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CONTENTS

PLEASE NOTE

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Editorial Notes.

The Committee on Co-operation.

The Government of Madras should be congratulated on having found for the Chairmanship of the Committee on Co-operation a gentleman of such ability and varied experience as Sir T. Vijayaraghavachariar possesses. His acceptance of the position is indeed a great gain to the co-operative movement in this province, though he has not had any special experience of the movement. His connection with the Wembley Exhibition and the Imperial Council of Agricultural Research and his knowledge of conditions in Europe and America should prove to be of special value to the Committee. The Government should also be congratulated on having appointed Mr. T. A. Kamalingam Chettiar as Vice-Chairman. But we are constrained to observe that the Committee as a whole, consisting of as many as twenty persons, is too large and that some of the members appear to possess no experience of co-operation worth mentioning. For expert knowledge in agriculture, banking or trade, the Committee is made to depend on the Director of Agriculture and the Director of Industries and Commerce, whom the Committee is permitted to co-opt as and when required. We are afraid this is not a satisfactory arrangement, and it would certainly have been very much better if one or two gentlemen who are actively in business had been included in the Committee. The order appointing the Committee does not appear to provide for the members visiting typical institutions like sale societies, land mortgage banks etc. They seem to be expected to form their opinions on the questions included in the terms of reference from the answers to the questionnaire issued some time ago. If this is the case, the recommendations of the Committee may not prove of much value. We hope the Chairman and a few members at least will be enabled to tour and gain a first hand knowledge of societies. We hope also that the Committee will be given sufficient time to examine thoroughly every question that has been referred to it and that it will not be unduly rushed for the sake of so-called economy.

The Provincial Co-operative Union and the Language Federations.

We are glad that one of the terms of reference to the Committee on Co operation is "to examine the system obtaining for affording facilities for co-operative education and propaganda and to make recommendations for the reorganisation of the agencies engaged in this work." At present the agencies engaged in this work are the Provincial Co-operative Union and the Language Federations of Andhra and Tamil Nadu. It is a fact that their functions are indentical and that the membership of the Provincial Union overlaps to a great extent that of each of the Language Federations. The Provincial Union has been in existence for the last twenty-five years but the Language Federations are about ten years old. It may be asked why the Language Federations were started when the Provincial Union was in existence. Their starting was due to the spread of the idea of linguistic provinces. It was also felt that as co-operative propaganda had to be carried on in the languages of the districts, it could be more effectively done by the Language Federations than by the Provincial Union. This object could have been achieved by constituting committees of the Provincial Union for each language area, as is done in Bombay Presidency; but that course did not commend itself to the promoters of our Language Federations, who wanted them to be independent institutions

Then the question may be asked, why should not the Provincial Union be abolished? The answer is that so long as the different language areas are under one Government as parts of one province, there is need for a single institution to represent co-operative opinion in the whole province and to deal with the Government. When provinces are re-constituted on linguistic lines the Provincial Union

will naturally disappear, but till then it has to exist. This position is recognised by both the Andhra and Tamil Nadu Language Federations, which have joined the Provincial Union as members. The practical question therefore is not, "Which should be liquidated, the Language Federations or the Provincial Union?" but "How best can their functions be demarcated and co-ordinated?"

Their Membership and Functions.

An answer to this question is suggested by the resolution passed recently by the Tamil Nadu Co-operative Conference which met last month at Madura and the proceedings of which are reported in this issue. The resolution says: "The Madras Provincial Co-operative Union should be a Federation of Federations. It is enough if the Provincial Union were to conduct the English Journal, to mobilise public opinion in matters pertaining to the Province and to convene the provincial conference whenever necessary. All other activities should be carried on by the Language Federation. It is requested that necessary modifications be made in the constitution of the Provincial Union and of the Language Federation."

The last Andhra Provincial Co-operative Conference which met at Vizianagaram on the 15th and 16th of April last passed the following two resolutions bearing on the subject:

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

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

This Committee has not met and therefore the amendment of their by-laws has not yet been considered.

We have reason to believe that what the Tamil Nadu Conference meant, when it resolved that the Provincial Co-operative Union should be a Federation of Federations, was not that its membership should consist of only two institutions, the two Language Federations, but also of other provincial institutions like the Provincial Bank, the Central Land Mortgage Bank, the Provincial Handloom Weavers' Society, the Provincial Marketing Society etc. These provincial institutions, which serve the whole province and which are really functional federations, cannot be exclusively in either Language Federation. To amend the constitution of the Provincial Union so that it may consist of the Language Federations and of the other provincial institutions is one possible solution. Another one—which has commended itself to the Executive Committee of the Provincial Union—is that all the members of the Language Federations should *ipso facto* be members of the Provincial Union, and education and propaganda be done through the two Federations, they being treated as its committees for this purpose. We hope that these various aspects will be fully considered by the Committee on Co-operation and a satisfactory solution suggested by it.

Funds for Education and Propaganda.

More important, however, than the question of agency for education and propaganda is the actual provision of education and the doing of propaganda. That depends upon the funds that are made available for it. The Provincial Union and the Language Federations have had practically to confine themselves to the conduct of the journals in English, Tamil and Telugu respectively, not having funds for other effective activities. In this respect the position of none of them is enviable. Some years ago when the District Federations were in existence they were enabled to do a certain amount of propaganda by the Provincial Government placing funds at their disposal for that purpose. Again, the special grant of the Government of India, supplemented by contributions from the Provincial Bank and the Central Banks, has made propaganda and education in the villages possible during the last two years and the next three years. When the special grant ceases to be available, the work will also cease—unless the necessary funds are forthcoming from some other source. The training of supervisors also depends upon the funds made available for it. There was no training of supervisors or Inspectors before the Provincial Government provided funds for it. From some source—official or non-official or combined—funds must be made available for education and propaganda, if that work should be carried on. If the funds are there, the question of agency can be solved somehow. The actual work has in any case to be looked after by the district agencies—non-official and official. The Provincial Union or the Language Federation can only co-ordinate, guide and supervise, and this could be done by either of them. The real task of the Committee on

Co-operation will be to show how and from where the funds needed for education and propaganda should come. They need not come altogether from the tax-payer. They may come partly from him and partly from the co operative movement itself. Having shown this, the Committee will easily enough solve the question of agency.

Weights and Measures.

At the Madura conference it was pointed out by some speakers that in certain matters opinion in Tamil Nadu differed from that obtaining in the Andhra Districts and Madras. These matters relate to unlimited liability, long term loans and supervising unions. What the speakers meant was that while in the northern districts and Madras there was a section of co-operators who were in favour of rural credit societies being organised with limited or unlimited liability as the societies chose, of supervising unions being abolished and of the loans issued by rural societies being predominently short term ones; there was no such section in the Tamil districts. This claim may or may not be justified. So far as we are aware, no co-operative conference in Madras or the northern districts has yet passed resolutions different from those passed by the Madura conference. But it is true that a section of co-operators holds different views on these subjects and they are not confined to the northern districts or Madras.

One resolution passed by the Madura conference we should like to endorse in particular. It is the request to Government to enforce uniformity of weights and measures throughout the province. Without such uniformity the marketing of agricultural produce on co-operative lines cannot be expected to develop satisfactorily. The Provincial Marketing Officer reported some time ago on this point as follows:

> "The confusingly large number of weights and measures is a serious handicap to organised trade. A maund in Vizagapatam district weighs 880 to 900 tolas; in Anantapur 1,008 tolas; in Coimbatore 1,000 tolas; in South Kanara 1,120 tolas. A seer in Ganjam is 32 to 42 fluid ounces; in Krishna 44 fluid ounces; in Vizagapatam 32 to 36 fluid ounces; East Godavari 32 fluid ounces; West Godavari 41.7 fluid ounces; in Guntur 45 fluid ounces; in Nellore 40 fluid ounces; in Bellary 41.7 fluid ounces and so on.
>
> Variation in weights and measures works very much to the disadvantage of the ryot with a corresponding advantage to merchants. The merchant uses the higher maund or seer for purchase from the ryot, whereas he uses the smaller maund or seer for sale to customers."

We earnestly hope the Hon. Mr. V. V. Giri will take up this matter and help not only co-operators but the entire inter-district trade.

The Krishna Co-operative Bank.

The effect of the Agriculturists' Debt Relief Act on co operative societies is perhaps best observed in the transactions of the Krishna Co-operative Bank, Masulipatam. While the amount lent out by it to its affiliated societies in 1936-37 was Rs. 8½ lakhs, in 1937-38 it rose to Rs. 23¾ lakhs. Of this about Rs. 10 lakhs was issued on the security of produce. The Directors of the Bank attribute this increased borrowing by the societies mainly to the increased demand for loans by their members on account of the non-availability of credit to them from private money-lenders because of the Debt Relief Act. To meet this demand the Bank borrowed more than Rs. 6½ lakhs from the Provincial Bank, grumbling that its rate of 4 per cent. interest was too high.

The Bank is very much dissatisfied—and rightly so—with liquidation proceedings as they are going on now. During the year 1937-38 the amount due to it from liquidated societies under principal was reduced only by the small sum of Rs. 2,200 from Rs. 57,710 to Rs. 55,511. The Directors say, " In this connection it may be mentioned that liquidation has consistently failed to produce the result for which it was intended. The process is tardy and nothing tangible in the form of realisation of the assets is perceptible. It is time the Government revises the procedure or places the work of liquidation in the hands of a different agency." They suggest that these liquidated societies may be placed solely in charge of an officer. This, we believe, has been done for the Madura-Ramnad area. If the results are more satisfactory there than in other areas, the system may be extended to them also.

Though the transactions of the Bank in 1937-38 were nearly three times more than in the previous year, the net profit earned during the year was only Rs. 9,262 compared with Rs. 18,313 in the previous year. The Directors point out that the work of a co-operative society should not be judged by the rise or fall in its profit but by the quality and quantity of the service rendered by it to its members. "We feel proud" they say, "to bring to your notice that we have worked in a true co-operative spirit and rendered timely service and help to the poor agriculturists." The following are given as the main reasons for the fall in profit:

1. Reduction in the rate of interest on loans,
2. Heavy rates of interest on previous years' deposits,

3. Employment of special staff for consolidation and rectification,
4. Absence of an appreciable margin on loans to crop loan and sale societies, and
5. Fall in the supervision fund due to lowering the rate of interest.

The percentage of overdues under principal was reduced during the year from 27.7 to 24.4, but under interest it rose from 1.9 to 4.4. The bad and doubtful assets of the Bank are given as Rs. 59,700 and Rs. 44,250 respectively. Against these the Bank has a bad debts reserve of more than Rs. 75,000 and an ordinary reserve fund of Rs. 1.52 lakhs.

64

A Correspondent's Doubt.

A correspondent wants to know whether the Vice-President and Directors of a Co-operative Bank could be considered the official subordinates of the President under section 55 of the Local Boards Act and be disqualified for election to the District Boards and Panchayats. The section is as follows:

" Section 55:

(2) A person shall be disqualified for election as a member of a Local Board if such person is at the date of nomination or election

* * *

(f) the servant or employer or the official subordinate or official superior of a member holding office at the said date."

In his book *The Law of Madras Local Boards*, Mr. C. V. Naidu observes on this point. " Does this rule apply to honorary offices, like the president and secretary of a co-operative society or a club? It is suggested here that the application of this rule must be confined to places, where one member can confer or withhold a pecuniary benefit on another on account of his official position." We agree with this view. The directors of a co-operative bank are colleagues. For the convenience of business they elect one of themselves as President and another as Vice-President and so on. They offer to serve the society without any idea of gain to themselves and their services are accepted by the members of the society who elect them on that understanding. Their position is entirely different from that of the paid staff of the co-operative bank itself. We therefore think that they are not the official subordinates of the President and do not come under Section 55 of the Local Boards Act.

