article by Mr. K. C. Ramakrishnan on 'Agricultural Co-operation in France' in the June issue of the *Madras Journal of Co-operation* wherein he points out that "many of the Syndicates have taken on themselves varied functions and served as multi-purpose societies and that the area of their operation was not confined to one village but often extended to a canton and in some cases to a District". Incidentally, he pointed out also that "their liability may be limited or unlimited but that it is generally limited". So much about France. In Japan also "the rapid increase of societies which carry on various businesses side by side is a characteristic of the recent development. At the beginning of the movement, the number of societies which assumed unlimited liability exceeded those which assumed limited liability but the former gradually decreased and the latter is steadily in the increase, so that at the present day nearly 75 per cent are limited liability."

It was pointed out by Kigoshi Ogata in his 'Co-operative Movement in Japan' from which the above passage is taken, that in that country partly owing to the national character, unlimited liability is not so widely adopted and hence the overwhelming increase of societies of the limited type.

It is, therefore, clear that the Multi-purpose society is not bound to fail; the experiment has been tried in other agricultural countries, at least one eastern and one western, and found to be working well. As regards the trading activities, what is contemplated is the purchase of important requisites on indent system for the benefit of members, but not trading on the society's account. This system is prevalent also in Germany as is obvious from Cahill's report where it is pointed out that "In most cases, however, the society confines itself to collecting orders from members transmitting them to central trading society, advising members of the arrival of goods, carrying out the necessary book-keeping and recovering the payments from members on receipt of goods". In the same report the advantages of amalgamation are very well summarised as follows: "The credit society need not raise capital in order to be able to carry on the business of a supply society, as it either has cash at its disposal, or by reason of its credit at the co-operative central bank can settle accounts through that agency. The recovery of sums due by purchasers is assured by the knowledge of the financial conditions of members possessed by the committee of management. The small percentage added to the cost price by the society constitutes a useful source of revenue to meet the cost of management and strengthen the reserves and when this business is large enables, perhaps, the rates for loans and deposits to be respectively lowered and raised ".

The above discussion would have made it clear that the advantageous development is towards Multi-purpose society with a wide range for its operations. When once it is admitted that there is to be a society for a group of villages, the principle of unlimited liability ceases to be workable. The rationale of unlimited liability is that each member is expected to watch over his neighbours and keep a check on them. This cannot apply to members coming from different villages; and the natural form of liability to be adopted will, therefore, be of the limited type as in the case of the proposed bank.

The point urged against this form of liability is that the primaries and the financing banks may not be able to attract depositors who have been hitherto looking forward to the unlimited liability of the primary society for the soundness of their investment. This argument is fallacious for two reasons. Firstly, the superiority of unlimited liability as contemplated by the common people has been proved to be a myth by recent decisions of the courts. Secondly, we find that urban banks in towns are overflowing with deposits, even though their liability is limited. It is the efficiency of the management and the quality of the directorate that are responsible for the confidence of the depositors. Of late, Central Banks have been freely advancing moneys to the Loan and Sale Societies whose liability is limited. But still they are able to attract deposits at the usual rates of interest. Instead of the unreal form of security of unlimited liability, the rural banks offer the security of the unencumbered mortgages of their members and the gold, silver and grain pledged with them. Hence it is not clear why the depositors should shun these banks.

These are the main objections urged against the Multiple-purpose society; but there are two others of minor importance which require to be mentioned. It is pointed out that the objects of the Multi-purpose society include the financing of the purchase of land and building of houses which are considered to belong to the province of long-term credit. But this by-law is included for the benefit of small

agriculturists who may require only small amounts for improvements to or additions of small bits of lands to his farm, or the building of small sheds or houses for which he may not be able to get such small sums from the Land Mortgage Banks. Moreover, the term of repayment of such loans cannot under these circumstances be very long. This may probably be styled as intermediate term credit at the most, but cannot in any way be said to be long-term credit.

Co-operators of either view need not be afraid of any clash between the old and new societies, because when compared with the number of villages in our province, the number of societies is very limited. For about 50,000 villages there are only 11,000 societies at present and even out of them, as already pointed out only 1,000 are working actively. The reasons for this state of affairs are not far to seek. During the post-war period of high prices, there was a tremendous expansion both in the number and the transactions of the village societies. Loans were freely granted for all purposes (short-term, intermediate and long-term) without taking proper care about the repaying capacity of the members and the character of the borrowers. A large number of them were unable to pay back the dues in time, and overdues began to mount up. The leaders of the movement tried to rectify the previous mistakes by separating long-term credit from the purview of the village societies and advising them to lend for short-term purposes only, like purchase of the seasonal requirements of the agriculturists and collecting the same at the time of harvest. So all the long-term transactions were taken away from these societies and they were not able to expand their short-term business to make good their loss. In addition to this, Loan and Sale Societies came into vogue to encourage co-operative marketing. But these took away the crop loan transactions of credit societies where they were functioning successfully. Unfortunately, these developments occurred during a period of unprecedented economic depression, when even the comparatively wealthier classes were not able to meet their liabilities. When overdues began to mount up on this account also, Central Banks pressed the societies to take coercive action against their members to recover their loans. To meet the demands of the financing institutions, the societies put pressure on their rich members who managed to clear off their dues and left the societies. Such withdrawals were accelerated by the failure of some societies and the consequent fear of the enforcement of unlimited liability. Hence gradually only the residue of insolvent members and their irrecoverable loans remained in a large number of societies.

All the solvent members who left these societies got the long-term loans from Land Mortgage Banks and on pledge of produce in Loan and Sale Societies, both of which are limited in liability. Many people are borrowing from private moneylenders. The policy of the Central Banks in demanding their dues in very distressing circumstances, the fear of the enforcement of unlimited liability and the starting of fresh types of societies with limited liability, all these are responsible for the contraction of the transactions of village societies and their stagnation. Already in several places people are anxious to get the struggling societies liquidated and to appropriate the reserve and other funds, accumulated over a quarter of a century for local charitable and communal purposes.

It is high time to take strong measures to rehabilitate the movement. It can be done by weeding out small uneconomic units, pooling the resources of a group of societies and starting a Rural Bank to serve the needs of all these villages. In tracts where no societies exist new rural banks with areas of operations extending over a group of villages can be started. With 3 to 4 societies for each firka, the whole province can be covered and all villages can be brought under the movement. This will draw back into the movement all the propertied people who have been scared away from it. The tangible securities in the form of land, precious metals and produce will offer greater security to the depositors and this attracts funds from them. Thus the new societies will help to expand credit and strengthen the movement. The enactment of the Agriculturists' Relief Act has contracted the credit from moneylenders and a great responsibility lies on the co-operators to revitalise the movement and make it useful to the large number of agriculturists.

So far, only one part of the criticism against the Multi-purpose society has been considered. The other part, relating to the financial aspect, is a topic by itself and it will be considered later.

Co-operative Rural Credit—A Five Year Plan of Expansion.

By The Hon'ble Mr. V. Ramadas Pantulu,

President, Madras Provincial Co-operative Bank.

The Debt Relief Act and After.

The position in regard to rural credit has undergone a marked change since the passing of the Madras Agriculturists' Relief Act. The obtaining of credit has become considerably more difficult to the agriculturist, specially to the small agriculturist. It is argued in some quarters that curtailment of credit is not necessarily an evil for it will prevent improvident and unproductive borrowing. It is a half truth. It is not merely superfluous credit that is cut out but also necessary credit. It is overlooked that starving the agriculturist in regard to productive credit which is needed to carry on the agricultural industry is far more prejudicial to our rural economy than some improvident borrowing by a few people. I feel that the evil of improvident borrowing, which no doubt exists, has been greatly exaggerated and the necessity to finance agriculture and the agriculturists more adequately than is at present done is not vividly realised by those who are obsessed with the idea that credit has been misused by some. Agriculture is a universal industry and its development is necessary not only to feed the population but also to feed the factories and mills. The development of industries, commerce and trade inevitably depends upon the prosperity of agriculture and of the agriculturists. Something effective should therefore be done to enable the agriculturist to successfully carry on his hereditary occupation and increase the wealth from land by a well regulated system of rural credit.

The present position is a very complicated one. The Debt Relief Act has deterred men with surplus wealth from lending it to the agriculturists of average means. There is a vague fear that some day further legislation may be introduced not only to wipe out interest but also to cut down the principal of the loans, in relation to manipulations in exchange, fluctuations in prices and other economic factors, national and international. Where money lenders are venturing to advance loans, they exploit the helplessness of the agriculturists and enter into agreements which *prima facie* look valid, but which virtually nullify the beneficent intentions of the Agriculturists' Relief Act, by the usual devices employed to defeat protective legislation which are well-known. The rate of interest entered in the bond may be 6¼ per cent. But the additional interest actually charged is deducted in advance from the loan. In regard to old debts, which are liable to be scaled down, fresh documents are being taken, as if the loans are borrowed now, so as not to come within the mischief of the Statute. Hitherto, people who hesitated to lend money used to invest it on agricultural land. Now there is a great deal of reluctance to sink any money in agricultural land on account of the scare created by rumours of legislation being in contemplation to invest the actual tiller of the soil with rights of occupancy, even though he may be a casual lessee from year to year. Landless peasants used to live by farming land on lease obtained from pattadars, who are either absent from the village or who are unable to cultivate the entire holding. But even this practice is being discontinued for fear that the lessee may be invested with occupancy right by some legislation in the near future. So, the position of the small agriculturist is fast becoming more and more intolerable. He can practically get no credit from the ordinary credit agencies. Land as a bankable asset or a mode of investment is now much less coveted than before.

Help by Government.

It is for the Government to devise some effective measures to relieve the situation. The public have been anxiously expecting that the Debt Relief Act would be followed by other measures of relief to enable the debtors, who came within the scope of the Act, to pay their debts and also to replenish the sources of rural credit which are drying up. Except providing Rs. 50 lakhs in the last budget, which has not yet been touched, and extending the guarantee to the Madras Central Land Mortgage Bank's debentures, no other indications are given of any measures for the supply of much needed credit to agriculturists. The example of England and other western countries in regard to creation of agricultural credit corporations is being attempted by certain other provinces, like Bombay. In Madras, we do not still hear of any such schemes. The most important item in the agrarian programme of any Provincial Government should be the placing of agriculture and agricultural credit on a sound and satisfactory basis. It is mainly, though not exclusively, a financial problem.

The Reorganisation and Expansion of Co-operative Credit.