But we fear that when the Courts feel a doubt about this point they will not accept our opinion as binding on them but will look to the decision of a superior judicial body. We do not know if any such decision exists. If it does not, we suggest to our correspondent that he may seek one and get his doubt cleared.

The Madras District Labour Society.

The Madras District Co-operative Labour Society celebrated its third anniversary on the 15th January with the Hon'ble Mr. V. V. Giri, Minister for Labour and Industries, in the chair.

The members of the society took the occasion to present a welcome address to the Minister and expressed their appreciation of the great service he had done for a number of years to organised labour. They then stated that their society had undertaken in the course of 3 years the construction of 19 buildings and had given to some extent employment to a number of labourers. They had, however, some difficulties, to overcome which generous help from the Government was necessary and they requested the Minister to take a personal interest in the society. In their annual report the Board of Management mentioned some of the society's needs such as a lorry, concrete mixer and other instruments and appealed to Government for a liberal subsidy to enable the society to possess these.

Mr. M. Venkataramayya, retired District Judge, who will be remembered for the valuable service rendered by him in connection with the Coimbatore Labour dispute and who has accepted the presidentship of the society, pointed out that there was even a smaller service than that of the granting of subsidy which the Government could do to the society, namely, that it could entrust construction work like the building of quarters for sub-inspectors of police etc. to the society. Mr. Giri referred to the schemes for housing labour which were being promoted at Madura, Papanasam and Coimbatore. He was sorry to hear that the society was able to find work for only 50 out of 120 members and promised all legitimate and proper help from the Government. He saw no difficulty in Government giving the construction of minor works to the society, though he was not the Minister in charge of that subject.

From the opinions of the house-owners contained in the society's report it is clear that the society has given them complete satisfaction. Apparently the existence of the society is not as widely known as it deserves to be. Otherwise the number of houses constructed by it during the last 3 years would have been much larger than 19. As a type of society it is an extremely difficult one to manage, owing to the ignorance and indiscipline of the members who are masons, carpenters and other labourers. The society is perfectly justified in expecting every help and sympathy from the present Government, which stands for helping the poor man and the under-dog more than for anything else, and which rightly has great faith in the co-operative movement. A subsidy as asked for by the society will be quite legitimate; but even if the Government be unable to provide it, there should be no difficulty in entrusting the construction of the minor and even some of the bigger works to the society. We hope the society will approach the Minister for Public Works and enlist his sympathy on their side.

The League of Belgian Peasants

By K. C. Ramakrishnan, M.A.

University of Madras.

Le Boerenbond Belge or the League of Belgian Peasants is one of the greatest and the most successful of agricultural co-operative organisations in the world. It is more than a co-operative organisation. Its aim is not merely to organise co-operatively the agriculturists of the northern half—the Flemish part—of Belgium. It promotes, and advises on, agricultural legislation. Its foremost object is the defence of the religious and moral, as well as the material, interests of the peasants who are ardent Catholics. It tries to cater to the development of the whole man, not merely the economic man. It is in fact to counteract the teachings of Socialists who set at naught religious considerations and all-established notions of property, family and other old institutions and gathered round themselves a large following in urban areas, that some of the venturesome priests in the Catholic Church thought it imperative to protect at least the countryfolk from what they considered unholy influences. The priests have even now a dominant influence in the conduct of the co-operative movement among Flemish farmers, who are knit together socially as well as economically as few other groups of farmers are anywhere in the world.

Belgium is one of the smaller countries of Europe. It has a total area of 11,800 square miles or nearly 75 lakhs of acres, *i.e.*, two and a half times the average size of a district in the Madras Presidency. It has a cultivated area of 50 lakhs of acres. It has 13 lakhs of acres in forest. Belgium is a very densely populated country, with 8 millions, *i.e*., 702 persons per square mile.

The most important racial distinction, rather clear-cut, is between the Walloons who occupy south and east, speak French and are much more devoted to industries, and the Flemish who occupy the north and west, speak a Teutonic dialect and are mostly farmers, farming generally their own lands. Nearly half the land is owned by tillers of the soil, and it is the policy of the State to encourage peasant proprietorship. While the loamy soil in the south is quite fertile, land in the north, with which we are here concerned as the sphere of activities of the Boerenbond, was originally "one of the worst soils in Europe. Though fertilised by centuries of laborious husbandry, it does not yield a single crop without being manured once or twice." It is by constant care that niggardly nature has been made to yield harvests, for which parallels may be found only in China or Japan.

The Fleming is said to be a "born agriculturist but slow to take up new ideas," being less versatile and intelligent than the Walloon in the south. Half a century back, working on poor soil, cultivating the customary cereal crops, with antiquated methods and therefore high costs compared with those of grains imported from new countries, where they were raised extensively on virgin soil, his was a hard struggle for existence. The efforts of the State Department of Agriculture through its expert *Agronomes* to educate the farmers in the new scientific methods of agriculture could not make much headway for a generation. The older farmers looked askance at the "college-bred men with new-fangled ideas" nicknamed "Aggies." The Agronomes, however, persisted, made their acquaintance with local men and won over the younger generation gradually to such an extent that even before the last war, Belgian agriculture had attained a reputation excelled by few countries in Europe or elsewhere.

The improvement of agriculture, however, meant in most parts of Western Europe a radical transformation of the old system. The area cultivated with cereals was narrowed down to the soils best suited to them and not well suited to others, while the rest were devoted to the raising of agricultural specialities; some of them, like fruits and vegetables, immediately consumable by human beings, others like grasses and roots being used as feed for cattle to help the production of milk and meat. A reference to the *International Year Book of Agricultural Statistics* reveals the fact that in the production of rye, oats, barley and potatoes Belgium has to her credit the highest yield per acre in the world and in respect of wheat she is excelled only by Holland; and in the production of eggs per hen only by United Kingdom, Holland and Denmark. No comparative statistics are available of the output of vegetables and fruits, but any visitor to Belgium travelling from Brussels, the capital, to Louvain, the headquarters of the Boerenbond, is bound to be struck by the enormous number of green houses, where plants are nurtured under glass roofs and temperature is kept up by artificial heating. Before the war, B. S. Rowntree estimated that the average weekly consumption of vegetables per family was 16 lbs., which was higher than that of Great Britain. Belgium had a larger number of livestock, milch cows

and pigs in particular, for her acreage than any other European country. Her horses are among the most famous and so much in demand abroad and at home. There is little scope for the use of agricultural machinery like tractors and reapers, because of the small holdings and the cheapness of agricultural labour. On the other hand, it is said that more artificial fertilisers are used per acre of land than in any other country. This is partly due to her infertile soil, but it is also an evidence of her high standard of agricultural technique.

All this agricultural prosperity, though the level of individual income is not yet comparable with that of the less populous agricultural countries, reads like a romance. So far as northern or Flemish part of Belgium is concerned, much of this progress is due to the hard and persistent work of the Catholic clergy, who were fired with the passion to improve agriculture on the economic as well as scientific side, not only to promote the material welfare of the laity but to stem the tide of impious Socialism. Instruction in agriculture and its organisation began to be imparted in the Seminaries for the priesthood a little more than 50 years back. Among the priests who learnt agricultural science with avidity and followed it up with experiments in their own gardens, the most famous was M. l'Abbe Mellaerts. He induced some of his flock to try chemical manures and organised at Goor a 'Peasants' Guild' to get their supplies of manures, seeds, etc. More guilds were formed in imitation and the peasants profited by it. The idea of a central federation at Louvain to serve all local guilds took shape in 1890 due to the propaganda of Mellaerts. To him is also due the credit for the introduction and spread of Raiffeisen credit societies in Belgium. In subsequent years, the Church has supplied many more priests to undertake the work of rural reconstruction through the agency of the guilds.

In the five Flemish provinces over which Boerenbond has jurisdiction, there are about 1250 Boerengilds with about 125,000 members in all. Each *Boerengild*, or Guild of Peasants, is a multi-purpose local organisation serving a parish or village. An annual membership fee of 15 francs is payable to the guild, of which, be it noted, 2 francs go to the district federation and 4 francs to the central federation or Boerenbond. Though the main original purpose of many a guild was the supply of better manures and seeds, there are now other activities as well undertaken, each of which is organised in a Section or a separate Society, but all of which are controlled by the guild. Purchase and Sale section, Horticultural section, Dairy, Credit Society and Insurance Society are the most important economic undertakings. But the special claim to distinction made by the guild is that it is not merely a professional association for advancing agricultural interests, like the Syndicat Agricole of France, but is also a social institution satisfying the moral and religious interests of members. That is why the vicar of the parish or his deputy is the chaplain of the guild and is given a seat on the committee of management. Though only the head of a family is enrolled as a member of the guild, the whole family is considered as affiliated to it. There is a Women's Section which deals with the triple mission of a woman : a housewife, a mother of children and a farm worker. Separate meetings and special courses of instruction are arranged for them. More recently, in 1925, the Youths' Section was created to interest the younger members of families. These take an active part in agricultural exhibitions and demonstrations, organise study travels and excursions. Just as in the case of the economic sections and societies these local Women's and Youths' Sections have their own central or federal organisations as sections of the Boerenbond at Louvain : the League of Women and the Federation of Young Peasants.

The Purchase and Sale Section was the first and is still the most important section of the guild. Whether other sections are affiliated to the corresponding Boerenbond Sections or not, this section is invariably affiliated to the Central *Comptoir* of Boerenbond at Louvain. All the agricultural and some of the domestic requirements of peasants are procured by this section. Technical advice is given by the President or the Manager, indents are collected and grouped and transmitted to the Comptoir at Louvain, though there is no legal compulsion to buy only from the Boerenbond. Collective sale of agricultural and horticultural products of members is a compartively recent venture and has not yet made any impression on observers. It is not likely to attain to any remarkable size in future, as most of the products find a local or nearby market, unlike in the case of Danish or Dutch products which largely depend on external markets.

The *Caisse Rurale* organised in most guilds is practically the Raiffeisen society shorn of non-credit functions associated with it in Germany. The local credit societies have in the past done much to raise the moral tone of the peasantry, for they were truly Raiffeisen and would not admit the improvident, and the drunkard in

particular. Rowntree wrote a quarter of century back : "Many a man has pulled himself together in order to be able to join ; and frequently the parish priest admits that the local bank has done more to make his parish exemplary than all his teaching." Moral and economic improvement has proceeded to such an extent that now the local society is more of a savings bank than a lending body. The local societies are all affiliated to the Central Caisse de Credit at Louvain.

Insurance of crops and livestock against fire, hail and accidents is a service rendered by several local guilds and the Central Institution for Insurance at Louvain commands the confidence of all. Shares are held by the Central Caisse.

Each Boerengild has a general monthly meeting, the agenda for which is published in the monthly organ "Our Guide." The committee of management, which has on it representatives of all Sections and Societies and also the parish priest or his nominee, meet and discuss the agenda some days before the general meeting. This is followed by the Sectional and society meetings—which indicates that the guild organisation is very much of a live democracy. A small penalty is said to be imposed on members failing to attend meetings.

Mention is made of District or Regional Associations, in between the local guild and the Boerenbond, for purposes of inspection, etc., but it has not been possible to procure information about them personally or in published literature.

The Head office of the Boerenbond, the Central Federation of all guilds, is located in a magnificent pile of buildings at Louvain, an old town noted for its learning and business. It has, as already stated, several Sections corresponding to the sections and societies attached to the guilds affiliated to it. It has a General Secretariat and a corps of experts—scientific and economic—who study the needs of the peasant, watch local and external markets and are alert to offer advice—be it on dairy, agricultural chemistry, drainage, building, electricity or markets or accountancy. The Boerenbond maintains its own *magasins* or warehouses at chief centres of trade, has its own experimental stations for plant-breeding and trying its insecticides, fungicides, and agricultural implements and manures. It publishes weekly, fortnightly and monthly periodicals for the edification of members and associates and it has its own printing press.

The Central Caisse or Credit Section of the Boerenbond was organised as a balancing and financing centre for the local credit societies. But due to the very prosperity of the Flemish peasant brought about by the guilds, the Central Caisse has had for some years past to serve more as a place of investment for the surplus funds than as a financing agency. Over a milliard francs were invested in the post depression years in some industrial and commercial securities outside the movement—such as the Cork Trust, the diamond cutting industry in the Transvaal, and the coal mines in Czechoslavokia—and it sustained losses in these ventures. Perhaps such investments might not have been made but for the stoppage of the issue of Government Treasury Bonds for sometime. It has been suggested that funds could have been invested in the purchase of lands, which the Boerenbond itself helped to reclaim from forests and marsh land, and settled on them some of the excessive rural population.

The services of the Boerenbond in the social and intellectual spheres are not less important. It organises conferences, study circles and travels. It has built recreation halls, where dances can be held, films exhibited and talks given—the aim of all of which is to inculcate the love of rural life. Continuation schools for youths and courses for adults and for women—in cooking, midwifery, etc.—are organised under the auspices of the Boerenbond. The spiritual side of life is not neglected. Retreats for members and their families and pilgrimages for the pious are all arranged.

The constitution of the Boerenbond is analogous to that of similar co-operative federations in other countries, except in respect of the place found for the clergy in the supreme council and committee. There is at the base a General Assembly composed of delegates from local guilds, who meet at least once a year and discuss general questions and express the wishes of local guilds to the authorities of the Boerenbond. There is a General Council which corresponds to our Board of Management consisting of about thirty members, ten of whom are priests, and others representatives of guilds elected district-war, and some co-opted. There is a Committee of Directors, as it is called, which is like the small Executive Committee which some of our Boards of Management choose, for day to day administration of the organisation.

The impression that is given is one of efficiency throughout; and the relationship that seems to prevail between the different parts of the movement is one of harmony. The Co-operative democrat might see defects in 'paternal guidance bordering on authority' and too much of 'priestly domination.' But judged by the material and social well-being of the people concerned, pure democracy has achieved very much less among farmers, outside the Scandinavian countries.

The writer is indebted to Mr. R. Stoffelen of the Boerenbond who showed round the several sections, explained their working and supplied reports, and other literature—but all in French or Flemish. Barring an article in the *New Review*, Calcutta, for April 1938, the writer has not seen any recent account in English of the Boerenbond. Chapters in Pratt's *Organisation of Agriculture*, Rowntree's *Land and Labour in Belguim* and C. F. Strickland's *Studies in European Co-operation* are of great historical value.

Suppression of Committees, Liquidation of Societies, and Arbitration.

By Mr. P. K. Srinivasaraghava Acharya, Tindivanam.

The Government of Madras have appointed a Committee to enquire into the present condition of the co-operative movement and in this connection have framed a questionnaire on various aspects of the movement. One should be glad to note that the Government have recognised the fact that all is not well with the movement.

The proper administration of societies is at present being hampered by the indiscriminate return of candidates as officers of societies. No educational qualification is contemplated in case of persons who desire to become panchayatdars. As is the case with all institutions entrusted to non-officials, the love of power and the desire to retain it when once obtained create, in the persons once returned as panchayatdars, an ardent desire to stick up to the posts to which they have been returned by means, fair or foul. I should not be mistaken as a hater of non-officials, but as one acquainted with the workings of local boards and societies. I cannot help feeling that the administration of such institutions was much better when they were under the control of officials than it is at present. The reason is not far to seek. Elected members have their supporters to please. The panchayatdars of societies have to please the influential members of the society and the officers of a financing bank have to please the influential members returned by rural societies to the general body of such banks.

The result is obvious. Elections are of immense help to persons who went to get themselves returned in relieving them of all their earthly belongings. Wine, women and horses are said to lead a man to ruin but even they are not so effective as elections. In many cases, persons who get themselves returned at such a heavy cost do not and cannot be expected to devote all their attention gratuitously to the management of institutions of which they are made officers. Money has been spent and has to be recovered. Partisans have to be pleased and kept in good humour so that they may continue to support them in future elections, whether it be to societies or local bodies. Obsessed with such notions it is easy to imagine that such gentlemen have to yield to temptations. To this alone can be attributed the indiscriminate advancing of loans to members in Urban Banks and the enormous sums wasted as loans to rural societies, the representatives of which in the financing banks are wielding much influence. In the opinion of such gentlemen 'societies may come and societies may go but they should stick on for ever.' Such persons when they find that the societies are drifting from bad to worse get their names removed from the list of members of such societies and see to the workings of such societies for more than 2 years after their removal. After liquidation the liquidator is unable to recover anything from such members since the remedy has become barred. I may, in this connection, refer to a society which was working in Perumbakkam, Villupuram taluk. All the members who owned anything got out of the society more than 2 years prior to its liquidation with the natural result that the financing bank has to lose heavily. It is frightful to imagine the fate even of a financing bank which has advanced monies to a dozen societies of this sort. I would also suggest that members of local boards are prohibited from being returned to the Committees of societies within the jurisdiction of the local board.

Many of the non-officials get into close touch with high officials of the department with the natural result that auditors and such other officers of the department as are bound to inspect societies learn to look upon them with awe and fear. To displease such persons is a sure way of incurring the displeasure of high officals. It is but notorious that in an organisation where officers of the department have to listen to reports of non-officals regarding the conduct of their subordinates, the subordinate officials have to get themselves ingratiated into the good graces of those non-officials. This is a situation which makes it impossible for the subordinate officials of the department to express candidly what they think of the administration of societies they have to inspect. Even societies which are likely to go into liquidation are passed off as good, if the gentlemen in charge of them are in close touch and have the ears of the superior officials, with the result that societies which appear to the public financially very sound are suddenly discovered to be unable to pay their debts.

There is only one remedy for such evils. Nowadays even with respect to local bodies such as Municipalities and District Boards the desirability of having a paid Government official placed at the helm of affairs has been found out. When such is the case it cannot be disputed that responsible Government officials should be placed in charge of societies and be invested with powers sufficient to enable

them to save the societies in their charge from the panchayatdars. In cases of suppression of committees, Deputy Registrars should have a free hand. I would suggest the repeal of sub-section 5 of section 43 of the Madras Co-operative Societies Act, since in my experience the word 'consult' in that sub-section has often been understood as synonymous with 'with the express permission of'. It is uncharitable that a whole committee should be superseded for the fault of one or more individuals. Provision should be made in such cases that the members of the committee who are responsible for the trouble should be removed.

It is extremely desirable and even necessary to supersede the committee when the affairs of a society go wrong or when the management is torn by factions and its harmonious working is rendered difficult or impossible and when its financial condition is such that it does not warrant liquidation. In many cases such a supersession has been of use in setting the affairs of the society in proper order. Mention may be made in this connection of the Co operative Urban Bank Tindivanam. When the Registrar found that its affairs were not as they should be and that the management was torn by faction, he superseded the management in 1935 and placed it in the hands of a Junior Inspector of co-operative societies. Subsequently, that Inspector was succeded by a Senior Inspector and he, by another Senior Inspector. The overdues which amounted to Rs. 92,057 in principal and Rs. 32,388 as interest, making a total of Rs. 1,24,445, have been reduced to Rs. 21,364-12-0 in principal and Rs. 11,476 in interest making a total of Rs. 32,840-12-0. Steps were taken to recover possession of properties which were allowed to continue in the possession of persons in execution of decrees against whom they had been purchased by the Bank in court auction. Loans imagined to be irrecoverable have been recovered. The General Body, in recognition of the efficiency ensured by the deputation of an official as manager, has in its recent meeting passed a by-law to the effect that the secretary of the society should be a departmental officer on deputation.

The officers of the department who get in touch with past members of liquidated societies are the Inspectors. It is well-known that the posts of Liquidation Inspectors are generally reserved for those who have made themselves the least favoured of their superior officers. It may not be improper in this connection if it is pointed out that if a Junior Inspector is placed in charge of all the societies within a specified area and directed to attend to its collection and other kinds of work he may find it a bit livelier and more bearable. Efficiency can better be ensured by making one Inspector more acquainted with all the branches of administration in a restricted locality than by making him go to a place nearly sixty miles off from the headquarters for attending to liquidated societies. The feelings even of a Junior Inspector have to be respected and it is hoped that the department will not continue to keep its eyes closed to the sufferings of ill-paid officials being made to run from one corner of the district to another, in the remote chance of collecting some amount from a past member of a liquidated society and the certainty of getting black marks to their hearts' content if they are unable for no fault of theirs to secure proper collections.

The sale officers who are not entrusted with liquidation work are allowed a peon to assist them in distraining properties but the Liquidation Inspector is his own peon.

The task of collection from past members of liquidated societies is not easy. It is only in cases where the financial position of a society is not sound and there is a danger of the dues to the financing bank not being paid up that liquidation proceedings are being resorted to. The present system of collection in such cases is not one which any one acquainted with the affairs of the world can think of as being best fitted for such cases. To take an illustration. A society is indebted to a financing bank to the extent of Rs. 100. The society is not able to pay that sum and hence it has gone into liquidation. In the opinion of the Registrar, the society which is unable to pay Rs. 100 is made to pay Rs. 100 and Rs. 29-2-0 as costs. For executing an award by a liquidated society by the attachment and sale of immoveables the following are the items of expenditure :—

Costs of execution	Rs.	A.	P.
Stamp for petition	0	12	0
Batta for notice No. VI	0	12	0
Service of that notice	0	4	0
Batta for attachment	2	0	0
Proclamation batta	1	0	0
Sale notice	0	8	0
Sale batta	1	0	0
Tom Tom	1	0	0
Encumbrance certificate minimum	8	2	0
Poundage	6	4	0
Liquidation costs	7	8	0
Total Rs.	29	2	0

Thus, a society which is unable to pay Rs. 100 is made to pay Rs. 129-2-0 on account of its inability to pay. The position is surely ridiculous. Societies which have not been able to pay their debts should be helped by the department and not saddled with more liability. Encumbrance certificates which were originally being granted free of charge are now being given at half the charges to working societies. No concession is shown to societies that have gone into liquidation. Thus, for the purpose of ensuring proper collection, it is necessary that in cases of liquidated societies, no charges should be levied for collection of its dues.

From the questionnaire there seems a possibility of appointing non-officials as liquidators. From what has been stated above, regarding the undesirability of giving uncurbed powers to non-officials in the management of societies, it is to be hoped that there will be no calamity in the shape of appointments of non-official liquidators. The undisbursed sums which are now deposited with trustees for charitable purposes can be spent by the official liquidators through their Liquidation Inspectors and the chance of these funds being mis-spent or otherwise wasted may be got rid of.

At present, arbitrators under section 51 of the Act are not chosen on account of their capacity to discharge their duties as such. Especially in mortgage suits, a lot of difficulty is felt in civil courts with a trained judge and trained lawyers to help. Persons innocent of law are being appointed as arbitrators. I do not feel that by their appointment under section 51 of the Act they become possessed with more capacity than they ordinarily have. It is not difficult to get at gentlemen trained in law to act as arbitrators. I may suggest that arbitrators be hereafter chosen from the lawyers or at any rate from the officials of the department who have had a legal training.

Defects in our Audit System.

By Mr. V. S. Ramaswami Aiyar, B.A.,

Retired Assistant Registrar.

The present system of audit is not satisfactory. How can it be otherwise, when the Registrar, the highest authority on audit matters, as in every matter connected with co-operative societies, is not a professional auditor himself, nor has an expert to advise him? First, I give below a list of the defects, then explain them and say how to rectify them.

Defects.

1. There is no independence for the Inspector auditor. Also he has not got the status required to audit central banks and such big co-operative institutions.