In addition to effort by the Government, I feel that there is a great deal that the co-operative organisations can do in this matter. But so far, there is no comprehensive scheme of co-operative credit to deal with the agricultural population of over four crores living in about 50,000 villages of this province. There are about 10,000 rural credit societies in as many villages with a membership of about five lakhs, and the other 40,000 villages are not touched by co-operative credit agencies. Even in these 10,000 societies, not more than a fourth can be said to be working and not more than a tenth to be working well. The total amount of loans outstanding in these societies is in the neighbourhood of about Rs. 4·5 crores, a large part of which is in arrears. It is frozen credit—a handicap to the lenders as well as borrowers. Out of this, the sums involved in liquidated societies, lands purchased in discharge of debts due by members and decrees which are not easy to execute form a considerable part. It is about Rs. 1.75 crores. Fresh credit dispensed through co-operative rural credit societies reached the lowest water-mark in 1933-34. In that year, not more than Rs. 90 lakhs were advanced to societies all over the province. Since then, there has been some improvement. In 1934-35, it was 124 lakhs, in 1935-36 it was 148 lakhs and in 1936-37, it was 163 lakhs. It may be a little more, perhaps in the neighbourhood of 2 crores, in 1937-38, for which figures are not yet available. It will be seen that the volume of credit dispensed through the rural co-operative credit societies (other than the land mortgage banks) is under two crores annually; it is wholly inadequate to meet the requirements of the agriculturists. Out of these two crores again, a substantial portion is for long term purposes, such as discharge of prior debts or unproductive purposes like marriages and ceremonies. I have always been of opinion that lending for discharge of prior debts and other real long term purposes is not the legitimate function of the rural credit societies. The Madras Provincial Co-operative Bank has at last come round to this view, and I am glad to see that the Registrar of Co-operative Societies, in his latest administration report, has also emphasised this view point. If these purposes are excluded, out of the 163 lakhs advanced in 1936-37, not more than a sum of about Rs. 80 lakhs, that is to say, less than 50 per cent, has been lent for genuine short term seasonal purposes. It has been calculated that in order to effectively cultivate over five million acres of land in this province (*ryotwari and zamindari*) and for the movement and marketing of the produce raised thereon, the agriculturists require at least Rs. 50 crores annually. No serious thought has been given to this problem. No doubt a bulk of this credit used to be raised locally in former days, through the help of indigenous bankers, moneylenders, larger agriculturists and the village traders. But in the attempt to rehabilitate the agriculturists through protective legislation, these sources are getting dried up, as I have already pointed out. Co-operation has, therefore, to step in. How shall we do it? Without being ambitious, I wish to give a scheme for the expansion of co-operative credit to the extent that it can be safely done on well tried lines.

Cover the Whole Province with Societies.

In the first place, effort should be made to cover the whole province with co-operative credit societies. There are about 40,000 villages not yet touched by the Movement at all, and even in the case of the 10,000 societies which now exist, about 75 per cent require to be rehabilitated. In the wake of the economic depression, prudence and caution naturally required us to devote more attention to rectification and consolidation than to expansion. There is much that still remains to be done to put matters straight and it will take years. In some central banks, the position is such that unless something is done promptly, they may soon find themselves unable to meet their commitments, specially if there is any deterioration in the inflow of fresh deposits or renewal of existing ones. The Provincial Bank will be well advised to arrange for a thorough examination of the matter by the central banks themselves.

But we cannot put off indefinitely schemes of expansion pending the completion of rectification work. If we neglect the question of expansion much longer, the Movement will stagnate and any attempt to effectively utilise the co-operative credit agency for the relief of agriculturists will become impossible. In the process of formation of new societies, the ideas that are now so much in the air about enabling the societies to cater more fully to the economic needs of the agriculturists may be kept in mind. In fact, the model by-laws of our credit societies do provide not only for seasonal credit for cultivation expenses, repairs and small improvements but also for the supply of seed, manure and implements as well, besides finance to enable agriculturists to market their produce profitably. Larger societies for groups of villages with limited liability or specified reserve liability may be formed. Unlimited liability which is now statutorily defined as ultimate contributory liability arising only on

idation is not of much value in practice. It will, on the other and, scare away solvent and punctual members from joining the societies. My idea is that, as far as possible, there should be no village which is not within the area of operation of a co-operative credit agency. The idea of one society for one village is no doubt theoretically sound. But in the present circumstances, it may be more advantageous to form a society for a group of villages, so as not to leave any area without a society to cater to its credit needs. Wherever convenient and expedient some of the existing societies may be reconstructed by enlarging their area of operations, that is to say, by extending them to the neighbouring villages within a radius of three to five miles. Elsewhere new societies may be formed for uncovered areas.

I hope that the Ministry for Co-operation and the Registrar will formulate a scheme for expansion and formation of new societies and execute it according to a plan. There is a departmental field staff of about 750 men, besides clerical staff, on whom over Rs. 12 lakhs is spent annually, that is, over Rs. one lakh monthly. Can they not be asked to devote some attention to this expansion work? The Government need not be oppressed with any feeling of difficulty to find the necessary finance to the societies. That function, I feel, can be successfully discharged by the Provincial Bank and the Central Banks in this province, which I am proud to say are financially in a much stronger condition than co-operative credit organisations elsewhere in India. Thanks to our system and its sound structure. **It must be our endeavour to provide at least Rs. 5 crores of rupees every year for the agriculturists of the province for their short term seasonal and allied needs, in addition to intermediate and long term credit.**

We are now turning away much money from our doors, because we are unable to absorb and find an outlet for it. This is a most anomalous position. At one end there is no limit to the inflow of money at cheap rates; at the other end there is no limit to the use for it. In between, it is the inefficiency of all concerned that has resulted in blocking up the passage between the former and the latter. The agriculturist is not responsible for it; it is the Government and the Co-operative organisations that are to blame in the matter.

Our machinery is well planned. But it is rusting and its parts are not moving freely and smoothly. So far as the Provincial Bank is concerned, I conceive its functions to be that of an apex bank to serve as financing agency and balancing centre to the secondary societies. It will have to see that the credit pool of the whole Movement is not exhausted at any particular time and when the resources of the central banks diminish, the Provincial Bank must be ready to replenish them, so that we may find at least Rs. 5 crores for the Movement annually, as stated above. I sincerely deplore the propaganda in favour of involving the Provincial Bank in schemes of direct finance to the societies and for abolishing the central banks or their amalgamation with the Provincial Bank, which means the same thing. The advocates of the reform, I venture to say, fail to realise the great strength which the co-operative credit organisation in the province derives from the unassailable position of the Provincial Bank and the liquidity of its resources. The central banks themselves backed by the Provincial Bank are to-day in a very strong position and able to attract any amount of capital, if the facilities for investing it through the primary societies are improved. Here again, I deprecate the demand to involve the central banks in direct finance to individuals, ignoring the basic foundations of the rural primaries on which the whole structure is built. In my opinion, our success depends upon our ability to organise the primary societies on a sound and safe basis and to help them to absorb and distribute credit necessary for their members.*

This scheme must be worked out on a five year plan and each year we must organise or reconstruct a definite number of societies, particularly in areas not hitherto covered. If we organise new ones or reconstruct old ones at the rate of one society for a group of five or more villages, according to area and population, we may be able to touch most of the uncovered villages in the next five years. If societies are organised on this new basis, we will have to find men to manage them. Some large societies operating over groups of villages

* I have purposely refrained from alluding to the controversy over the "Multiple-purpose Society" or its mouth-filling and captivating Sanskrit renderings "Sarvardha Sadhaka Sahakara Sangha" or "Samastha Prayojana Sahakara Samstha" Enthusiasts who believe in making a co-operative bank a universal provider may establish a few of them and demonstrate their utility. *A priori* reasoning and quotations from text books will not suffice to convince those who do not believe in their practicability or success. Speaking for myself, I clearly envisage grave financial risks in combining co-operative banking with co-operative trading in a single society. We have not succeeded in co-ordinating, much less in combining, the several varieties of credit for long, short, intermediate, agricultural marketing and other purposes, and are definitely drifting towards segregating and developing land mortgage banks, ordinary credit societies, loan and sale societies and other types of credit institutions —all meant for rural credit—on separate lines and as distinct institutions In other words, we want to specialise in varieties of credit through different types of credit institutions. At this stage, it therefore seems to me somewhat strange that a demand should be made for combining in a credit society numerous functions which are unconnected with credit and which are outside the scope of the model bylaws of the rural credit societies which are themselves comprehensive enough to include all the needs of agricultural finance for production and distribution of wealth from land.

may afford to pay for the services of a full timed worker. But many may not be able to do so. The ideal must continue to be honorary service of panchayatdars and secretaries, to which we have already been accustomed. It must be fostered and encouraged. With the imparting of co-operative education to the members of the societies and the supply of well trained teachers through co-operative schools or training institutions, these societies can be managed by honorary workers more efficiently than was hitherto the case. As for paid agency, a number of young men—say 2,000—can be harnessed to this co-operative service in the next five years on a small remuneration in the shape of pay or bonus from profits, supplemented by amenities and services which these rural workers will get ungrudgingly from the village folk. **With the development of the statutory village panchayats and planting of village guides and rural development staff, there will come into existence other agencies to help the co-operative credit societies.**

Long Term Credit.

We are now familiar with the division of co-operative credit into three main heads: long, short and intermediate. It is unnecessary to discuss how far this division is logical and economically defensible. It is also too late to discuss the question whether different credit organisations are necessary to supply these forms of credit. So far as long term credit is concerned, we have already set up a distinct system of primary land mortgage banks fed by the Central Land Mortgage Bank. The system is well planned and efficiently run and does not call for any change. But it is capable of expansion. About 100 primary land mortgage banks are established and over Rs. 1.75 crores has been advanced. It is a matter for gratification that the Government have agreed to raise the guarantee to the debentures of the Central Land Mortgage Bank by another 100 lakhs. I hope and trust that the lending rate to ultimate borrowers, which was recently raised from 5 per cent, to $5\frac{1}{2}$ per cent will not be raised further.

The system of land mortgage banks is, however, working independently of the other section of co-operative credit handled by the Provincial Bank, central banks and the rural credit societies. There is no co-ordination between the two systems; nor is even an effort made to bring the agriculturists in a single village served by a rural credit society and a primary land mortgage bank into the fold of co-operative credit on the basis of the two credit organisations acting as supplementary or complimentary to each other. Again, no attempt has been made to co-ordinate the work of the debt conciliation boards with that of the land mortgage banks, whose main function now is to find money for discharge of prior debts. Each agency unfortunately is working on its own lines and the one does not know what the other is doing. The Debt Conciliation Act in force in Madras cannot normally go to the relief of the agriculturist under the Madras Agriculturists' Relief Act, unless creditors consent to a scaling down, without the debtors resorting to the courts for the relief. The Debt Conciliation Act is again so drawn up as to make it applicable only to those who come forward with a declaration in their petition that they are unable to pay their debt. In legal parlance, these people will be described as insolvents. But the fundamental idea underlying the Debt Relief Act and the land mortgage bank scheme is to rescue persons, whose liabilities are less than their assets, from the serious consequences of accumulated debt, like losing their holding or their seeking protection through bankruptcy proceedings, by enabling them to discharge prior debts after they are scaled down. So there is something fundamentally wrong in the whole scheme, no two parts of which are correlated. There is need to amend all these Acts so as to enable the agriculturist to avail himself of the benefits of all of them, for a combination of these benefits is necessary to give him the required relief.

Short Term Credit.

We have now come to associate the Provincial Co-operative Bank, the central banks and the rural primaries with the functions of supplying the short and intermediate credit. These two forms of credit are, however, very different, judged by the economic background of the loans or the methods by which they are to be recovered. The short term needs of the agriculturists are well-known and are fully described in a number of reports of Committees set up to examine the question. So far as this province is concerned, besides the general survey contained in the report of the Royal Commission on Agriculture and the Indian Central Banking Enquiry Committee, we have the reports of the Townsend Committee, the Madras Provincial Banking Enquiry Committee and Mr. Sathyanathan's Report. In regard to credit for the internal transport and marketing of agricultural produce, through a system of controlled credit and the multiplication of loan and sale societies, some progress is being made. But it is negligible. I was ashamed to hear, as a co-operator, that in West Godavari District alone, a single joint stock bank (not the Imperial Bank) advanced this year over Rs. 25 lakhs on agricultural

produce against less than 2 lakhs by the co-operative agency. The Madras Provincial Co-operative Bank has, however, evolved a plan to release about a crore of rupees in the course of the current co-operative year through the central banks and loan and sale societies. As an experimental measure, the Provincial Bank has agreed to lend at 3 per cent per annum for one year—1938-39—to the central banks. It is expected that the ultimate borrowers will be able to get this accommodation at 4½ per cent or 5 per cent. It is hoped that the central banks and the loan and sale societies will largely avail themselves of this offer. In the previous co-operative year, a sum of about Rs. 30 lakhs has been lent to the central banks by the Provincial Bank at 3½ per cent for this purpose. But in the current year, it is proposed to lend thrice this amount at half per cent. less. **In connection with the warehousing and insurance of agricultural produce, a scheme is in preparation to start a co-operative general purposes insurance society, so that this business which has hitherto been exploited by commercial concerns may be hereafter retained in the hands of the Co-operative Movement itself.**

Intermediate Credit.