2. There is no internal check in many societies—urban banks, big co-operative institutions, etc. In rural societies, supervision from within (council of supervision), which takes the place of the internal check of the auditors, is not provided. Without an internal check, audit can never be perfect.

N.B.—This council is necessary from the auditor's stand point also. This organ is a statutory obligation in all European countries.

3. The Balance Sheets of even Presidency Co-operative Banks are not signed by Directors. Under Section 133 of the Indian Companies Act such a default is punishable. This may show its importance.

4. There is no report to the share-holders at all by the Government Auditors in this Presidency, nor is the audit certificate in the recognised form. It seems that even the central banks should pay for the audit report.

5. Even now after 34 years Inspectors are not expected to know the Indian Companies Act, and the relevent portions of the Registration Act, Stamp Act, and other Acts which are necessary for an auditor.

6. The Registrar who actually gives the audit certificate does not *personally* verify the Balance Sheet, nor does he actually and really audit in the sense in which that word is used by the outside world.

7. There is much delay, sometimes 7 to 8 months after the closing of accounts, in publishing the Balance Sheet and holding the

annual general meeting. This is due entirely to the defect in the system of Government control.

N.B.—In Bombay the maximum limit prescribed by the statute to publish the Balance Sheet is one month and for holding the annual meeting is 3 months (Rule 19 and Section 12 of the Bombay Co-operative Societies Act.)

8. There is no competent agency to attend to rectification. A council of supervision will be an internal agency to do this.

9. A member of an unlimited society cannot get, as a matter of right, an abstract of the outstanding loans for which he would be liable if they are not recovered. (This is both an internal and cross check.)

10. The Registrar, who should remain aloof to use the rod against bad societies and encourage good societies, should not undertake upon himself the legal responsibilities of an auditor.

Most of these defects, if not all, are due to the Registrar not being a professional auditor himself or not having an expert in the line to advise him. Give him an expert even temporarily for six months or one year, all the defects will be rectified automatically.

Independence in Audit.

An audit worth the name should be independent. The auditor should be quite free, and not be always thinking as to whether a certain remark will please or displease his superior officer, who is responsible for the good working of that institution. The Registrar and Deputy Registrars may perhaps disown this charge. But the check and the fear are there. There is also a certain amount of 'white-washing' which Mr. Satyanathan boldly referred to in his report. I may go a step further and ascribe many defects in societies to this drawback in audit.

Danger.

There is also another great danger now existing which often leads to many frauds, and misappropriations, and their not coming to light in time. The Government and public will do well to note this and try to rectify. The presidents and secretaries of district banks, big urban banks, sale societies and such big institutions, who are generally influential men, caring, with rare exceptions, at the risk and expense of societies, only for fame, are pocketing the Deputy Registrar and the Registrar also in many cases. In some cases they go a step further and overawe them by threatening and sometimes actually going direct to Ministers. The Inspector who actually checks the accounts draws at the most Rs. 100. The poor auditor's position is most awkward and pitiable. There are very few to plead or uphold his cause. After some time those frauds and misappropriations do come to light, when perhaps it is too late and the poor auditor is hauled up.

If proof is really wanted on this matter a dozen conscientious and experienced auditors may be put in the box or they may be directed to give their opinion direct—*and not through the proper channel*—to the Committee or any official other than departmental superiors. It is only then that the truth will come to light. It is a pity that the auditor's freedom is not cared for now.

I shall mention an example. The accounts may not be ready or a voucher may not be produced for his check. If he reports, he incurs the displeasure of the Deputy who invariably courts the friendship of that non-official for popularity and various other reasons. The Registrar, not being a professional auditor, cannot realize fully the auditor's difficulties and understand the full significance of omissions and commissions in audit. Generally in such cases when a layman is at the head of a technical department, it is the office that rules and not the officer. The net result is the auditor is unable to do justice and co-operation has been damned as a failure.

Audit and Government's Duty with Co-operation.

The main object of Government in having control over audit is, I presume, to see that the contemplated benefits of co-operation actually accrue from the societies. This they want to achieve by means of audit and also by intelligent and *wise* guidance through the Registrar. This by no means is an easy task. The Government should hold the balance well. Because, if there is more control than necessary the initiative, which is necessary for any movement, will disappear. If the business side alone is cared for too much the real co-operative spirit will die. If is given more help than is necessary, then self-help which is the life and soul of this movement will give place to Government *patronage and interference*, which means loss of independence and many other evils. The present failure, or rather the bad state of affairs, is due to the failure on the part of the Government to hold the balance well. Owing to too much interference and also too ready help the very essence of the movement

is gone. Owing to want of a business turn in the activities, co-operation has become a full fledged Government concern with all its red-tapism, etc. While necessary help should not be withheld or delayed, unnecessary help also should not be offered before time. The problem for solution is efficient audit and a wiser control and guidance.

Difference between Audit by Government Subordinates and Audit under Government control.

It is a pity that in our Presidency, even after so many years, it has not been realized, that Government cannot undertake the legal audit with all the legal responsibilities attached to an auditor. For it should not be forgotten that the money in the societies is only private property and not Government funds. Many non-officials and officials, including Government, do not seem to understand that there is difference between audit *by Government Servants* and audit *under Government Control*. The employment of a private agency for audit does not mean that Government should have no control over audit, by a test-audit or super-audit. Some want Government audit while what they really mean is only Government-controlled audit. No responsible person will advocate private audit without Government control. Even in advanced European countries the Government reserves the power to cancel the licence to audit unions, if they do not do their duty properly.

Assuming for argument's sake that in the two recent big frauds in the Madras Christian Central Bank and the Vizianagaram Central Bank the courts hold that the auditor is responsible for civil liability, are the Government prepared to make good the losses? Similarly, every fraud may be attributed to the auditor's negligence, though the courts may decide on the facts. Under the existing laws any interested person seems to have the right to sue the auditor in a court. In our Presidency it is not easy to fix even the legal responsibility of an auditor between the three officers—the Inspector, the Deputy Registrar, and the Registrar--whose names are found in the so-called certificate. The Inspector is under the impression that he is not an independent auditor but has simply to carry out the orders of the department and that if he carries out the orders he is free. The Deputy Registrar seems to be sure of his position to throw the blame on the Inspector, and the Registrar, perhaps, depends on his high and unimpeachable position, his *bona fides* and his ignorance of technique of the audit.

I wonder if the Government, who decided some time back to continue the present system, took into consideration this aspect of this question. Perhaps they would have decided the question in a different way if they had considered this point. The Registrar is not a professional auditor, nor has he an expert in the line to advise him. And yet he is the highest authority on audit. The foreign experts in the Central Banking Enquiry Committee found this defect and recommended an expert for the Registrar's assistance. But our Government did not accept it. When the head is void no good result can be expected. The result is the audit is unsatisfactory. Therefore the first step that the Government should take is to divest the Registrar of the legal audit. This has to be done at some time or other; the sooner the better.

Transfer of Legal Audit to Unions.

This idea of transferring the legal audit to an agency is not an original suggestion of mine. So early as 1914 the Maclagan Committee recommended it, and almost all the other provinces have adopted it in some form. The Central Banking Enquiry Committee have reiterated the same. Without actually getting the legal audit done by its own subordinates, Government should arrange to get it done by a competent agency, and then should have an agency of its own to control and see that the audit is properly and efficiently done by that agency.

Audit Union—Super-Audit.

Next comes the question to whom should the audit be given. Such of the institutions as can afford to pay, and whose business also will derive benefit from a professional audit, should be left to public accountants, approved by the Registrar. As for the other societies, we cannot find a better agency than District Audit Unions, as recommended by the Central Banking Enquiry Committee. Our so-called audit unions are from every standpoint, worse than useless. Even the Maclagan Committee recommended the same, though they did not fix the district as the unit. In European countries, especially in Germany, audit is done only by unions, which are really *audit unions*. They attend also to supervision and give every kind of help to societies and the movement, including organization, agricultural purchase and sale, etc. Separate supervising unions are not found anywhere.

The Maclagan Committee recommended a *super-audit* by Government over and above the audit by the unions, to assure themselves that their audit work is properly done. Naturally to do this the Government auditors should be far superior to the union auditors. The super-audit should be independent of the Registrar, if the efficiency of audit is wanted. If this is not feasible now, it should be at least independent of the Deputy Registrars. The super-audit which was in vogue in our Presidency for some years was not at all super-audit, but only an intensive or detailed interim audit.

Consistant with the ideal of the co-operative movement, the audit by District Unions recommended by the Foreign Banking experts is the only correct and feasible solution. It is not difficult to devise another scheme. But the co-operative ideal will be lost. It is District Unions *i.e.*, audit by themselves, that can maintain a co-operative atmosphere and find co-operative solutions for the problems arising. The solutions for problems so far introduced will on careful scrutiny reveal only the Government mentality. The super-audit by Government will keep the co-operative spirit below and at the same time compel the union to be efficient.

District Audit Union.

The Central Banking Enquiry Committee have given details as to the constitution of the District Unions and also how to work them. All societies including the bigger ones form the District Union. Such of the societies as are unwilling to join the union will be audited by a special auditor by Government and paid by the society. The union will not only attend to audit but also supervise *i.e.*, attend to the rectification of mistakes. It will also give advice in all matters including things connected with agricultural purchase and sale.

It is as Secretary or Chairman of that union that the Government officer should watch, control and guide the societies in the district for such time as is necessary. He must be a good auditor with at least 10 years practical experience to guide them properly. Practical knowledge is more necessary than mere driving capacity. Direct recruits are quite unfit for this place.

Associations of Workers in the Movement.

Here it is necessary to add that it is absolutely necessary to create and foster associations of auditors, managers and secretaries of banks and other institutions with a view to give them continuous education and bring their knowledge up to date. Else the movement cannot progress and it may fail. Government should be liberal in helping these institutions with men and money as it is the only way to keep them efficient. The associations should bring up to date their knowledge of co-operation and other allied subjects, and also to find solutions for the practical difficulties met with in actual working. Agriculture also should find its proper place here. It is said that the success of co-operation in Denmark is due not a little to such institutions.

Land Reclamation Societies.

By Mr. Syed Zahur Hussain, B. Sc.,

Educational Assistant Registrar, Co-operative Societies, Lahore.

In hilly and sub-mountain tracts in the Punjab, much of the land is washed away by streams and torrents and is thus rendered unfit for cultivation. To check this kind of erosion of soil by rain water, the fields are generally terraced by the cultivators. But this method does not prove very helpful in certain tracts, where the water flows down rapidly from the hills, and sweeps away a good deal of the rich soil, causing poverty for those who live there. In Hoshiarpur district this problem has become very acute, because the Chos, as the hill streams are called, wash away every year much of the fertile land, which is already scarce. Holdings are small in this district and those too are minutely fragmented. The protection of the land from Chos is a serious problem, as no less than one-third of the total area is under Chos erosion. The position is worse still in the case of Shamlat or common land. The joint proprietory rights of the villagers over these common lands account for their greater neglect by the owners.

For tiding over this difficulty, a new type of organization has been created among the owners of such lands on co-operative lines. The scheme aims at protecting and reclaiming the common and the waste lands by growing and protecting trees, kharkana and grass on such lands. Every person who owns proprietory rights in the common land is persuaded to join the Co-operative Society; and for admission in it, he enters into an agreement with the other proprietors to adopt all such methods for reclamation and improvement of the land as may be decided upon by the general meeting or the committee of the society. Any breach of this understanding is punished with fine by the Committee of the society subject to a maximum sum.

The society usually engages the services of a guard (watchman) whose duty is to look after the Shamlat area, to protect and grow grass, kharkana and trees on the land, and keep away cattle from grazing on the protected area. The land improves and gradually becomes cultivable with the growing of grass, trees, etc. The grass and kharkana are annually auctioned, thus becoming a source of regular income to the society. Trees are also sold, and from the income, after making the necessary allocation to the reserve fund, improvement fund and common good fund, members are given dividend in proportion to the amount of land revenue paid by each to the Government. In this way a personal stake of the members is created in the working of the society, and they become consequently keenly interested in its affairs.

The scheme is proving immensely beneficial to the small owners of land. With the aid of the reclamation societies much of their unculturable lands has been converted into a source of considerable income. This may be judged from the working of a couple of societies.

In Badhara village in Una tehsil, the society was started in the year 1906. Since then it has earned for its members about Rs. 26,000 and at present its annual income is estimated at Rs. 2,500. The society holds 20,000 'Chil' trees which at a small figure of Rs. 3 per tree would fetch Rs. 60,000. Besides, 400 acres of land, which was previously of no use, has been reclaimed. It is estimated that Rs. 40,000 have been saved through the agency of this society to the members. Rs. 600 has been spent by the society on constructing a well for supplying drinking water, for which the village experienced great scarcity. It is running a primary school and maintaining a drinking water well both at an annual cost of Rs. 60. The society has at present 135 members who have surrendered 3,840 acres for the operations of the society.

The example of another society in Lohara village in the same district is no less remarkable. Its activities extend to the protection of 'Chil' and 'Sal' trees. There are 1,50,000 trees under its protection and out of these 1,20,000 trees are producing resin, which yields a good income to the members. So far resin of the value of Rs. 14,597 has been produced. Excepting Rs. 4,000 from the accumulated profits lying with the village credit society, the whole amount has been distributed among the members. Its present membership is 119, and the working capital Rs. 9,000.

The above figures suffice to prove the importance of these societies for small cultivators. But there is another aspect which makes them even more important. These societies in a way develop afforestation which is very important for rain and conservation of rain water. Water coming down from hills loses much of its velocity when flowing through the tracts which are under the operation of those societies. Some of the silt which otherwise would have been washed down the rivers and would have choked the irrigation channels in canal colonies, is checked on the way. This venture has therefore some very far-reaching consequences and deserves to be popularised in places where there is felt a need for it.

But like many beneficial activities this scheme is not without its difficulties, which militate against its success. The small holders of land, whose gain from these societies is not inconsiderable often show apathy because they lose the chance of grazing cattle free on the common lands. Similarly hostility of other interested persons has to be faced when organizing such societies, because their chances of exploiting the ignorance of cultivators are minimised. However, these difficulties can be overcome with the proper co-operative education of those whom they aim to benefit.

Conferences.

THE SECOND TAMIL NADU CO-OPERATIVE CONFERENCE.

The following are extracts from the English version of the Welcome Address of Mr. A. Ramachandram Pillai, B.A., B.L., President, Madura Ramnad Central Co-operative Bank, Ltd., the address itself being delivered in Tamil.

Short Term and Long Term Loans.—The criticisms offered in the Reserve Bank Report on the working of the co-operative movement and the remedies suggested for removing the defects are acceptable but with certain modifications. It is also a matter of common knowledge that the co-operative movement has only touched the fringe of the problem, not even providing 6 per cent. of the finance required for the purpose. The loans given already which have assumed the shape of long term credit should be liquidated. When all the farmer's difficulties are taken into consideration, it is no disgrace that he cannot always pay his Promissory Note when it becomes due. It is unnecessary to state the causes of debt, but we see that debt is allied to prosperity and poverty alike, and that while its existence is due to poverty, its volume is due to prosperity. The ordinary agriculturist in this country will have either singly or collectively a personal credit which will make it commercially justifiable to lend him money for his agriculture and other requirements. It is obvious that a special machinery is required for the purpose. The co-operative credit societies supply this machinery. But the problem is whether the loans in co-operative societies can be strictly limited to cultivation expenses including such other purposes as the maintenance of the farmer's family or the replacement of cattle or implements. I do not agree with the recommendations of the Reserve Bank in this respect. The societies should not confine themselves to one year loans only and in all deserving cases the intermediate loan requirements of members should be catered to upto six years. One year loans must be limited to loans required for purposes of raising crops and maintenance of the member's family. The hard and fast rule limiting the long term accommodation to one-fourth of the individual's capacity to borrow or the society's maximum borrowing power should be relaxed as the term of loan is determined by the repaying capacity of the borrower.

Problem of Overdues.—But the uneconomic holdings, the improvidence of nature, the over financing and failure to take prompt steps in case of defaults, have all contributed to the increasing overdues. The remedy lies either in the transference of such debts to the Land Mortgage Banks or in steps being taken to eradicate such debts by legislation. The smallness of the debt in some cases and the lack of proper securities for the Land Mortgage Bank to take up the liabilities in other cases, render the

problem difficult. The application of the provisions of debt conciliation may probably scare away the investing public from the movement. But history is not without a parallel to find a solution through the Reserve Bank. Every Co-operative Bank in whose jurisdiction these agricultural societies are situated should launch upon the policy of voluntary surrender of some of its assets in the primary societies by foregoing a certain percentage of principal which should be written off against its Bad Debts Reserve and the Reserve Fund, and forego its arrear and future interest on all overdue loans for a period of one year or over to allow reasonable time for the borrowers of village societies to pay off their dues. To compensate the Central Bank on account of the loss incurred, over and above the Bad Debts Reserve and a portion of Reserve Fund thus written off, the Government should provide funds in certain proprotions to enable the Central Bank to recoup its resources within a reasonable time. To meet this contingency the Reserve Bank may place at the disposal of the Government, a fixed sum free of interest till such time as the Co-operative Central Banks will be able to repay their dues from out of their profits. The stipulation may reasonably be made that the borrowing Central Banks shall pay off their dues from out of their profits at 10 per cent. What is the obligation of the Reserve Bank to place funds free of interest in the hands of the Government? The entire profit made by the Reserve Bank is derived from the resources and support of the State. It is therefore necessary that the tax payer should be benefited to the fullest possible extent from the profits so derived. Even otherwise the share of the Government in its later profits can reasonably be set apart in advance for the relief of rural indebtedness. It can be said with some emphasis that there may not be many Central Banks in our Presidency which expect any loss on account of the conciliation thus shown.

Controlled Credit.—The problem cannot however be solved by wiping off or reducing previous debts. Suitable and effective measures are necessary to prevent a relapse. Left to himself, the agriculturist will soon get heavily into debt again. So after eradication of the overdue debts in Co-operative Societies, the Central Banks should follow a cautious policy to prevent over-financing and unpunctuality, confining themselves primarily to short term credit. Short term credit is required for the expenses of production including the cost of maintenance of the farmer and his family until the crops are sold out, for the marketing of produce and for holding up crops while in transit or awaiting sale. But credit given to members of agricultural credit societies should be controlled at every stage. A loan sanctioned should be disbursed in instalments as the need of members for the purpose for which the loan is granted arise and the loan given should be recovered out of the income obtained by the use of the loan. If a loan for cultivation expenses is sanctioned it should be disbursed in instalments as the cultivation process progresses and the member should execute an agreement to sell the produce through the sale society.

The financing commences with ploughing and the only document which could be obtained would be a lien on crops. But to protect against the dishonesty of the borrower the provision at present enunciated in sections 21 and 53 of the Act is not sufficient and a further penal provision is necessary, if he disposes of the produce without paying co-operative dues. Further, the farmer should not be considered a merchant or trader seeking protection under any law of Bankruptcy. As co-operation is not philanthrophy but business, the investments of the Central Banks should be assured and these provisions are a necessary corrective for the irresponsible borrowers whom the movement cannot avoid at sight.

Sale Societies and Central Banks.—But in financing the sale societies the Central Bank's risk and responsibilities are not commensurate with the return either in form of service rendered for the cause of co-operation and agriculture or by way of profits earned in the transaction. It is a matter of common knowledge that small ryots seldom get the benefit, but greater care is necessary to see that every benefit accrues to the producer only, by eliminating unnecessary middlemen. The policy of the Central Bank controlling the stock in sale societies causes a restriction to its business, and the independence of sale societies in this direction reduces the security for the investments of the Central Bank. In the interest of the development of transactions in sale societies, the appointment of ware-house officers at the cost of the Government independent of either body is therefore necessary. The co-ordination of the activities of the loan and sale societies for the development of future market for agricultural produce will be a distant ambition as long as the present system of haphazard control over the stock by the Central Bank is continued. Besides, the development of business through the establishment of warehouses is the first step for the floating of a agriculture bills and rediscounting business, necessary for the establishment of a bill market in India, which may help the regulation and expansion of the currency to keep pace with the agricultural requirements of the country.

The working of sale societies is after the model of the godown society, where produce is held over till better prices are available by giving facilities for storing and enabling the owner to get advances on the produce so stored till it is sold. Generally the societies confine themselves to loan work, undertaking no sale work at all and permitting release of produce on pepayment of the advances made. This kind of business is very unsuitable for small agriculturists who have only small quantities to sell; and in many cases the cost of storage may come to more than the possible higher ultimate price. It is therefore necessary that the sale societies shall not be given the option of releasing the produce and all produce brought to the society should be sold through the society itself.

The Tamil Nadu Co-operative Federation.

The most suitable agency for training village guides for rural service is obviously the Tamil Nadu Co-operative Federation. About five hundred

co-operative societies in the Coimbatore District are regularly subscribing to the 'KOOTURAVU' journal which is the fortnightly Tamil organ of the Tamil Nadu Co-operative Federation. I commend this example to all the co-operative societies and unions in the Tamil Districts. The Tamil Nadu Federation should be stabilised in all directions and enabled to impart co-operative education both to those who are inside the movement and to those who are likely to join it. Our thanks are due to Sri T.A. Ramalingam Chettiar, M.L.C., for his kindness in having agreed to hold this the Second Tamil Nadu Co-operative Conference at Madura now.

I wish to say a word about the future of the Madras Provincial Co-operative Union. Many local supervising unions in the Tamil Districts find it difficult to subscribe both to the Provincial Union and the Tamil Nadu Co-operative Federation. As our object is to stabilise our linguistic Federation the Provincial Union is just like the fifth wheel of a coach. It is for the delegates of the conference to decide whether representation of the supervising unions is necessary in both the institutions and whether or not the co-operative organisations in the Tamil Districts should confine their representation to the Tamil Nadu Co-operative Federation alone, so that our Tamil Federation may have not only financial stability but be of vital help towards spreading the message of co-operation all over the Tamil Nadu.

The following is a summary of the Presidential Address of Sri P. S. Kumaraswamy Raja, M.L.A., which he delivered in Tamil :—

The world-wide economic depression has affected the co-operative movement in India to some extent. But this does not sufficiently explain the changes that have taken place in the movement during the last decade. The defects in agriculture, industry, education and social life should be carefully analysed. Therefore it will not do to tackle merely the defects of the co-operative movement. For example, if a man is ugly, the mirror reflects the ugliness. Similarly, the economic depression has served the purpose of revealing our defects. Our attempt to remove only the defects of the co-operative movement would be tantamount to removing the dust in the mirror. Thus, the need of the hour is to renovate our social life as a whole. It is in this light that I propose to survey the co-operative movement here.

To begin with, the members of the primary co-operative societies are innocent of the elementary principles of co-operation. The Union authorities and the officials of the Co-operative Department are not as efficient as they ought to be. The audit fees are excessive. One can thus go on enumerating these defects. No doubt, these defects should be removed; but they should not be magnified to the extent of ignoring the fundamental defects.

The first need is to strengthen the primary societies. The Reserve Bank authorities are in favour of starting multi-purpose societies.

Opinions are divided on this subject. There is a similar difference of opinion with regard to limited and unlimited liability with reference to village societies. Much can be said in defence of these view-points, but the main thing is that a village society can be successfully worked only through the honesty of the members and the efficiency of the Panchayatdars. The proposal to appoint trained and paid men for conducting these institutions is worth a trial. The controlled credit system will be helpful for the much-wanted co-ordination between the sale societies and the credit societies.