In regard to intermediate credit in the scheme outlined above, there does not appear to be any adequate provision. Between the two theories that the ordinary credit societies shall only lend for the current year's financial needs and that the land mortgage banks shall mainly lend for the discharge of prior debts, or improvement of land and the like real long term purposes, what is to become of the intermediate needs? It will not perhaps be possible for the land mortgage banks to raise intermediate debenture money for three to seven or ten years, nor can such credit be properly advanced by the co-operative central banks and societies with the aid of their short term deposit funds. So, I think a scheme for raising necessary funds to give loans for intermediate purposes either by the Provincial Bank or the Central Banks or both has to be evolved. By the issue of three to seven year cash certificates or taking long term deposits ranging from 3 to 7 years by offering slightly higher rates of interest, what we may call intermediate money, can be raised without much difficulty. This money must be ear-marked for intermediate loans. These intermediate loans are as essential as short term loans, to rehabilitate the agriculturists. Repairs to lands and irrigation sources, replacing worn out cattle and costly implements, digging of wells, setting up irrigation plants, discharge of small debts and the like require loans from three to seven years at least, if not ten years. This function is now neglected largely; only a few central banks do something in this direction. The new type of society with limited liability and a larger area of operations will be a suitable medium for the central bank to make this credit percolate through to the villager. The essential features of such a scheme shall be a complete segregation of the intermediate loan account from the short term loan account, both in regard to the borrowing side and the lending side of the central banks and societies. Their mixing up leads to difficulties which must be eliminated. The Townsend Committee has gone into this question at some length and even into such details as the different colours of paper to be used for the different loan applications. With regard to the scrutiny of the intermediate loan applications and the securities offered for them, there must be more elaborate machinery than is necessary for short term credit operations of the rural credit societies. The employment of trained and paid men may become necessary, where transactions are large. These are details which cannot be neglected.

Zamindari Areas.

The scheme of expansion of co-operative credit outlined above will not be practicable to any large extent in the zamindari areas. The faulty system of record of rights, non-transfer of pattahs to the name of the real owners of the holding, the evil of joint pattahs and other defects in tenure stand in the way of organising primary land mortgage banks or even co-operative credit societies to help the agriculturists in zamindari areas. It will be a slow and laborious process. In the meantime, I am of opinion that the system of loans against agricultural produce may be usefully developed. Formation of loan and sale societies is not attended with the same risks as the formation of land mortgage banks or credit societies. The question of developing produce loans in zamindari areas, therefore, deserves serious consideration.

Conferences.

THE IMPERIAL CONFERENCE ON AGRICULTURAL CO-OPERATION.

The Conference was held on July 18, 19 and 20, 1938, at the Empire Exhibition in Glasgow. It was attended by 220 delegates, of whom 80 were from Scotland, 45 from England, 33 from Wales, 12 from Ireland and the remainder from Africa, Australia, Canada, India, Malaya, Newfoundland, New Zealand, Palestine and the West Indies. The Conference welcomed visitors from Belgium, China, Czechoslovakia, the Dutch East Indies, Germany, Holland, Norway and the United States of America.

At the opening session the Chair was taken by Professor W. G. S. Adams, Warden of All Souls, Oxford. Addresses of welcome were given on behalf of the Exhibition authorities and the Department of Agriculture for Scotland. In an inaugural address Dr. C. R. Fay, Chairman of the Horace Plunkett Foundation, surveyed the state of agricultural co-operation in the world to-day, the standardised commodity marketing of America, successful collaboration with the State in New Zealand, the grouped activities of Denmark, India's co-operative approach to better living, the brilliant handling of the fertiliser problem in Australia, the educational developments in Nova Scotia, Sweden's contribution to organised producer-consumer relations and the slow forging of parallel links in Great Britain. He was followed by speakers from England, Wales, Ireland, Canada, Australia and the West Indies, all of whom spoke briefly of the co-operative achievements and possibilities of their own countries.

The afternoon session was devoted to a discussion on the co-operative supply of agricultural requirements, opened by the Chairman of a leading Scottish society, who described Scottish conditions and put forward a number of suggestions as to the compounding of manures and feeding stuffs, importing and joint purchase. A paper followed describing a remarkable experiment in the co-operative manufacture and distribution of fertilisers in Australia. A later speaker drew attention to the problems of agricultural supply in India and the possibility of inter-Imperial trade, and much practical information was supplied by speakers concerned with technical aspects of supply in Great Britain.

In the evening a conference on Young Farmers' Clubs, at which Professor Adams, Warden of All Souls, took the Chair, dealt with the work of the Club movement throughout the Empire, an organisation which the Chairman characterised as the seed-bed of the co-operative movement. Later, all the delegates to the Conference were received by the Secretary of State for Scotland, the Rt. Hon'ble Lt. Col. John Colville, M.P., at the Palace of Art.

The first session on the following day was devoted to commodity marketing. Mr. J. Johnston and Dr. Kennedy described the development in co-operative dairy marketing in Northern Ireland and Eire. They were followed by Mr. Rokach, who outlined the history of co-operative citrus marketing in Palestine, and pointed out some of the problems of federation and internal control which such organisation involves. Miss Cox described the market stalls carried on by Women's Institutes in Great Britain. Professor Ashby (University of Wales) called attention to the position of co-operative societies in relation to the system of marketing boards and state controls growing up in many countries, and this aspect of the subject recurred in most of the speeches which followed, all of them concerned with the special experience of different countries, including Canada (wheat), Jamaica and California (fruit) and Australia (dairy produce). In the afternoon the Conference divided into three sections concerned respectively with (*a*) the supply of requirements, (*b*) marketing, and (*c*) the problems of the tropical peasant.

The session on Wednesday morning was devoted to the subject of Co-operation and the State. The Chair was taken by Mr. P. G. Wilson, Chairman of the Scottish Milk Marketing Board, who described the Marketing Boards as a development of the co-operative principle and a new experiment in economic technique. The discussion was opened by Professor Ashby with a very full consideration of all the problems involved in the relations between a co-operative movement and the state, the possibilities of financial support and financial dependence, the delimitation of spheres of action, the complementary roles of the two forms of activity. He was followed by Mr. H. F. Norman (Ireland) who spoke strongly in favour of the independence of the co-operative movement from state dictation, and by Mr. A. Cavendish (Malaya) who put forward the point of view of the Colonial officer entrusted with co-operative administration. Interesting contributions were made by visitors from Germany and Czechoslovakia, who described the somewhat different relation between co-operation and the state in their respective countries.

The closing session was occupied with the relation between co-operative producers and co-operative consumers. The first speaker was Mr. F. L. McDougall, Economic Adviser to the High Commissioner for Australia, who treated the subject from the standpoint of the nutritionist, pointing out the part which co-operation could play in improving the nourishment of the people. He was followed by Mr. J. McFadyen, Director of the Co-operative Wholesale Society, who dealt with trading relations, actual and potential, between producers' and consumers' co-operative organisations in the British Commenwealth. A lively discussion followed, and it became clear that the meeting desired some definite recommendation to be made, leading, if possibie, to action. Professor

Ashby proposed the following emergency resolution, which was carried unanimously :—

> That this Conference requests representatives of agricultural co-operation and of consumers' co-operation in Great Britain to examine the best ways and means of setting up an organisation for the consideration of joint problems on which, if possible, other countries in the British Commonwealth should be represented.

During the last hour of the Conference Professor Ashby took the Chair. The following resolution was put to the meeting and carried unanimously :—

> That this Conference, recalling the resolution passed at the Conference on Agricultural Co-operation at Wembley in 1924, by which the Horace Plunkett Foundation was requested to become a clearing house of information for the service of agricultural co-operation throughout the English speaking world, recognises the services already performed by the Foundation and desires that they be continued and extended. In particular the Conference requests the Foundation to co-operate with the Round Table Conference in promoting (*a*) annual conferences of agricultural co-operative organisations in Great Britain and Ireland, (*b*) conferences at longer intervals of the co-operative organisations of the British Commonwealth as a whole. The Conference further pledges its assistance in enlisting the interests of co-operative organisations and movements in the British Commonwealth in the organisation and conduct of such a conference.

A further resolution was submitted by the section which had considered tropical probiems, and was carried unanimously :—

> That this Conference is of opinion that it is necessary to develop in Great Britain a clearing house for the collection and dissemination of information on co-operation and marketing organisation with special reference to conditions in tropical countries within the Empire.

The Conference was throughout remarkable for its cordiality, for the keenness with which the discussions were followed and for the real sense of common purpose which permeated all the sessions. The shortness of the time available for the organisation of the conference no doubt reduced the representation from overseas, as well as making it difficult for Dominion and Colonial co-operative organisations to make any suggestions as to the agenda, or to issue instructions to their representatives. This was not all loss, for a certain informality often gave spirit to the discussion. In any case, it seems evident from the actual response to invitations hastily issued, as well as from the resolutions passed, that the Conference may be regarded as the forerunner of others in which the habit of mutual discussion will generalise the experience and strengthen the ties, both material and moral, which unite the co-operative movements of all countries and especially of those within the British Commonwealth.

THE MADRAS PROVINCIAL NON-OFFICIAL CO-OPERATIVE EMPLOYEES' ASSOCIATION.

Resolutions passed at its Extra-Ordinary Meeting held on the 20th August, 1938, at Tenali.

1. (A) This meeting of the non-official co-operative employees of the Province protests against the salary cuts, retrenchment and other so called "economy measures" which constitute an attack against the standard of living of the employees. The salary cuts, retrenchment and other measures have been brought about in some co-operative institutions in the following circumstances.

(1) Even where profits showed no decline or in some cases even when they showed an improvement.

(2) In a vague anticipation of lowered profits though no such reduction was ascertained even by a rough computation.

(3) Just to force certain employees to leave non-official co-operative service in sheer disgust and dissatisfaction, when no charges could at all be levelled against them.

(4) Change of management.

(5) Merely because some other institutions cut the salary of their employees and when there was absolutely no case made out for salary cut in the particular co-operative institution.

(6) Political considerations etc.,

(7) Even in extreme cases when salary cut was not inevitable.

(8) Salary cuts and other economy measures are tending to become a chronic and a progressive feature despite increased earnings.

(B) The Employees request the Government :—

(1) To cause a thorough enquiry into all instances of salary cuts, retrenchment, stoppage of allowances, and other benefits in co-operative institutions and grant relief to the aggrieved employees with retrospective effect.

(2) To restore all cuts and cancel all economy measures.

(3) To provide that no cuts or enforcement of economy measures is made by the employers.

(C) This meeting is of opinion that even in extreme cases lowering of profits should not be a reason for a cut in salaries, as increase of profits

is not accompanied by a corresponding increase in salaries or by a participation by the employees in profits. Lowering of profits is brought about by factors for which the employees are not at all responsible and when the management is in the hands of the employers themselves, it is not either fair or just that the lowered profits should be accompanied by a salary cut or enforcement of economy measures.

2. This meeting of the Non-official Co-operative Employees expresses its deep concern over the

(1) Insecurity of service conditions of the non-official co-operative employees,

(2) The absence of grades for a large section of the employees,

(3) Extremely meagre salaries and allowances,

(4) Long hours of duty, intense work and long and intense touring,

(5) Duality of control over the non-official co-operative employees, both by the changing directorate, office-bearers and the officers of the department,

(6) Attempts made to replace the non-official co-operative employees with long experience either by fresh men to satisfy the powers of patronage by new sets of office bearers or by officers of the Department,

(7) The increasingly unsympathetic attitude exhibited by the employers towards the just and legitimate aspirations of the employees, which is so greatly out of the tune with the great principles of co-operation, and

(8) Framing of rules pertaining to service which adversely affect the employees in service.

3. This meeting is of opinion that the employees' interests would be much better safeguarded by provisions in the Act or the rules, rather than by leaving each institution to frame bye-laws governing service conditions of its employees.

This meeting requests the Government that provisions in the Act and the rules be made to provide for

(1) Provincialisation of non-official co-operative services,

(2) Security of tenure, pay and prospects, provision for leave hours of work, days of tour etc.,

(3) Restoration of salary cuts and removing other economy measures and providing adequate and reasonable remuneration and grades for all categories of employees,

(4) Providing that salaries and cuts shall not be liable for arbitrary cuts and deductions,

(5) Providing for a full enquiry before any punishment is awarded for cases of grave breach of duty, and for appeal to Government

against punishments or against all acts which work against the interests of employees in general,

(6) Protecting the interests of the employees from the exercise of undue pressure or coercion by persons in charge of the management or of the Departmental officials,

(7) Providing that the Government should give subsidy to the Central Authority under the scheme of provincialisation in case the amount received from the various co-operative institutions employing paid staff is not found sufficient to meet the total salaries and allowances payable to the non-official co-operative staff.

4. In view of the announcement of the Hon'ble Minister for Co-operation that a Committee is to be appointed to go into the working of the movement and since the efficient working of the movement presupposes a contented staff with decent conditions of service provided for them, and since the employees are deeply interested in the progress of the movement on right lines, this meeting requests the Government to:—

(1) Include in the terms of reference to the Committee an enquiry into the service conditions of the non-official co-operative employees with a view to suggest methods by which a contented and enthusiastic non-official co-operative service can be assured and brought into being;

(2) Include in the personal of the Committee not less than two non-official co-operative employees, so that the grievances of the employees may obtain adequate representation and due consideration.

5. It is unanimously resolved that the Government be requested to appoint the President and Vice-President of the Association, Messrs. K. Krishna Rao and P. N. T. Swamy Naidu, as members of the Committee proposed to be appointed to go into the working of the movement.

6. This association endorses the resolution No. 2 of the Central Committee of the Association dated 16-4-38 and is of opinion that the attitude evinced by the Government in G. O. No. 191 V of 20-7-38, particularly after the assurance given by the Minister, is hardly likely to protect the employees from grave injustices meted out to them by their employers.

This association therefore requests the Hon'ble Minister for Co-operation to see that justice is meted out to the aggrieved employees of the Krishna Co-operative Bank by reconsidering the previous order.

This meeting further requests that instances of a similar kind in the Presidency may kindly be enquired into by the Government and justice meted out.

7. This association notes with regret the disappointment caused by the Department to the staff of central banks in not consulting certain central banks in the selection of candidates for training in non-credit work, though all non-official co-operative employees are eligible for being selected for training as per G.O. 1409, dated 19-8-36 (Development Dept.) and requests the Registrar of Co-operative Societies to consult central banks also in the matter so that suitable and qualified candidates may be nominated by central banks and selected by the Registrar.

This association further requests that the selection of candidates for the session to be conducted this year which is under consideration at present may be kept in abeyance and all central banks may be given sufficient opportunity to nominate their candidates for the ensuing session.

8. This meeting of the non-official co-operative employees requests the Government

(1) To recognise this association,

(2) To permit the use of the premises of the various co-operative institutions for holding meetings of the district associations of the non-official co-operative employees, central committee, general meetings and provincial conferences by issue of suitable circulars to all co-operative Institutions,

(3) To permit the various employees to attend the meetings of the association by granting leave when necessary by the issue of a suitable circular to all co-operative institutions.

9. This association requests the central banks to appoint propagandists for the panchayatdars' training classes only from among their existing staff.

10. Resolved that the treasurer of the Guntur District Co-operative Central Bank, Ltd., Tenali, be thanked for having placed at the disposal of the employees the building of the District Bank for the general body meeting of the Provincial Association.

11. Rule 6. (Subscription) of the rules of the provincial association to be amended as under.

"The monthly subscription is at the following rates:—

For employees drawing	Rs. 25 or below		annas two per month.
"	between Rs. 25 and Rs. 50		annas four per month.
"	" 50 "	100	annas eight per month.
"	above 100 "		Re. 1 per month.

K. KRISHNA RAO,
President.

CONFERENCE OF CENTRAL BANKS AND UNIONS IN ORISSA.

The following resolutions were passed unanimously at the Conference of the Central Banks and Unions of Orissa held at 3 P.M. on Sunday the 31st July 1938 at Cuttack with Sreejut Banamali Das (Puri Central Co-operative Bank, Ltd) in the Chair.

1. The Conference is of opinion that in view of the present financial distress of members of rural societies, the maximum relief be provided for them in regard to outstanding overdue interest. This Conference urges upon the Government to arrange for a careful and detailed examination of assets and liabilities of each member of rural societies in order to ascertain the extent of relief to be given to them.

Pending this enquiry the Government is requested to issue a communique to remove the impression that has wrongly gained in the villages that all co-operative dues shall be wiped off.

The representatives of Central Co-operative Banks and Unions hereby agree that pending the result of detailed examination all payments that may be made by members of societies shall be credited towards principal. Payments will be credited towards overdue interest only when the results of detailed examination of members' assets shall justify the same.

2. This Conference agrees with Dewan Bahadur K. Deivasikhamani Mudaliar that the debts of members of societies should be scaled down to the value of the landed assets, due regard being paid to their repaying capacity.

3. This Conference urges upon the Government to promote suitable legislation in order to prevent fraudulent transfer of immoveable properties and to provide for free transfer of lands for co-operative dues.

4. (*a*) This conference is of opinion that the immediate establishment of the Provincial Co-operative Bank is absolutely necessary for the rehabilitation of the Co-operative movement in Orissa.

(*b*) This Conference is of opinion that the arrangement proposed by Mr. Mudaliar, as given in page 113 of the report, namely, the supercession of the existing Central Banks for 15 years and the establishment of branch banks at the head-quarters of each Central Bank and the maintenance of double set of accounts for each society and each member, is undesirable and impracticable. The proposed Provincial Bank should give lead and guidance to the Central Banks in rehabilitaing the movement.

This Conference suggests that small Central Banks should be amalgamated and that there should be no Central Bank with less than ten lakhs as its working capital. Central Banks thus reformed may establish sub-offices in their areas, if necessary, in view of the number of societies,

road communication etc. Each revenue district must have at least one Bank.

It is resolved that this suggestion be referred to each Central Bank and its opinion be obtained soon by the Standing Committee of Orissa Provincial Co-operative Union.

(*c*) This Conference agrees that Urban Banks are necessary in towns of North Orissa.

5. This conference appreciates the suggestions of Mr. Mudaliar regarding audit fees and urges upon the Government to exempt primary societies and Central Banks from audit contribution.

6. This conference agrees with Mr. Mudaliar that execution and liquidation proceedings should be carried by departmental staff with a view to their speedy, effective and cheap disposal and the Co-operative Societies Act be suitably amended for the purpose. There should be no *ad-volorum* Court fees in execution of awards and contribution orders of liquidators in certificate courts.

7. (i) This conference appreciates generally the suggestions of Mr. Mudaliar in regard to the reorganisation of the department and accepts the principle of making the gazetted part of the service a closed one, with provision for direct recruitment for vacancies at the stage of Sub-Assistant Registrars. Vacancies at this stage should be filled up alternately by direct recruitment and promotion.

(ii) This Conference is of opinion that the present system of recruitment of officers for the post of the Registrar for a short period of three years is unsatisfactory and not to the best interest of the movement. It is urged that the Government should recruit an experienced and senior member of the Provincial Civil Service as a whole time Registrar and provide for his proper training and proper emoluments to secure his contented and continuous service till his retirement.

(iii) This Conference is of opinion that the efficient members of the present staff of the Banks—the managers, the inspecting clerks and the office staff—should be absorbed in the reorganisation scheme with their existing pay and position as far as possible.

(iv) This Conference is of opinion that as regards inspecting clerks now existing, there is no objection to their being taken in as Bank Inspectors, but as regards the Managers it is preposterous to club them with the Inspecting clerks whose work they are so long checking and supervising, and it therefore opines that they may be absorbed in some suitable posts with their present emoluments in some other places in the reorganisation of the co-operative movement.

8. In the interest of the Co-operative movement in this Province and in view of the difficulties that have happened since the creation of this new Province without any organised non-official deliberation on

important problems of the co-operative movement, this Conference is of opinion that a Provincial Institute shall be established to form a link between different co-operative bodies and also between them and Government.

9. The proposal for having a Provincial Co-operative Union for Orissa was discussed and it was resolved that the Orissa Provincial Co-operative Union be started with delegates from Central Banks present at this Conference as its foundation members.

10. In connection with the above resolution the idea of forming a Standing Committee was considered and it was resolved that the following should constitute the Standing Committee of the Orissa Provincial Co-operative Union with Mr. H. Mohapatra as its Secretary.

1. Rao Bahadur T. Venkata Krishna Ayya.
2. Mr. Khotramoni Panda.
3. Mr. Banamali Das.
4. Mr. Ganesh Prasad Mohapatra.
5. Mr. Harihar Mohapatra, Secretary.
6. Rai Sahib Khagendra Chandra Mohapatra.
7. Rai Sahib Gobinda Prasad Bose.
8. Mr. Ram Chandra Das.
9. Mr. Prahlad Chandra Patnaik.

Further it was resolved that this Standing Committee be authorised to frame the constitution, rules and procedure of the Orissa Provincial Co-operative Union and to convene a general meeting of the Union as early as possible.

11. This Conference requests the Government to recognise the Orissa Provincial Co-operative Union and to give it a subsidy for carrying on its activities.

12. Resolved that the Standing Committee do wait in a deputation upon the Hon'ble Ministers and the Secretary of the Union be authorised to communicate the above resolutions to the Government of Orissa and to all others interested in the matter.

Reports.

PROHIBITION IN SALEM DISTRICT.

BY MR. V. VENKATASUBBAIYYA,

Secretary, Madras Provincial Co-operative Union.

I toured in Salem District from the 1st to the 6th September. My object in doing so was to see the Training Classes for members and panchayatdars of Co-operative Societies which are organised under the auspices of the Provincial Co-operative Union and to see the working of some special types of societies like the Sale societies and Tappers' societies. In this connection I noted whether Prohibition was effective and how far it had affected the working of co-operative societies. I am very glad to say that Prohibition has been thoroughly successful and that it has conferred the greatest benefit on very poor people. How I gathered this impression will be clear from the following account of my talks with some members of typical societies.

Iluppili Co-operative Society.

Iluppili village is 27 miles from Salem. I visited the co-operative training class for members and panchayatdars held here on the 3rd instant. The class was well attended. About 15 Harijans and a woman were present at the class. The Harijans looked far better nourished and better dressed than ever I remember to have seen such people to be. I asked the woman member whether Prohibition had benefited the people, and if so in what way. She smiled and said that they were benefited in every way, and most of all "there was saving in beatings." During the last twelve months she had been able to celebrate two marriages in her house at an expense of Rs. 300 for which she had borrowed Rs. 100 from the Society on two occasions at Rs. 50 each time. The second amount was borrowed after clearing the first loan. She was paying regularly the instalments. She was of Pandaram caste and her husband was addicted to drink. But for Prohibition, she said, she could not have celebrated the marriages nor be regular in paying the instalments to the Society.