Some co-operators advocate elimination of the Supervising Unions and favour the system of the co-operative Central Banks having direct transactions with the primary societies. But the time has not come to resolve that all the Central Banks should be converted into branches of the Provincial Bank nor that Central Banks should be bifurcated into small Banking Unions. The existence of these organisations is due to their suitability to local conditions. For giving credit and marketing facilities small Banking Unions are suitable. It is to be hoped that the coming Committee on Co-operation would carefully investigate this problem and suggest suitable remedies. Their recommendations may remove the defects in the movement, but it is rash to think that those recommendations will be helpful in removing the fundamental defects in the social and economic life of our people.

It has now become a trite saying that the cultivator in India is born in debt, lives in debt and dies in debt. The Madras Agriculturists' Debt Relief Act has done some good to the agriculturists. It has been said that this is the first step in agrarian reform. It is to be hoped that the other measures would pass through the Legislatures, before long. The reform of the Land Revenue system and the implementing of the recommendations of the Estates Land Act Committee will be quite welcome to the agriculturists concerned. The fragmentation of holdings and similar defects militate against any profitable system of agriculture. All the same, it is necessary to give all facilities for the co-operative supply of agricultural requirements. Irrigation facilities and facilities for agricultural supply and marketing, should be improved in our country on the lines of the Credit Agricole of Egypt.

Along with industrial planning, the Madras Government is promoting measures of social reform through legislation. Women's education also should be promoted. We want an army of self-sacrifying workers to work in this field of social reform.

To put the whole thing in a nutshell, a comprehensive scheme of village reconstruction should be introduced throughout the Madras Presidency. It is expected that the Government would launch such a scheme at an early date. Such a scheme is sure to promote the co-operative movement. The Tamil Nadu Co-operative Federation is destined to play a very important part in working towards village reconstruction, with the help of more money and a large member of trained workers.

RESOLUTIONS.

(Unanimously passed.)

1. It is resolved that the Tamil Nadu Co-operative Federation should be a self-contained organisation having as its members all the Central Banks Unions, Urban Banks, Sale Societies, Stores and Land Mortgage Banks in the Tamil Districts. Intensive propaganda and extention work should be carried on by the Federation. The Madras Provincial Co-operative Union should only be a Federation of Federations. It is enough if the Provincial Union were to conduct the English journal, to mobilise public opinion in matters pertaining to the Province and to convene the provincial conference whenever necessary. All other activities can be carried on by the Language Federation. It is requested that the necessary modifications be made in the structure of the Provincial Union and of the Language Federations.

2. This conference resolves that unlimited liability should be maintained in village societies, in order to ensure the confidence of the public in Central Banks.

3. This conference is strongly of opinion that Supervising Unions should not be abolished as they are generally functioning well in the Tamil Districts, that each District should have a Central Bank and that the system of associating Union representatives with the Central Banks is conducive to the progress of the Central Banks in Tamil Nadu.

4. This conference is of opinion that Government Audit is necessary for the co-operative movement, but suitable men should be appointed with reference to the nature and work of the institution and the Audit must be concurrent. Not exceeding forty societies may be allotted to each Auditor. The present scale of Audit fees is too high. It is owing to this reason that co-operative institutions want outside Audit. The Audit work must be separated from the other duties of the department and kept under the direct control of the Registrar. By so doing, the department can be relieved of the several objections raised with regards to this question. Besides, it facilitates the Deputy Registrar to devote more attention to the other aspects of the movement. As regards special types of societies, they should be audited free for the first five years and even after that they must be charged only a small sum as audit fees.

5. On an experimental basis, the controlled credit system should be tried in select areas with a view to co-ordinate all the activities by means of a single organisation.

6. (*a*) This conference resolves that all the activities of the Sale Societies and Stores should be co-ordinated by a single agency with a view to control the market and requests Government to render necessary help.

(*b*) This conference requests Government to permit some Marketing Officers and Agricultural Demonstrators to work under the direction of the Registrar of Co-operative Societies.

(*c*) This conference requests Government to purchase, at reasonable rates, the requirements of Jails and Government Hospitals from the existing Co-operative Marketing Societies.

(*d*) This conference requests the Madras Government and the Government of India to improve the Minor ports in order to develop facilities of Marketing for the agricultural produce of the Tamil Districts.

(*e*) Vast quantities of paddy and rice are being imported from Burma, Indo-China and other places. This conference requests Government to reduce the Railway frieghts with a view to cope with the competing prices of foreign produce.

7. As *Kooturavu*, the Tamil fortnightly organ of the Tamil Nadu Co-operative Federation, is useful for the development of the Co-operative movement, this conference desires that all co-operative institutions should subscribe to this journal and enable the Central Banks to remit the annual subscription from out of the dividend of societies.

8. In view of famine in many parts of Tamil Nadu, this conference requests Government to suspend collection of land revenue and loans, to help the ryots by remission of land revenue wherever necessary, to quickly start famine relief works in areas of acute distress, and to arrange for fodder supply. This conference also requests Co-operative Societies and Central Banks to issue timely loans, to grant extension of time in deserving cases and to render all other possible help.

9. The Department's circular has specified 75 per cent. of short term loans and 25 per cent. of long term loans as the maximum. As this has caused hardship to societies, this conference is of opinion that the maximum of long term loans should be fixed as 65 per cent.

10. This conference requests that Zamin Inam lands should be compulsorily surveyed, that one half of the cost should be borne by the Zamin Inamdar and the other half should be collected in three annual instalments; and that Land Mortgage Banks should be started in all Taluks.

11. This conference requests the Registrar to see that only one fee should be levied for granting encumbrance certificates, irrespective of the number of properties of the applicant.

12. This conference is of opinion that provision should be made for the inclusion of Agriculture and Co-operation as subjects for study in the curriculum of studies in the S.S.L.C., and Teachers' Training courses.

13. This conference requests the Registrar to enable the appointment of group clerks for primary societies and out of the net profits a portion may be given to Panchayatdars as honorarium, according to by-law and the approval of the Panchayatdars.

14. As the variations in weights and measures in different localities lead to malpractices in produce markets, this conference requests Government to enforce uniform weights and measures throughout the country and to introduce measures to prevent any misuse of these weights and measures.

15. This conference is of opinion that the scale of pay, travelling allowance and increment of the supervisiors should be made uniform throughout Tamil Nadu.

THE THIRD KURNOOL DISTRICT CO-OPERATIVE CONFERENCE.

The third Kurnool District Co-operative Conference was held at Kurnool on the 12th January 1939 in the premises of the Kurnool Central Bank. About 200 delegates from all parts of the district attended the conference. It was opened by the Hon'ble Mr. V. V. Giri, Minister for Labour and Industries, and presided over by Mr. R. Suryanarayana Rao, of the Servants of India Society. Mr. P. Kesava Rao, President of the Central Bank, welcomed the delegates. Rao Bahadur M. Giriappa, Registrar of Co-operative Societies, was present on the occasion.

In his speech as the Chairman of the Reception Committee Mr. Kesava Rao stated that the Kurnool Central Bank was started in 1919 with 36 individuals and 10 societies, but now it had 166 individuals and 234 society members. He paid a tribute to the valuable services rendered by the former presidents and honorary secretaries, due to whose efforts the Bank was now in a sound condition with a reserve fund of Rs. 52,408 and a bad debts reserve of Rs 66,605. The state of the affiliated societies, however, was by no means satisfactory, he said. Out of 234, only 8 were classified as A or B, the rest being in C or D class. Attempts were being made, he said, by the Bank's supervising staff to improve the societies under the scheme of rectification and consolidation. But it had to be admitted that appreciable results, either in reviving dormant societies or in obtaining additional securities, had not been achieved. He earnestly appealed to the office bearers of such societies and of unions to sincerely co-operate with the supervising staff. After touching upon the causes for the present state of the movement in the district, on the Reserve Bank's criticism of the movement and on the effect of the Debt Relief Act, he made some suggestions for the improvement of societies in the district.

"The organisation of fresh societies, based on sound and healthy principles, should be taken up, taking care at the same time to select the proper human material to work them. We have to concentrate on rectification and consolidation of existing societies. A society may be started in some cases and allowed to run for a year or two before it is formally registered. I mean that it may be put on probation for some time before it is confirmed. The system of controlled credit has to be taken up in right earnest. Sufficient precautions ought to be taken to see that the borrower actually uses the loan for the purpose for which he borrowed. If he deviates, the loan has to be recovered forthwith. The loan applications have to be prepared on forecast system so that money may be made available to the ryot at times when he actually requires it. I hope by these methods the overdues will be reduced."

He then requested the Hon'ble Mr. Giri to open the conference.

MR. GIRI'S SPEECH.

In the course of his speech Mr. Giri observed that the Co-operative Movement, if it had not failed, had not succeeded in the way in which the forefathers of the movement wished it to succeed. It was due not merely to acts of commission and omission on the part of the Government, but was mostly due to those who interested themselves in the movement working in a half-hearted manner. If in every district they had some selfless co-operators, say three or four, devoting all their time and attention to the spread of the movement, he was sure the movement would have a great future.

Government's Attitude.

The complaint had been made, Mr. Giri continued, that the Government interfered with the working of the co-operative movement, by way of supersession or such other acts, which made the movement undemocratic. But he as Minister in charge of co-operation had set his heart against any such interference. The Government were even prepared to give away all the powers now exercised by them, but experience in the past had told them that in spite of the fact that they had organised about twelve thousand or more societies, most of them were dormant and very few societies had survived the test of time. Therefore they should not throw the blame on the Government for supersession or for interference. He reiterated the statement that he had made on the floor of the Assembly, that the Government were not at all anxious to interfere with the working of these co-operative institutions, unless they were absolutely driven to do so. Whenever the question of supersession of any society

came up he had tried to meet the parties in their places or at Madras, discuss the matter with them and try to see if he could help them to put their societies in order rather than supersede them straightaway. After all, the co-operative movement depended for its success on the non-officials. It was really a non-officials' organisation and, therefore, non-officials should control it and exercise all possible means of running these institutions in the most democratic manner, so that the Government's intervention will not be called for.

Proceeding, Mr. Giri said that the Committee that was going to enquire into the working of co-operative institutions would go into all the aspects of the movement and give a new orientation to it. He assured them that the present Government did not believe in appointing a Committee unless it was sure that it would do something in the matter and carry out all possible and constructive recommendations of such a Committee. The Committee had been empowered to go into all matters and co-operators should help the Committee to make its report complete and useful. He was glad that the questionnaire issued by the Committee, was very exhaustive and had been welcomed as much and he urged every co-operator to reply to the questionnaire. The co-operative movement could do a great deal to help the villager in finding subsidiary occupations by way of cottage industries or otherwise on a co-operative basis. The movement had, therefore, a very great future, but the success of the movement depended on the co-operators themselves.

PRESIDENTIAL ADDRESS.

In his presidential address Mr. Suryanarayana Rao urged co-operators not to let a feeling of pessimism overtake them but to have undiminished faith in the principles of co-operation. He described what a true co-operator was, discussed the question of overdues and advocated the adoption of controlled credit. For the promotion of subsidiary occupations for agriculturists, he recommended the starting of a Central Co-operative Financing and Marketing Society, like the one that has been started to help the weavers. He spoke at some length on the credit facilities which have become necessary on account of the passing of the Debt Relief Act.