There are 329 members in the Society, of whom 172 are Harijans and Oddars. The President told me that 34 of them had joined the Society after Prohibition was introduced. These Harijan members are taking short-term loans of Rs. 5 to Rs. 30 and repaying them very regularly. Those who are coolies like Oddars are repaying their loans in monthly instalments. Out of 235 short-term loans taken by these people, only two were overdue at the time of my visit, and they were cases of persons who had gone to Yercaud for work. They were expected to return shortly and clear the loans.

I informed the President of the Society that I would like to meet some Harijan and Oddar members and their womenfolk. He immediately sent word and after a few minutes a number of men and women came to the place where the training class was being held. The most forward of the women was an old Oddar woman of about 55 and her talk gave me a real surprise. She said that the men were not drinking now, but they were also not working much, and they were not happier than before. I asked her whether she would like to have the shops opened again. She said she would. She and her husband were both given to drinking and would like to have drink again. There was a general laughter at this, and when I asked her whether she would make this request to the Collector, she turned away. Among the men one or two complained with sadness in their voice that they had been deprived of drink, but when they were asked whether they would like to have the drink shops opened again, they said, "No, Sir, we are getting over the habit. Why have the evil thing again?"

I then went with the President and some others to the Harijan and Oddar quarters. It was about 6 o'clock in the evening. In the Oddar quarters, there were a number of women of all ages. They were very pleased to answer my questions. Had Prohibition done them any good? Immense good. They were getting full meals, were having clothes to wear, there were no quarrels and there were no beatings. Were they saving anything and clearing off old debts? Yes, they were. Several of them women, had joined the Co-operative Society just recently and had taken hundi-boxes. They were also clearing off debts. Had they purchased any brass vessels, etc.? The woman in the nearest house was asked by the other women to bring out her vessels. She brought out four of them. I remarked that they looked old and could not have been recently purchased. She said, "It is true they are not new. They had been pledged for the sake of drink and have gradually been released." She added with a smile, "In one or two months I expect to get back even my ear-rings." Some middle aged women said they had never been so happy as after Prohibition and if drink should come back, their prayer to God would be that it should not come back in their life time. Their joy at Prohibition was most touching.

I told them how an old woman of their community had wished for the re-opening of drink shops. They immediately said they knew who the old woman was and that there were one or two others like her, but they were exceptions. That old woman and her husband had been hopeless drunkards and had lost very decent property on account of drink. They pointed pityingly to their son, a young man of about twenty five, who corroborated what they said. I asked them whether it was true that their menfolk did not now work as hard as before. The woman who had brought out the vessels said, "Look, Sir, our menfolk are not at home.

They have not yet come back from work. In former days, they used to stop work early, take drink, come home and create a hubub here, but now they are sober and do more work."

We then want to the Adi-Dravida quarters. The men and women there admitted that they were getting better food, were able to clothe themselves better, were free from quarrels etc., on account of Prohibition. They were, however, less unsophisticated and less hearty in their statements than the Oddar women.

We next went to the Chucklars' hamlet which was at some distance from the village. It was quite dark by the time we reached there. The men and women came out in numbers and in the bright light of the petromax lamp we could see that their dress was whiter and better than it used to be in former days. They all spoke most cheerfully of the benefits of Prohibition and prayed to be saved for ever from the temptation of drink. They looked one and all better fed than in former years.

Ammapet Thrift & Better Living Society.

This is a society of Senguntha weavers in Salem City, started after the introduction of Prohibition. There were 83 members on its rolls on the 4th September when I visited it. Each member is making a weekly recurring deposit of annas four. The majority of the members are wage-earning weavers. The deposits are being made regularly. The members, I was told, were not so keen on thrift as on getting wages and work. Wages, they say, have fallen as low as annas 0-3-0 per day for a skilled weaver. They were never so badly off before. One of the members kindly took me to the quarters of the poorest weavers who were all formerly given up to drink. It was evening. In their talks with me, men and women all admitted that on account of Prohibition they had no assaults, or quarrels or bother from the Police. The present day quietness of the locality was in sharp contrast with the former disturbances. In those days no stranger could have safely visited the locality in the evening. But they all complained of want of work and low wages. They did not, however, look too poorly—certainly the result of Prohibition. There were a few grumblers also. One of them complained that he had lost his health. Without drink he could not digest his food! He had no heart for any work and wanted the old days to come again. Another complained that some people were going once a week to Erode and having their drink there. He could not afford to do it and so had a grievance. While the women and the young men were enthusiastic about Prohibition, the middle aged either merely put up with it or grumbled.

Ayodhyapatnam.

It is a village about 7 miles from Salem and is a great centre for tapping. The toddy in Salem District used to be drawn entirely from cocoanut trees. Now jaggery is being prepared by boiling sweet toddy. After Prohibition a co-operative society has been started here for jaggery-making and it is said to be the best society of the kind. The jaggery made here has a good colour and is readily sold by the Salem Sale Society. I learnt that a large number of tappers had left the place and gone elsewhere. Out of about 400, only 50 or 60 were remaining in the village. The others had gone to other districts for tapping. About 150 had gone to Cuddalore with a contractor. I learnt that their condition in pre-Prohibition days was fairly good and that on the whole they were able to look after themselves. The chief thing is that a market should be found for the palmyra and cocoanut jaggery which will be made all over the Province when Prohibition is extended to all the districts.

On the whole my impression is that the Harijans, Oddars and other labouring classes are better in every respect than before, and that the plight of the weavers would have been worse but for Prohibition.

THE PUDUPALAYAM CO-OPERATIVE STORES, LTD.

Silver Jubilee Celebrations.

The Silver Jubilee of Pudupalayam Co-operative Stores, Cuddalore, was celebrated with great enthusiasm on Sunday the 31st July under the presidency of the Hon'ble Mr. V. V. Giri. Rao Bahadur M. Giriappa, Joint Registrar of Co-operative Societies, was present representing the department. Mr. R. Krishnaswamy Iyengar, president of the Stores, read an address of welcome to the Minister. Mr. R. Sreenivasa Iyengar, M.L.C., one of the first members of the Stores, proposed Mr. Giri to the chair. In his opening remarks Mr. Giri thanked the president of the Stores for the kind references made to him in the address. On behalf of the Government he declared that nothing would be wanting on his part to help the movement if he was satisfied that societies were run on sound lines. He stressed the need for the expansion of non-credit activities particularly on the marketing side.

Mr. C. V. Subba Rao, secretary of the Stores, then read the report of its working for the past 25 years.

Mr. Giriappa then addressed the gathering on the non-credit side of the co-operative movement and the policy to be observed by store societies in the matter of fixing the sale prices of commodities. Regarding the latter he said that the orthodox view was to sell according to the prevailing market rate. The opposite view was to add a flat rate of profit and sell accordingly. In his view the former had a distinct advantage over the latter system.

In his concluding remarks Mr. Giri expressed his pleasure at the enthusiasm of the audience and exhorted them to be 100% loyal to the society. There was room for expansion in all directions. Swadesi goods might be stocked in sufficient quantities to cater for the needs of the members. He was glad for the opportunity afforded him to come into contact with the co-operators of Cuddalore.

After music, distribution of sweets and pansupari and thanks to the guests and the management of the Society, the function came to an end.

Reviews.

MYSORE.

The following table gives an idea of the state of the movement in Mysore in 1936-37 as compared with the previous year.

Particulars.	1935-36.	1936-37.	Increase or Decrease
Number of societies ...	1,906	1,862	— 44
Number of members ...	1,44,459	1,46,163	+1,704
	Rs.	Rs.	Rs.
Paid-up share capital ...	52,60,133	53,67,019	+1,06,886
Deposits from individuals ...	1,03,52,687	1,06,26,696	+4,28,981
Deposits from Societies ...	5,57,740	7,12,712	
Loans from Central Institutions (outstandings) ...	27,02,850	26,56,611	-46,239
Loans from Government (outstanding) ...	3,07,785	2,92,084	-15,781
Reserve Fund ...	31,26,687	32,35,061	+1,08,374
Other Funds ...	12,97,489	11,39,134	-1,58,355
Total working capital ...	2,36,05,371	2,40,29,317	+4,23,946
Loans issued during the year.	1,11,18,521	1,04,91,208	-6,27,313
Loans recovered during the year ...	1,13,04,407	1,04,79,004	-8,25,403
Total turnover ...	7,42,27,156	8,07,75,389	+65,48,233
Net profits ...	3,47,981	3,72,307	-15,634

Seventy-two societies which were not working were liquidated and 28 new societies were registered during the year. The decreases in the issue and recovery of loans were due to the doing away with the system of book adjustments which were common, and the decrease in net profits was due to accrued (but not paid) interest owing to central banks and Government being taken to loss account.

The percentage of overdues to demand was 82.8 in central banks, 75.9 in agricultural societies and 23.0 in non-agricultural societies. While the latter two classes of societies showed some inprovement in this respect compared with the previous year, there was some deterioration in the central banks. That the percentage of overdues in them is greater than in agricultural societies is due to the fact that collections of principal made by the primary societies from their members were credited towards interest by the central banks. This is an unhealthy practice and results in showing a false state of the affairs of the central banks. We hope the Government will take steps to prevent this in the future.

Regarding the Apex Bank, the Registrar's report says that recoveries were better under both principal and interest, compared with the previous year. Yet it is stated that the percentage of overdues under all heads was 74. 6 as against 59. 6 in the previous year. We cannot understand how this could be—unless there is a clerical error somewhere.

The business of the Bangalore Central Bank was more or less satisfactory in respect of its loans to individuals, which formed the main part of its transactions. Of the sum of Rs. 1. 60 lakhs due to it from societies, almost the whole of it was overdue. Central banks and banking unions are a complete failure in Mysore. The sooner they are liquidated the better.

Out of a total of 1,417 agricultural primary societies, 1,337 were ordinary credit societies, 22 agricultural supply societies, 36 grain banks and 4 marketing societies. A small improvement in the working of these societies is reported partly as result of the weeding out of bad societies and partly owing to the improvement in the prices of agricultural produce. Says the Registrar, "If matters are not precipitated and if sufficient time is allowed to the agriculturists to pay back their debts, most of the outstandings of the agricultural societies will become recoverable as a result of gradual improvement in the prices of agricultural produce." This is true of most societies in the rest of the country also. The 22 supply societies had 624 members but their purchases and sales amounted only to Rs. 3,034 and Rs. 3,020 respectively. Of the 4 marketing societies 2 were for the sale of areca and 2 for the sale of cardamom. The former do not appear to have done any tangible work. The latter are reported to have sold 232 maunds of cardamom for Rs. 14,738. Heavy amounts were overdue by them to the Apex Bank.

Mysore is strongest in urban co-operation, especially in respect of credit and store societies. The urban credit societies were 287, with a membership of 59,640, which is about equal to the membership of the rural credit societies. In the matter of share capital, deposits, reserve fund, working capital and profits they were much ahead of the agricultural credit societies. The consumers' societies numbered 75 with 18,406 members and a working capital of Rs. 22.8 lakhs. Their sales amounted to Rs. 16 lakhs and the net profit to Rs. 80,095. The store movement has taken root only in South India, and for its area and population the Mysore State shows more progress than the rest of South India. Among other non-agricultural societies there were 61 weavers', 17 sericultural, 26 house building and 18 students' societies.

The collections of the Central Land Mortgage Bank were very satisfactory compared with the previous year. The overdues came down from 45.25 per cent to 20.58 in the year under report. This, however, is not so satisfactory compared with the figures of the Madras Central Land Mortgage Bank, which had no overdues under principal or interest. The primary land mortgage banks gave on an average 4.6 loans amounting to Rs. 6,000 per bank—which is decidedly very low.