Credit facilities

"At present there are various co-operative organisations to cater to the credit needs of the villager. Besides, the Government have also offered credit facilities for the relief of prior indebtedness under the Agricultural Loans Act. How best to co-ordinate the activities of these agencies to avoid over-lapping requires serious consideration. The Central Banks at present confine themselves to short-time and intermediate loans while the Land Mortgage Banks and the Government afford long-term credit mostly for prior indebtedness. In most cases, owing to unavoidable circumstances, most of the short-term and intermediate loans have practically become long-term loans. As the deposits from which the short-term loans have been advanced are for short periods, it has been suggested that loans in societies financed by the Central Banks should be strictly limited to cultivation and such other short-term purposes. There is much to commend in this suggestion, for it is unwise to lend short-term deposits for long-term purposes. It is also desirable the agency for long-term purposes is distinct from that meant for short-term purposes. So not only the Central Banks and the societies should confine themselves to lending for cultivation and other short-term purposes, but also take every precaution to see short-term facilities are not utilised for long-term purposes such as the clearance of prior debts. Therefore a clear line of demarcation of credit functions is necessary. In no cases should the Central Banks be permitted to deal with long-term credit. Whether the special floatation of debentures for a specific long-term purpose such as that contemplated by the Madras Provincial Co-operative Bank should be permitted is a moot point. In regard to intermediate loans also it is necessary to examine if short-term deposits could be used for this purpose and if so what proportion of such deposits can be safely utilised or whether deposits for longer periods should be separately obtained and earmarked. Then as regards long-term credit for the clearance of prior indebtedness or other purposes where the return will not be immediate, the Land Mortgage Banks should serve the needs of the villagers. The Government have set apart Rs. 50 lakhs for the relief of prior indebtedness, for giving loans under the Agricultural Loans Act. As the limit for such loans is Rs. 1,000, it would be advantageous, nay necessary, that the Land Mortgage Banks should deal with loans above Rs. 1,000, except in areas where these Banks do not exist or cannot be started. To enable the Land Mortgage Banks to perform this useful function, the Government should increase the guarantee if need be. The Government should also undertake to collect the instalments due as arrears of land revenue, as in any case they will have to do so if they themselves advance the loans. In most cases the Debt Relief Act would scale down debts to a great extent and the security offered may be sufficient. So neither the Government nor the Land Mortgage Banks need feel any hesitation in offering this help. Here I must plead once again that to save the expenses of litigation incidental to proceedings in Civil Courts, the Conciliation Boards should be invested with all the powers of the Civil Courts under the Debt Relief Act. This will incidentally do away with the conditions precedent to the entertainment of an application for conciliation by the Conciliation Boards. The debtors should also be invested with the right to seek redress under the Debt Relief Act without waiting for the creditors to sue them for

recovery of dues. The rate of interest charged on Government loans is comparatively high. If a margin of 2½ per cent. is considered enough for the Land Mortgage Banks, it is not understood why the Government should need 3½ per cent. The Government should also come to an arrangement with the Land Mortgage Bank to deal only with loans above Rs. 1,000, as two agencies dealing with the same class of debtors will lead to unnecessary over-lapping and deprivation of the benefits to a large number which whould otherwise be available. It is also necessary that the Government should link the Conciliation Boards and Courts with the Land Morgage Banks as it is proposed to do in the case of loans under the Agricultural Loans Act. Mostly the Revenue Divisional Officers are the Chairmen of the Conciliation Boards. It is hoped instructions have been issued in regard to the liquidation of scaled down debts by means of loans under the Agricultural Loans Act. Wherever possible the office-bearers of the Land Mortgage Banks may be associated with the Conciliation Boards to ensure co-ordination. Unless this linking process is completed and thoroughly understood by the ryots, quick disposal of applications for assistance will not be possible.

The case of those ryots who, in spite of the application of the Debt Relief Act, remain hopelessly involved and in particular those carrying heavy burdens of ancestral debts, deserves sympathetic consideration and to help them a simple rural insolvency law may, if necessary, be enacted. In order that these insolvents may not prove a burden on the community, it is necessary to provide that the debtors shall not be deprived of the implements of husbandry, cattle, seed, grain and such extent of land as is necessary for their maintenance.

It has been asked why, standing as they do in the same position as other creditors, the co-operative institutions should be exempt from the operations of the Debt Relief Act and other statutory measures calculated to afford relief of indebtedness. Perhaps the Government were prompted to give this exemption as the Registrar of Co-operative Societies had long before issued instructions which practically amounted to scaling down of debts. It is not known how many co-operative institutions have given effect to his suggestions. If, however, it is known that the steps taken by the Registrar have not proved adequate or co-operative agencies remain recalcitrant and refuse to carry out his suggestions, the Government should reconsider their position. The problem of rural indebtedness remains a problem whatever may be the lending agency. It is up to the co-operative institutions to justify the confidence reposed in them by taking adequate steps to scale down the dues to them in a reasonable manner. The suggestions of the Registrar in this regard seem to be eminently reasonable."

He then discussed a scheme for the disposal of the lands and houses which have come into the hands of the societies and Central Banks. The main features of the scheme are:

" 1. The Government will float debentures to enable the Central Banks to return their short-term deposits.

2. The Central Banks would thereby be enabled to recover overdues from the societies in equal annual instalments extending over 20 years.

3. The societies will be enabled to restore the lands in their possession to the ex-proprietors on what is known as rent-purchase or hire purchase system, the annual instalment being based on the repaying capacity of the ex-proprietors.

4. The societies will arrange to take repayment in kind, dispose of the produce and after adjusting the instalment due and the expenses of marketing, refund the balance to the members.

5. After the whole amount is paid the Central Banks reconvey the lands to the societies and the societies to their members."

He pleaded for the starting of Land Mortgage Banks to serve dry areas, with the same readiness as they have been started for the benefit of wet areas. He suggested that Central Banks should take over the financing and supervision of Depressed Classes Societies, for which purpose they should be given some special aid by Government. He did not approve of the Provincial Bank's suggestion that the section in the Co-operative Societies Act providing for supersession should be deleted. He thought that that power was necessary and that, whatever former Governments might have done, the present Government was using it rarely and discriminately. He then pleaded for some special facilities for Royalaseema.

> " My analysis of the situation makes me feel that theories and laws applicable to other areas cannot be applied wholesale to these dry tracts. Already I have suggested a deviation in regard to the Land Mortgage Banks. Similar deviations may be necessary in regard to short-term credit also. Recurrence of famines has become more a general rule than an exception. So credit on short-term basis is almost out of the question. It may be in three or five years there may be one good year. To expect the ryots to be regular in their instalments when their very existence is often at stake is to expect the impossible. Naturally there are large overdues both in respect of interest and principal. As I stated at the beginning it is due to circumstances beyond the ryot's control. Practically all short-term loans have automatically become intermediate or long-term loans. The Central Banks are helpless and they cannot be

> blamed for overdues. The best course, to my mind, seems to be not to give short-term loans at all in this area. All loans should be on a three year basis with the possibility perhaps of extending the period by a year or two more in case of scarcity. This suggestion necessarily postulates that acceptance of deposits for a period of one or two years should be abandoned altogether. They should never be accepted for less than three years. Perhaps this will necessitate a slight increase in the rate of interest paid. It is just possible, nay probable, sufficient deposits may not be forthcoming under altered conditions to finance the movement. But this will be for a time only. Meanwhile, the Provincial Bank should come to the assistance of the Central Banks. They need not lend out amounts comprised of short-term deposits. They have other funds invested in Government Securities. A portion of this amount can be usefully diverted for the movement in the Rayalaseema. Such diversion need not entail any loss of interest. All possible safeguards may also be insisted upon to prevent reckless transactions. I earnestly plead for special consideration and trust my appeal as well as yours will not fall on deaf ears."

RESOLUTIONS.

The following resolutions were passed at the Conference.

1. This conference deeply regrets the serious loss to the country by the untimely demise of Sri K. Raman Menon, Minister of the Congress Cabinet of the Government of Madras, and conveys its most sincere and heartfelt condolences to the members of the bereaved family.

2. This conference deeply regrets the loss to this district by the untimely death of Sri S. Narasimhulu Pantulu who was connected with various co-operative organisations in this district.

3. This conference is of opinion that there must be one Deputy Registrar for each district in the Rayalaseema for real and efficient supervision and progress of the movement.

4. This conference is of opinion that the heavy overdues now outstanding be collected by the Bank's Executive Officer and the Secretary and the Registrar be empowered to invest them with all the powers of a Sale Officer.

5. This conference requests the Provincial Government to extend Prohibition to this district from October 1939.

6. This conference requests the Provincial Government to take immediate and adequate measures to improve the economic position of the agriculturists of Rayalaseema by providing irrigational and industrial

schemes to combat famine and by providing subsidiary occupations to increase the earning capacity of the rural population.

7. This conference requests the Provincial Government to give free grants for the construction of godowns to facilitate the work of the loan and sale societies and free services of Government Inspectors to supervise the work of non-credit societies.

8. This conference requests that the policy of the Central Land Mortgage Bank and the Registrar be changed with regard to Rayalaseema and that suitable arrangement be made to grant loans on the security of dry lands. This conference is further of opinion that such a change in policy is quite essential to enable agriculturists of these parts to take full advantage of measures for the relief of prior indebtedness.

9. This conference, while thanking the Government for the concession already granted, requests it to exempt the co-operative societies in Rayalaseema from payment of fees for obtaining encumbrance certificates and registration in view of the economic backwardness of the area.

10. This conference is of opinion that adequate facilities be provided by the Government to encourage local industries such as carpet, cumbly, bee-keeping, pottery and allied cottage industries by organising a provincial financing and marketing society.

11. This conference requests the Provincial Union to permit the Central Banks to utilise a portion of their subvention to the extent of at least 50 per cent. for carrying on co-operative education.

12. This conference requests the Central Bank to introduce the controlled credit system in all the societies.

13. This conference requests the Provincial Government to reduce the rate of interest on loans issued to the co-operative building societies prior to 1935 to the present rate of 4 per cent., so that the societies may charge on such loans to their members interest at 5 per cent. at least from the next financial year.

14. The conference requests the Government to help such of the Central Banks as desire to restore the lands owned by them to the original defaulters by rent-purchase system, with necessary finance by floating debentures, if necessary, to the extent of the value of the lands so restored to enable the Central Banks to return the short-term deposits.

15. In view of the recurring famines in the Rayalaseema this conference is of opinion that special credit facilities on more liberal terms should be provided such as longer period for repayment of loans for cultivation expenses and other short time purposes. The conference further requests the Madras Provincial Co-operative Bank to give special consideration to the needs of the Rayalaseema and devise methods for affording adequate assistance to the rural population through the co-operative movement.

THE MADURA RAMNAD CENTRAL CO-OPERATIVE BANK, MADURA.

Silver Jubilee Celebrations.

The Madura Ramnad Central Co-operative Bank celebrated its Silver Jubilee on the 21st January last, with Mr. T. A. Ramalingam Chettiar in the Chair. The function was attended by a large number of co-operators from Madura and Ramnad districts and also from other Tamil district, as it was celebrated on the day when the Tamil Nadu Co-operatve Conference met.

Mr. A. Ramachandram Pillai, President of the Bank, read a short history of the Bank. It was started on the 12th June, 1912, and progressed steadily, developing on every side upto the end of 1931, when like all institutions it began to feel the effects of the economic depression. But now it had completely recovered and in some respects had advanced beyond 1931. The amount of loans advanced in 1930-31 was Rs. 13·34 lakhs but that in 1937-38 was Rs. 16·28 lakhs; the amount due to the Bank by the affiliated societies on 30th June, 1931 was Rs. 20·05 lakhs, whereas on 30th June 1938 it was Rs. 24·74 lakhs. Very notable work in promoting the marketing of produce was being done by the Bank through the Bodinaickanur Cardamom Sale Society and its seven branches, and the four sale societies of Theni, Madura, Dindigul and Aruppukotai and their eleven branches. The Madura Sale Society had done pioneering work in making compost out of Municipal rubbish. The Bank had also arranged to supply provisions, etc., to the villagers on the Palani Hills through the Kodaikanal Co-operative Stores and for the sale of garlic produced by them through the Madura Sale Society.