In the words of the Registrar, with which we agree, "the working of the movement during the year would reveal a picture which is full of hope."

V. V S.

GWALIOR STATE, 1936-37.

Gwalior is a state in Central India with an area of 25,133 square miles. A quarter of this area is under cultivation. Millet is the most important crop, others being gram and wheat. There are extensive forests full of wild animals. Sandstone, limestone, mica and iron are among the minerals obtained. Cotton goods are manufactured. Exports consist mainly of agricultural products. The ruler is a young Maharaja of progressive views.

Co-operation in this state, as elsewhere, has fallen on evil days. Growth of indebtedness and of overdues, the unwillingness and inability of banks to provide fresh finance, impossibility of collection of demand, and interest being overdue are some of the results of reckless generosity in lending in the past and the succession of bad seasons and economic depression. An inquiry was made in the year by Professor V. G. Kale. An interim report about the position in some districts and the remedies —heroic—to be applied form an interesting Appendix. A large grant and a big deposit carrying no interest show the extent of Government help. The financing Banks and even primary societies have contributed to cover the loss.

But the department has been wide awake. It has not been satisfied with rectification, so called. The number of members has increased, although the number of societies has been reduced. The amounts freshly lent are higher than the year before. Collection is also receiving attention. The full report of Professor Kale should be of great help to the local co-operators in rebuilding the edifice.

An interesting Appendix has been given to the Rural Uplift work in the village of Purani Chhaoni. The work is in charge of an Inspector of Co-operative Societies. Other development departments are helping. A Jeevan Sudhar Sabha is doing plenty of propaganda work in the matter of village sanitation, medical help, sports and games and in running schools. There are credit co-operative societies and some work is being done in introducing cottage industries. But no co-operator has thought of establishing a Consumers' Society. A seed store is its only sign. Have not the villagers other demands—small ones, but demands that are probably met by a retail shop-keeper? Have people inquired into the prices charged by him and compared them with those that are equitable? The villagers often exchange their corn for salt, kerosene and provisions. An attempt to see what low prices are paid by the shop man for it, would astonish anybody. Here is true co-operation—helping the villager to sell his corn and get his small requirements of stores at equitable prices, leaving, in the course of the year, appreciable profit. Here will be no loss of interest or non-payment of principal if the store-keeper knows his business and guages the wants of his clientele wisely. On festival occasions, clothing, metalware and other things may be obtained for the villagers on indent. This co-operation will be appreciated in the long run. Anyhow a model village badly requires this additon to its activities.

C. S. R.

PUDUKOTAH STATE 1936-37.

Pudukotah is a small state in the dry area of South Madras with an area of 1,179 square miles. Co operative activities are therefore on a small scale, the total number of co-operative societies of all kinds being only 122 in the year.

This is an advantage. The head of the Revenue Department is the ex-officio Registrar, and it ought to be possible for him to see that the nation building department contributes its quota to the welfare of the agriculturist along with others.

But the department does not seem to do well. Only 5 out of the hundred agricultural societies are in class A; while 38 societies are in class D, awaiting liquidation unless they improve. Collections are poor, uncollected balances in principal and interest mounting as high as 70 1 per cent. and 77 per cent. Absolutely dormant societies are as high as 60. In these no loans were issued in the year. The four Supervising Unions were again dormant. Neither the Registrar nor the Administrator has a good word to say for the movement.

It is said that the Central Bank is taking up rectification and consolidation. One hopes that it will meet with more success than the Department or the Supervising Unions.

C. S. R.

THE SOUTH INDIAN CONSUMERS' SOCIETY, BOMBAY.

Co-operators of this province would be glad to note that the South Indian Co-operative Consumers society of Bombay which is a child of the T. U. C. S. as it were is working very satisfactorily. We have received a copy of its 14th Annual Report which affords very interest reading. The membership of this society now stands at 899 and we hope ere long it would become 1,000. The authorised capital of Rs. 10,000 is almost subscribed for and the management are contemplating to increase the authorised share capital. The sales for the co-operative year ending 30th June 1938 amounted to Rs. 1,41,000. The society has got two branches one at Matunga (B.B. & C.I.Ry.) and the other at Khar Road, (B.B. & C.I.Ry.)

Unlike some English and Scotish societies that are very fond of declaring big bonuses upon purchase, our brothren in Bombay are keeping

down the initial cost and have declared a modest bonus of 4 pies in a rupee.

They have a building of their own worth more than Rs. 30,000 and have allotted definite percentages of their profit not only to Reserve Fund and Building Fund and to the Common Good Fund which is called Benevolent Fund. They have got two other Funds—the Propaganda Fund for which they allot 2½ per cent of their profit and the Vessels Fund.

The last item is very interesting and it is a natural growth of the social life of South Indians in Bombay and has reproduced a charactistic feature of South Indian life. Whenever a marriage or some important function has to be performed in a village the householder seeks the help of the village panchayat or the temple in getting all the big vessels that he may require for the function and he pays a very small amount as rent for the vessels he takes. This desirable feature of South Indian life is reproduced in the Bombay organisation and they have got a fine set of vessels which are let to members on important occasions.

On the whole the society is doing very well and we wish it continued success and prosperity.

S. K. Y.

News and Notes.

Mr. J. C. Kumarappa, Secretary of the All India Village Industries Association, Wardha, delivered a lecture on rural reconstruction at the Servants of India Society, Royapettah, Madras, on the 7th August under the auspices of Madras Provincial Co-operative Union. Interest was added to the lecture by the exhibition of models of improved oil-presses and rice-pounders. Samples of different kinds of hand-made paper were also shown. The meeting was largely attended and presided over by Mr. Giri.

* * *

The Registrar recommends the Harijan Industrial School, Kodambakam, to co-operative societies which may be in need of charkas. The school is run for the exclusive benefit of Harijan boys. It gives them free industrial training with boarding and lodging and depends mainly on public support. It undertakes the supply of up-to-date Yerravada portable pattern charkas at Rs. 3-8-0 each. The secretary of the school, if written to, will send a representative with the charka for inspection.

* * *

Srimati B. Anandi Bai, B.A., B.L., Lady Honorary Organiser of Co-operative Societies, has been trying to organise spinning in the *cheries* of Madras. The Provincial Co-operative Union has agreed to supply her with a large number of charkas. She recently organised a credit society for the women vegetable vendors of Pudupet. They borrow small sums from professional money-lenders and pay an interest of 75 per cent. She is also trying to promote thrift among the women of the lower middle class. We hope that success will attend her praiseworthy attempts and that her example will be followed by other educated ladies.

* * *

A cottage industries research institute for the district of Bellary is to be established on the banks of the Tungabhadra, where dairy farming, spinning, cattle-breeding, the manufacture of agricultural implements, etc., will be attempted under the advice of the All India Village Industries Association. The promoters of the institute who are influential public men have applied for a free grant of about 20 acres of land from Government.

* * *

At the last quarterly meeting of district officers and members of the legislature belonging to Coimbatore district, an interesting resolution was adopted that labourers' clubs should be started in the villages around Coimbatore in order to provide recreation to them and wean them from toddy and arrack shops and that such clubs should be recommended to Government for financial assistance.

The Mypad Loan and Sale Society in Nellore district has obtained a grant of Rs. 1,250 and a loan of Rs 3,750 from Government for the construction of godowns where ryots may deposit paddy and get advances on its pledge from the society. Khan Bahadur Muhammad Humayun Sahib, Collector of Nellore, laid the foundation-stone of the godowns a few days ago. He and the other speakers on the occasion advised the society to concentrate on supplying unadulterated hand-pounded Nellore rice to Madras and other cities where there is a good demand for it. As a matter of fact, the hand-pounded rice supplied by the society to the Provincial Marketing Society at Madras is perfectly satisfactory and is finding a ready market.

* * *

If the 10,000 co-operative credit societies in this province worked efficiently, they would be able to give exployment to 10,000 young men who were now unemployed, said Mr. Giri while laying the foundation-stone of the new premises of the Rajahmundry Co-operative Central Bank. This certainly is not impossible. And there are other types of societies also which can give employment.

* * *

Before performing this function Mr. Giri opened a branch of the South India Co-operative Insurance Society at Rajahmundry. He pointed out that co-operative insurance eliminated profit seeking agencies and gave the entire benefits to the policy-holders. It also offered insurance protection at lower rates. In various countries insurance companies, besides giving protection to policy-holders, had been greatly contributing to national development through the development of industries.

* * *

The irrigation co-operative society of Maragadapuram near Villipuram in South Arcot district was praised by the Deputy Registrar, who recently visited it, as the only one of its kind in the province which worked solely with the finance obtained by way of deposits. He advised the panchayatdars of the credit society there to promote rice-pounding as a subsidiary occupation for its members.

* * *

The Hon. Mr. Giri, Minister for Industries and Labour, performed recently the pleasant function of laying the foundation-stone of a building at Vellore which is to be a museum of the cottage industries of North Arcot district. The building is the gift of Mr. Arni Srinivasa Mudaliar whom the Minister congratulated on this manifestation of practical patriotism. The Minister also complimented the Collector, Mr. S. A. Venkataraman, I.C.S., for zealously promoting the museum scheme.

* * *

"I am glad to say," Mr. Giri said, "that the example of Vellore is being copied by the other districts and by the end of this year we will have one museum in every district. We are making efforts to have a provincial museum in Madras to exhibit the products of cottage industries of the whole Presidency." Though Vellore is the first district town to have advanced even so far in the matter of the museum, we are glad the Minister is hopeful that by the end of the year every district will have its own museum.

* * *

Mr. P. Srinivasachari, secretary of the museum committee, said, in requesting Mr. Giri to lay the foundation-stone, that the pottery works of Karigeri village had secured a prize at the Wembly Exhibition, that the Walajah carpets had found a market across the seas and that the white cumblies of Chengam taluk could stand comparison with Kashmir shawls. Certainly, such cottage industries deserve every encouragement at the hands of the Government and the public. The district and provincial museums will surely widen the markets for such good and struggling industries.

* * *

The Salem Co-operative Sale Society recently addressed an appeal to the planters of the Shevaroy Hills to market their oranges and pears through the Sale Society, instead of through middlemen contractors as they are doing now. Mr. J. C. Ryan, Special Development Officer, and Mr. P. V. Krishna Aiyar, Deputy Registrar, also met the planters and explained to them the advantages of co-operative sale. In the discussion that followed, it became known that most of the planters had entered into agreements with contractors for the current season and some for the next season also. They, however, appreciated the advantages of co-operation and promised to avail themselves of the agency of the Sale Society in the 1939-40 season. Such of them as are not bound to contractors are willing to sell their fruit through the society immediately.

* * *

The Madura Sourashtra Co-operative Bank has awarded a gold medal to the student of the Sourashtra High School, Madura, who obtained the highest number of marks in Book-keeping at the last S.S.L.C. examination. The medal is offered as an incentive to Sourashtra students to study commercial subjects.

* * *

The building programme of the Congress Nagar Co-operative Building Society was inaugurated by Mr. Giri on the 7th August at Avadi which is about 12 miles from Madras. The building programme is part of the Arogya Ashram scheme, the object of which is to make Avadi a health resort. Invited to speak on that occasion, Mr. J. C. Kumarappa observed that a little colony like that with settlers from the city who had all the advantages of education would help the sourrounding villages to better themselves and to bring about a co-operative effort among them for better life.

* * *

A new colony of Yenadis, named Venkateswara Palayam, was opened last month near Panapakam in Chendragiri Taluk, Chittoor

District, by the Collector. The Yenadis are generally a landless tribe who are considered criminal. But they are no more criminal than any other group of men would be if placed in the same economic and social circumstances as they are. To establish them in agricultural colonies is a right step for removing the stigma attached to them. It would appear that there are several colonies of Yenadis in Chittoor district. Its example may well be followed by the neighbouring district of Nellore where the Yenadis are perhaps found in the largest number.

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The late Mr. A. Sivarama Menon, Minister, Cochin State, inaugurated on the 31st of July last a Rural Development Society at Kumbalangi in the southern extremity of the State and referred with pleasure to the co-operation received from all political parties in working the new constitution.

* * *

Pandit Govind Ballabh Pant, Premier of the U. P. congratulated the members of the Indian Sugar Mills' Association on the prosperity of the sugar industry during the last year. He said that a year ago the picture was gloomy because the prices were going down and cut-throat competition was prevailing. But owing to the steps taken by the U. P. and Bihar Governments—steps which were at first looked upon with suspicion —the aspect of the industry had altogether changed. "Last year the question was how to raise the prices, to-day it was how to bring them down," he said. But he warned them that 'if he found them trying to obtain eggs without properly nourishing the hen'—if he found them exploiting the cultivator—he would not hesitate to put his foot down. Only one-sixth of the cane grown in the U. P. is now utilised by the mills and therefore the Premier desired the mill-owners to find out ways of utilising the remaining five-sixths.

* * *

Referring to Rao Bahadur M. R. Ramaswamy Sivan's informing article on agricultural colonisation in the Punjab, published in the May number of this Journal, the Press Bulletin of the Central Bereau of the Central Verein, U.S.A., observes: "The plan adopted in India has much to recommend its adoption in our country, at least among graduates of American agricultural colleges who find themselves unable to secure employment on leaving school. The conviction is growing that a young man or woman refused the opportunity to work tends to become a relatively undesirable member of society because of an unhealthy attitude toward life that almost inevitably results from being unable to find work. It is not improbable that, should a colonization attempt similar to that in India be made in our country, not only agricultural college graduates but also some from other departments of a university might be placed upon the land as colonizers or homesteaders. One consideration must not be lost sight of, however; as the Indian journal points out, success depends not only on co-operation from Government officials and departments, but upon a serious willingness to work on the part of the colonists."

Extracts.

MARKETING SURVEY OF FRUITS IN THE MADRAS PRESIDENCY.

(From the Director of Agriculture, Madras.)

The Marketing Section has completed the surveys of the following fruits, namely, plantains, grapes, pineapples, apples, pears, oranges, limes, other citrus fruits and mangoes. Some of the salient features in the marketing of these fruits are presented in this note.

Among the several provinces in India, Madras easily leads in fruit production, the area under these fruits during 1936-37 being as follows: mangoes 244,945 acres, plaintains 132.777 acres, oranges 13,000 acres, limes 8,500 acres, pineapples 330 acres, grapes 250 acres and pears 500 acres. The marketable production, exports, imports and net available supply are given below :—

	Marketable production.	Imports.	Exports.	Net supply.
	(Figures in 000 railway maunds)			
Mangoes ...	20,000	,,	400	19,600
Oranges ...	447	134	20	561
Plantains ...	33,291	,,	206	33,085 (as bunches)
Limes ...	1,215	5	117	1,103
Pineapples ...	45	4	,,	49
Grapes ...	18	7	1	24
Apples ...	,,	13	,,	13
Pears ...	215	,,	9	206

Mangoes. Madras Presidency exports annually about 400,000 railway maunds of mangoes, the chief importing provinces during 1936-37 being Central Provinces (83,000 maunds), Bombay (55,000 maunds), Punjab (52,000 maunds), Hyderabad (51,000 maunds), Bengal (41,000 maunds), North West Frontier Province (22,000 maunds), Bihar and Orissa (32,000 maunds), Burma (26,000 maunds), Delhi (19,000 maunds), Indore (8,000 maunds) and Sind (8,000 maunds).

The largest exporting districts are Vizagapatam, East Godavari, Cuddapah, Chittoor, North Arcot and Malabar. Except in the case of Malabar which has the advantage of an earlier crop in February-March, mangoes of all producing centres of the Madras Presidency compete in local and North Indian city markets, with results disastrous to exporters in a short producing season. There have been instances when even the railway freight and incidental charges have not been recovered. There is therefore need for restricting the extension of mango cultivation of the main

crop, and limiting the plantings to choice varieties and to off-season bearers, as in Tinnevelly and parts of Coimbatore, Tanjore and Circars. Expansion of export markets offers one way out of the difficulty, and there appears scope for foreign trade especially as the mango crop is cultivated very little out of India except in Mexico, Peru and Egypt. For the above purpose, cold storage methods with choice fruits are essential. In the already existing trade to North India, regulation of exports by a properly controlled system of producers' organisations, as is being done in America, is a useful step. The Marketing Section has recently organised Fruit Growers' Associations in Vizianagaram, Koduru (Cuddapah district) and Puttur (Chittoor district) to help export trade. The utilisation of the mango and other crops in the preservation industry will be dealt with in a later section.

Plantains. The plantain crop is next in importance in export trade, the quantity exported during 1936-37 being 206,000 railway maunds distributed among other provinces as follows.:

Mysore State (90,000 maunds), Bihar and Orissa (46,000 maunds), Nizam's State (40,000 maunds), Delhi (11,000 maunds), Central Provinces (11,000 maunds) Bengal (5,000 maunds) and Punjab (3,000 maunds), from the Cauvery and Godavari areas. Exports to Mysore State have declined from 130,000 railway maunds in 1934-35 to 90,000 railway maunds during 1936-37, mainly due to increased cultivation in the State. The trade from the Godavari area has moved to places like Delhi and Lahore, due to special reduced rates, recently given by the Railways, on the recommendations of the Agricultural Department. The plantain crop offers more risk in export trade than many other fruits. For trade to such a place as Delhi, the railway freight per wagon is about Rs. 800, cost of fruits Rs. 600 and incidental charges about Rs. 300 or a total of Rs. 1,700 invested on every wagon. The difficulties in export to North India are greater from the Cauvery area, where the railway freight is Rs. 400 more per wagon. The city of Madras consumes annually about 250,000 railway maunds of Poovan and Rasthali varieties from the Cauvery area, 60,000 railway maunds of Mauritius or green plantains from South Arcot and about 30,000 railway maunds of hill plantains from the Madura hills. Other markets for hill plantains are mainly in Madura and nearby districts and the prospects of export trade to North India appear remote. Although Malabar is a large producer of plantains, it is still a net importer.

In world trade, the importing countries for plantains are the United Kingdom, the chief exporting countries being Jamaica, Mexico, Panama and Guatemala. The variety exported is mainly Mauritius under cold storage. In our country besides reduced rates to North India, for long distance traffic, wooden wagons with ventilators have been arranged for plantains by the Marketing Section, and the extension of such facilities is under consideration.

Citrus Fruits. The area under citrus fruits in the Presidency has increased from 10,000 acres in 1931-32 to about 22,000 acres at present. Still our Presidency is a large importer of oranges, mainly from Central Provinces of Sangtara variety (74,000 maunds) and of Coorg oranges (60,000 maunds). There is therefore scope for increased cultivation both on account of increasing demand and increasing imports. About 65% of the orange gardens in the province are yet to bear fully. The estimated Madras production by varieties is Sathgudi (96,000 maunds), Batavian (99,000 maunds) sour oranges (130,000 maunds) other types (139,000 maunds). The United States of America and Mediterranean countries are the largest producers and exporters of oranges, the world production being of the order of 53 lakhs of tons, the export trade of United States of America alone being annually 1.7 lakhs of tons and imports to United Kingdom 5.2 lakhs of tons. Scope for increased cultivation of Kamala oranges exists in the Circars. Extension of graft cultivation in choice varieties is also a useful step in improvement. On the side of marketing of oranges, a Fruit Growers' Association was started recently at Koduru in the Cuddapah district, and sold about Rs. 23,000 worth of Sathgudi oranges last season in Madras city which consumes annually over a lakh of maunds of oranges, comprising Sangtara (52,000 railway maunds), Sathgudi (33,000 maunds) and Batavian and Kamala (18,000 maunds). Arrangements are being made to develop an export trade to other provinces with the Sathgudi variety and an association at Puttur in the Chittoor district has also been started.

The lime crop also figures prominently in export, and about 117,000 railway maunds of the fruits were exported during 1936-37, 80% of which was to Calcutta and the rest to Travancore and Burma. Due to large production, restriction of cultivation at any rate in the larger producing areas is indicated. The consumption of Madras city is annually 32,000 railway maunds of limes. Recently a Lime Growers' Association has been started at Palakol to help in export trade.

Other Fruits. Grapes: The area under grapes in our province is small and the production of 18,000 railway maunds is mainly of sour grapes from Kodaikanal and Krishnagiri. Consumption is mostly local as in Madras city and Madura and a very small quantity (900 maunds) is exported to North India from Krishnagiri. The grape season February-May has the advantage of production when Northern India supplies are scarce, but the main line of improvement is the evolution and acclimatisation of choice types akin to those from Chaman and foreign countries. A Grape Growers' Association has been started in the Madura district and exports to places in Madras and outside are in full swing. In the first one month of the starting of the Society nearly 7,000 baskets

(1 basket—25 pounds) of grapes have been marketed in Madras and mufussil centres of the Presidency. International trade in grapes is of the order of 2.42 lakhs of tons annually and the large exporting countries are Spain, Italy, United States of America and South Africa.

Pineapples: Pineapples are grown in Malabar and Vizagapatam districts and production is reaching a surplus stage, and comprised Kew (22,000 maunds) Mauritius (5,000 maunds) and local types (17,000 maunds.) The wholesale prices range about nine pies per pound in local markets, and from nine pies to one anna per pound in city markets as Madras. Imports are made from the Travancore State.

Apples: The apple is pre-eminently an imported crop confined to cities and the quantities imported are small compared to our vast supply of local fruits. Apple production in the province is small (70 maunds) and foreign imports amounted during 1936-37 to 9,500 railway maunds of value Rs. 91,800 mainly from Japan (2,650 maunds), South Africa (1929 maunds), United States of America (1,215 maunds) and Australia (2,418 maunds), besides 3,800 maunds from North India.

Canned and Preserved Fruits. On account of our vast production and frequency of gluts in the producing season, there is scope for industrialising our vast fruit resources in such crops as the mango where production is 9 lakhs of tons, of pears (8,000 tons) and pineapples (1,800 tons). Research investigation on the technique of canning these fruits to suit local conditions and demand have to be immediately taken up. There is also a very profitable scope for the beverage industry in such fruits as limes (50,000 tons), and also of the sour oranges of Guntur (5,000 tons) which in addition to reputed medicinal value makes an excellent squash. Our presidency imports annually about 2½ lakhs of rupees worth of canned preserved fruits. Even if a fraction of our surplus fruits be canned, the imports will be checked considerably and the grower will get better value during the glut season.

Research. Improvements in the marketing of fruit should be directed to our immense resources of supply. A planned distribution of choice commercial varieties, restriction of areas in surplus crops as the mango and lime, encouragements of off-season bearers are the lines of attack of the research side. Centralisation of research to suit different fruits and growing areas appears a useful line of improvement. On the side of development of exports, investigations of cold storage methods are indicated for choice fruits in order to prolong the marketing season.

List of Societies Registered in August 1938.

Serial No.	Names of the Societies.	District.
1	The Venkatadripalli Co-operative Society Credit	Anantapur.
2	The Doddaghatta Cumbly Weavers' Co-operative Sale Society	"
3	The Vellanturu Yanadi Co-operative Tenants' Society	Guntur.
4	The Etukuru Co-operative Credit Society ...	"
5	The Enamadala Co-operative Credit Society ...	"
6	The Yellayapalem Weavers' Co-operative Sale Society Ltd.	Nellore.
7	The Stonehousepet Weavers' Co-operative Sale Society Ltd.	"
8	The Harapanahalli Co-operative Labour Society Ltd.	Bellary.
9	The Hirehal Weavers' Co-operative Society Ltd.	"
10	The Pudupet Women's Co-operative Society Ltd.	Madras.
11	The Thiruvothiyur Co-operative Stores Ltd ...	"
12	The Abatharanapuram Co-operative Credit Society	S. Arcot.
13	The Mannargudy Co-operative Milk Supply Society Ltd.	Tanjore.
14	The Kovanur Co-operative Consolidation of Holdings Society Ltd.	"
15	The Kattut Handloom Weavers' Co-operative Sale Society Ltd.	"
16	The Pallavaram Co-operative Society ...	Trichinopoly.
17	The Pasupathipalayam Hand-Pounded Rice Co-operative Society Ltd.	"
18	The Nangavaram Co-operative Consolidation of Holdings Society Ltd.	"
19	The Karur Co-operative Building Society Ltd.	"
20	The Madura Mills Co-operative Housing Society Ltd.	Madura.
21	The Valanadu Co-operative Credit Society ...	"
22	The Navaladipadi Co-operative Society ...	Salem.
23	The Utbamasholapuram Nadar Co-operative Society	"

Serial No.	Names of the Societies.	District.
24	The Nallampalli Co-operative Society ...	Salem.
25	The K. Vettarapatty Co-operative Society ...	"
26	The Kottur Moopers' Co-operative Society ...	"
27	The Pakkanadu Kongu Mooper Co-operative Society	"
28	The Agrahara Valapady Co-operative Society...	"
29	The Rengasamudram Co-operative Society ...	"
30	The Gejjalanaikenpatti Co-operative Credit Society	"
31	The Ammapet Hand-loom Weavers' Co-operative Sale Society	"
32	The Veppampoondi Hand-loom Weavers Co-operative Sale Society, Ltd.	"
33	The Namakkal Hand-loom Weavers' Co-operative Sale Society Ltd.	"
34	The Mettur Hydro Electric Workers' Thrit & Better Living Co-operative Society Ltd.	"
35	Salliampatty Co-operative Society ...	"
36	Eachangadu Mooper Co-operative Society ...	"
37	The Punnam Co-operative Credit Society ...	Coimbatore.
38	The Guruvareddiyur Co-operative Credit Society	"
39	The Sinnasouripalayam Co-operative Credit Society	"
40	The Valparai Government Cinchona Plantation Employees' Co-operative Thrift Society Ltd.	"
41	The Kaliappagowndanpudur Cocoanut Coir Workers' Co-operative Purchase and Sale Society Ltd.	"
42	The Mangalore Co-operative Land Mortgage Bank Ltd.	Mangalore.
43	The Udipi Co-operative Land Mortgage Bank Ltd.	"
44	The Karkal Town Women Cottage Industries Improvement Co-operative Society Ltd...	"
45	The Engandiyur Co-operative Stores Ltd. ...	Malabar.
46	The Cannanore Stores Ltd.	"
47	The Mohan Co-operative Credit Society Ltd. Dharmavaram	Vizagpatam Dt.
48	The Gollalavalsa Co-operative Society ...	"
49	The Vizagpatam Co-operative Stores ...	"
50	The Bonthalakoduru Weavers' Co-operative Sale Society Ltd.	"

List of Societies Cancelled in August 1938.

Serial No.	Names of the Societies.	District.	Date of Cancellation.
1	Peddanapad C. S.	Cuddapah ...	3-8-38
2	Madras Arundhateya C. S. ...	Madras ...	5-8-38
3	Chivatam C. S.	W. Godavari	"
4	Kongankulam C. S.	Ramnad ...	9-8-38
5	Manalmedu F. L., C. S.... ...	Tanjore ...	"
6	Kadalangudi F. L., C. S. ...	" ...	"
7	Vakkarnari F. L., C. S. ...	" ...	"
8	Revenue Settlement Party No. I, C.S.	Nellore ...	10-8-38
9	Olcott Gardens F. L., C. S. ...	E. Godavari	"
10	Viruthanganallur F. L., C. S. ...	Tanjore ...	"
11	Iluppapattu F. L., C. S. ...	" ...	"
12	Tiruchittambalam F. L., C. S. ...	" ...	11-8-38
13	Perumanallur No. II, Adi-dravida C. S.	Coimbatore	13-8-38
14	Meerapuram C. S.	Cuddapah ...	14-8-38
15	Nemam Adi-dravida C. S. ...	Chingleput...	16-8-38
16	Alaganur Mala Madiga C. S. ...	Kurnool ...	19-8-38
17	Tanuri Ramapalayam C. S. ...	North Arcot.	20-8-38
18	Mettupalayam Fishermen C. S. ...	Coimbatore...	"
19	Karivellur C. S.	Malabar ...	"
20	Vellore Co-operative Audit Union, Ltd.	North Arcot	23-8-38
21	S. N. Gundalipatti C. S. ...	Madura ...	24-8-38
22	Narasapuram C. S.	Anantapur ...	"
23	Pallikkal C. S.	Malabar ...	"
24	Mundakottukurissi C. S. ...	" ...	"
25	Thevaram C. S.	Madura ...	25-8-38
26	Ravulapalli C. S.	Cuddapah ...	"
27	Komarapalayam Keeranur C. S. ...	Salem ...	"
28	Nellimalai Disaforested Settlers' C. S.	Coimbatore...	26-8-38
29	Pothur Kannadapalayam C. S. ...	Chingleput...	"
30	Puthur Adi-dravida C. S. ...	S. Kanara ...	"
31	Kumaranallur Local Co-operative Union	Malabar ...	27-8-38
32	Alanganur C. S.	Ramnad ...	27-8-38
33	Kattapalem C. S.	Kistna ...	29-8-38

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 7-9-38.

		Rs.	A.	P.
1	Chillies (Pattai) per candy of 500 lbs. ...	94	8	0
	" (Pari) " ...	84	0	0
	" (Guntur) " ...	84	0	0
	" (Rangoon) " ...	85	12	0
2	Garlic (Tiruppur Calcutta) " ...	27	0	0
3	Onions (Bellary) " ...	10	0	0
4	Potatoes (Ooty) Kidney Round Uru per candy of 500 lbs.	18	0	0
	" Rasi " Rs. 16 to	17	0	0
	" Podi " " 13 to	14	0	0
5	Jaggery (Ambur and Vellore) 'A' class per candy of 500 lbs. Rs. 40-4 to	42	0	0
	" " 'B' " " 35 to	36	12	0
6	Sathugudi oranges (Kodur) per 105 fruits Big and medium size mixed.	11	1	0
	" " " Small size ...	6	1	0
7	Plantains (Bangala) per 6 bunches Big, Medium & Small 7 to	7	8	0
	" Green plantains per 1,000 ... 5 to	6	0	0
8	Ghee per tin of 12 visses Rasipuram ...	24	0	0
9	Butter-Tenali special per tin of 12 visses. ...	20	6	0
	" -Gudivada special " ...	19	10	0
	" Ordinary " ...	18	6	0
10	Limes fruits per 1,050 Big size. ...	5	0	0
	" " Small size. ...	2	0	0
11	Soapnuts per candy of 500 lbs. Rs. 42 to	43	12	0
12	Ginger green per maund of 25 lbs. ...	1	12	0
13	Pepper (office) 1 maund of 25 lbs. ...	4	2	0
	" (Bedagl) " ...	6	4	0
14	Yam (1 maund of 25 lbs.) ...	0	10	0
15	Tamarind (Bangalore) per candy of 500 lbs. Rs. 26-4 to	28	0	0
	" (Chittoor and Vellore) " Rs. 17-8 to	21	0	0
16	Brown sugar (per candy of 500 lbs.) Rs. 36 to	39	0	0
17	Coriander seeds (Cuddapah) per candy of 500 lbs. ...	45	8	0
	" (Guntur) " ...	36	12	0
18	Green Chillies per maund of 25 lbs. ...	1	4	0
19	Brinjals per maund of 25 lbs. ...	0	10	0

				Rs.	A.	P.
20	Hill plantains per 1,000	Big size	...	12	0	0
	" "	Medium	...	8	0	0
	" "	Small	...	6	0	0
21	Hand pounded raw rice (Molakulukulu) New per bag of 32 Madras measures		...	7	0	0
22	Milled raw rice (Molakulukulu) New per bag of 32 Madras measures		...	6	8	0
23	Hair oil produced by the Viziavada co-operative Better Living Society, Ltd., per bottle		...	0	9	0
24	Honey-Coorg per 1 lb.		...	1	2	0
25	Thirupathur dholl 4¼ measures		...	1	0	0
26	Tomatoes 1 maund of 25 lbs.	Big size red colour	...	2	0	0
	"	Medium "	...	1	8	0
	"	Small white colour	...	1	0	0
27	Turmeric per candy of 500 lbs. (Kodur Rs. 55.)	Cuddapah		50	0	0
28	Cardamom per maund of 25 lbs.		Rs.	38 to 41	0	0
29	Eggs (ungraded per 100		...	2	2	0

The Tiruppur Co-operative Sale Society, Ltd.

Sale of (Co2) Cambodia cotton seeds for sowing purpose.

Pure, guaranteed, tested and well sieved (Co2) Cambodia cotton seeds for sowing purpose, prepared under the direct supervision of the Agricultural Department are available for sale at the following rates :

Including the price of gunny F.O.R. Tiruppur :—

Cost of one Full bag containing 98 lbs. of seeds	Rs. 5-0-0
Cost of one Half bag containing 98 lbs. of seeds	„ 2-8-0
Cost of one Quarter bag containing 24½ lbs. of seeds	„ 1-4-0

The name of the society is stencilled on the bag and the lead seals bear the mark **T. C. S. S.** to indicate the genuineness of the seeds.

By using the seeds prepared by this society, not only the quality of cotton is improved but also the yield per acre is increased. The increased yield per acre is calculated by the Government to be more than Rs. 15 over and above what is obtained by sowing the ordinary bazaar seeds

As there is a heavy demand for this strain of (Co2) Cambodia cotton seeds, the cotton Growing Agriculturists are requested to place their orders for their requirements at an early date so as to avoid disappointment.

K. S. Ramaswamy Gounder,
Secretary.

The South India Co-operative Insurance Society, Ltd.

(Registered under the Co-operative Societies Act.)

Head Office:
CHARTERED BANK BUILDINGS, MADRAS.

President.
Hon'ble Mr. V. Ramadas Pantulu, B.A., B.L.

GROWTH.

Year.		Proposals No.	Received Amount. Rs.	Policies No.	Issued. Amount. Rs.
1932-33 (15 months)		909	8,74,100	637	6,33,500
1933-34	...	1,072	8,96,950	816	6,66,850
1934-35	...	1,439	11,77,100	1,067	8,62,350
1935-36	...	1,753	14,16,750	1,357	10,99,150
1936-37	...	1,935	15,92,450	1,477	12,04,375
1937-38	...	2,866	25,03,575	2,276	19,75,225
Total	....	9,974	84,60,925	7,630	64,41,450

The above figures indicate clearly the confidence of the public in **Co-operative Insurance.**

The Society is growing from stength to strength and is making great headway.

Very attractive agency terms are offered to persons who are earnest in representing our Society.

Kindly call for Particulars.

V. Venkatachalam, M.A., B.L.,
Secretary.