The Bank had built up an ordinary reserve fund of Rs. 1·94 lakhs and a bad debts reserve of Rs. 1·27 lakhs, besides a building fund of Rs. 67,400. From its Common Good Fund it was helping liberally the Madura Milk Supply Union and the cattle-breeding societies at Vegavathi Ashramam and Kamayagoundanpatty. It was also experimenting with cinema shows on rural reconstruction for village propaganda. A grateful tribute was paid to the late Rao Bahadur K. Ramaswami Aiyar and other devoted workers in the past who built up the Bank.

In congratulating the Bank on its varied activities and successful work, Mr. Ramalingam Chettiar dwelt on some points of difference in opinion between the co-operators of Tamil Nadu and of the northern districts including Madras. The latter were of the opinion that unlimited liability was not suitable for our villages and that the societies should issue loans mainly for short term purposes. The co-operators of Tamil Nadu wanted unlimited liability to continue as at present, were in favour of long term loans being given to a great extent and did not want the abolition or even the weakening of Supervising Unions.

The function came to an end after the representatives of several institutions offered felicitations to the Bank.

Review.

A SURVEY OF THE ECONOMIC RESULTS OF PROHIBITION IN SALEM DISTRICT.

(During the twelve months October 1937—September 1938.)

By DR. P. J. THOMAS.

Professor of Economics, University of Madras.

Though one year is too short a period for properly estimating all the results of Prohibition, and a report like the one under review may be said to be of the nature of an Interim Report, it is yet very valuable and certainly brings out some of the immediate consequences of Prohibition. The present report is based on an intensive examination of sample family budgets of addicts belonging to organised and unorganised labour in the city of Salem, and in four typical villages. The investigation was made by research students under the direction of the Economics Department of the Madras University. It is full of facts and figures which are of the greatest interest to the student of social welfare. It is a report that ought to be read in its entirety. We can refer here only to some of the important facts revealed by it.

It is astounding how much money the labouring classes—those who could least afford to throw it away—were spending on drink, both in Salem town and in the villages. In Salem town about 8,000 labourers are estimated to have been spending about Rs. 5.6 lakhs or Rs. 88 per head a year. Compare this with the total drink bill of the town which amounted to Rs. 7.4 lakhs a year. The following table shows the amounts spent per head by the different classes of labourers whose budgets were studied and the percentages they formed to the total expenditure of their families.

The drink bill of industrial labourers in Salem town.

(Averages of drinking families).

Class of Workers.	Annual expenditure on drink per head.			Percentage of total expenditure.	Total number of labourers.	Percentage of addicts.	Total estimated drink bill (in 1000's).
	Rs.	A.	P.				Rs.
Handloom weavers ...	58	9	0	29.1	7,000	50	205
Rajendra Mills ...	79	0	0	24.8	1,000	65	51
Magnesite Works* ...	67	0	0	23.9	2,000	85	114
Mysindia Factory ...	77	0	0	25.2	2,000	79	122
Municipal Labourers (menials) ...	101	4	0	30.7	415	83	35
Stone Workers (Dadagapatti) ...	146	4	0	32.4	300	95	42
All classes ...	88	2	6	27 3	12,715	63	569

* Figures for this factory are based on general inquiries and case studies, and not on a sample study.

Village labourers spent somewhat less per head, but a higher percentage of their incomes, as the following table shows.

Name of the village.	Income per week of the addicts' family.			Average expenditure on drink per addict.			Percentage of 3 to 2.
	Rs.	A.	P.	Rs.	A.	P.	
Palapatti ...	2	6	4	1	7	3	68
Kumarapalayam ...	2	13	7	1	8	0	50
Kadathur ...	3	0	8	1	9	4	52
Kelamangalam ...	1	15	10	1	1	7	56

The percentage of income spent by the Vaddors of Palapatti (70) and by the weavers of Kumarapalayam (50) is said to be higher than that of the worst addicted classes in England.

Prohibition has improved remarkably the attendance and efficiency of factory labour in Salem town. Dr. Thomas says:

> "In the Rajendra Mills, attendance of labourers was highly irregular, due partly to ill-health, and even after coming into work about 50 persons (out of about 900) used to go away complaining of sickness. Headache was of the chief complaint and a large stock of eucalyptus oil was used up daily. All this has changed. With more wholesome diet, health has improved, attendance is much more regular and accidents have diminished. Attendance has increased from 68 per cent. in 1937 to 91 per cent. in 1938 (four months average for both years)."

Again the report says: "The monthly bonus of Rs. 2 for regular attendance was formerly received (in the Rajendra Mills) by only 10 per cent. of the workers, but to-day over 75 per cent. of the workers are able to obtain it. Consequently, it has been possible to introduce 3 shifts in some sections. Work is now going on in a much more orderly manner, accidents are fewer, and efficiency has increased, with the result that labour costs have come down, supervision charges have diminished and the output of the Mill has increased from 10 to 12 bales a day in 1937 to 22 bales in 1938, *i.e.*, by about 100 per cent."

Though part of this increase may be due to the labourers becoming more trained, as the Mill was started only in January 1937, there is no doubt that most of the improvement is, as attributed by the management, due to Prohibition.

After Prohibition the money that used to be spent on drink is being spent on food, clothing etc. The following figures relating to the monthly expenditure of the Rajendra Mill Workers is illustrative.

Particulars.		Pre-Prohibition. Rs. A. P.	Post-Prohibition. Rs. A. P.
Drink	...	6 9 5	Nil.
Food	...	11 7 3	15 1 9
Tobacco and Betul	...	1 6 6	1 2 3
Clothing	...	1 10 1	2 5 7
Fuel and Lighting	...	1 5 2	1 10 8
Religion	...	0 13 4	0 14 5
Taxes	...	0 2 11	0 2 11
Amusement	...	0 6 2	0 14 0
Interest	...	0 9 1	0 11 6
Debt Redemption, Brassware, Ornaments, and Savings	...	0 10 8	2 2 6
Miscellaneous	...	0 11 10	1 2 6
Total	...	26 10 8	27 2 0

Commenting on the increased expenditure on food, the report says:

"Before Prohibition the average drinking class family had barely two meals a day. A hot meal was cooked at night and some of the rice was left over to be eaten in the morning. Not much of vegetable and meat was consumed, and milk, curds and ghee were luxuries rarely taken. After Prohibition there have been significant changes in all this, especially among factory labourers. Food is now prepared fresh twice a day and not once as formerly. The expenditure on cereals has increased but not strikingly....... But great increase has taken place in the consumption of vegetables, ghee, milk and curds.......Many families which formerly purchased no curds or milk are now going in for them. Some children are now fed on milk.......... The scavangers do not still go in for milk or curds but they consume more of pork, beef and vegetables; *they seem to have given up the habit of eating carrion. Nor do they beg for food at night, as they formerly used to.*" (*Italics ours*).

With regard to clothing, the report says that while formerly labourers and their wives had only one or two sets of clothes, they are now able to have three or four sets and only a few are in rags; that men and women wear cleaner clothing in the evenings after work; that they now bathe more frequently and wash their clothes like the upper classes, with the result that their appearance has distinctly improved.

We are told that in Salem town the number of cinemas has increased from 4 to 6 and the daily collection from Rs. 200 to Rs. 500 per day. The clearing off of old debts or redeeming of ornaments, etc., from money-lenders has been noticeable both in towns and villages. Houses are being repaired, cattle purchased and savings affected in smaller amounts. Some grocers in Salem town are reported to have admitted that their sales had increased 20 to 30 per cent. over the previous year. New brassware shops are also reported to have been opened. A new set of customers are said to be frequenting shops in smaller towns like Dharmapuri and Hosur.

It may be too early to say that these results will be permanent, but if Prohibition is enforced in the district with the same vigilance as during its first year there is every likelihood of the results not only being permanent but cumulative. The report is most heartening to the social reformer and the reader feels grateful to Dr. Thomas.

V. V. S.

Committee on Co-operation.

The Government of Madras have appointed the following gentlemen to serve on the Committee on Co-operation:

1 Sir T. Vijayaraghava Acharyar ... *Chairman.*
2 Sri T. A. Ramalingam Chettiar, B.A., B.L., M.L.C. ... *Vice-Chairman.*
3 Abdur Rahman Khan Saheb Bahadur, M.A., B.L., M.L.A.
4 Sri K. Bashyam, B.A., B.L., M.L.A.
5 „ Diwan Bahadur K. Deivasikamani Mudaliar, M.L.C.
6 „ Rao Bahadur M. Giriappa.
7 „ Kala Venkata Rao, M.L.A.
8 „ A. Karunakara Menon, M.L.A.
9 „ V. Kurmayya, M.L.A.
10 „ K. A. Nachiappa Gounder.
11 Dr. B. Pattabhi Sitharamiah.
12 Hon'ble Sri V. Ramadas Pantulu.
13 Sri Diwan Bahadur C. S. Rathnasabapathi Mudaliar.
14 „ N. Satyanarayana.
15 „ M. Shiva Rao.
16 „ J. Sivashanmugham Pillai, M.L.A.
17 „ R. Suryanarayana Rao.
18 Dr. P. J. Thomas.
19 The Registrar of Co-operative Societies.

Sri K. Subrahmanyam, Deputy Registrar of Co-operative Societies, will be the Secretary to the Committee. The Committee may co-opt as members the Director of Agriculture and the Director of Industries and Commerce as and when required. The Chairman is requested to permit Sri B. S. Murthi, the Parliamentary Secretary to the Hon'ble Minister for Industries and Labour, to attend the sittings of the Committee. With a view to economise expenditure under travelling allowances as far as possible, the Government suggest that the Chairman should, as far as possible, convene the meetings of the Committee during the weeks when the Legislature happens to be in session, *e.g.*, from the 20th February to the 25th February 1939 and from the 15th March to the 28th March 1939.

2. The Committee is requested

(1) to examine whether any change in the present structure of the financing system is necessary with particular reference to proposals such as the formation of multi-purpose societies and of taluk banking unions and direct financing by the Provincial Bank and if so to make recommendations;

(2) to recommend the steps by which credit can be made available to agriculturists through societies and land mortgage banks more quickly and also more cheaply;

(3) to examine and recommend for what purposes and periods Central Banks and societies should lend to agriculturists and how the long term needs of the ryots in areas not served by land mortgage banks are to be met;

(4) to suggest ways for the disposal of lands purchased by Central Banks and societies and for the recovery of overdues in societies and to make recommendations;

(5) to examine whether Central and Urban Banks should undertake commercial transactions and, if so, to what extent: and to examine whether the Central Banks should make advances on the pledge of gold, agricultural produce and industrial products;

(6) to examine whether Central Banks should own godowns to facilitate the work of primary societies which are unable to own godowns;

(7) to examine the adequacy of the security offered for loans to the Loan and Sale societies and to suggest further safeguards if necessary;

(8) to suggest ways and means to encourage the formation and development of production and marketing societies, the conditions under which they should work and the help to be rendered to them with special reference to subsidiary occupations and processing of agricultural produce;

(9) to suggest ways and means to improve the supervision of societies and to make recommendations;

(10) to suggest ways and means to co-ordinate the activities of the Agricultural, Industrial and Co-operative Departments;

(11) to examine the system obtaining for affording facilities for Co-operative education and propaganda and to make recommendations for the reorganisation of the agencies engaged in this work; and to examine the proposal for a College of Co-operation and advise on the suggestion that the College should also give instruction in Commerce and be called "College of Co-operation and Commerce"; and

(12) to suggest measures to encourage and stimulate thrift and savings among small agriculturists and artisans and the arrangements and facilities necessary to enable them to deposit their savings. The questionnaire circulated among the institutions and individuals interested in the movement and referred to in the Press Communique quoted above, embraces practically the whole field covered by the above terms of reference. The Secretary to the Committee will submit to the Chairman all the replies received so far.

3. The Government have under consideration a number of draft amendments to the Madras Co-operative Societies Act, 1932, which have been found necessary as a result of experience gained in the working of the Act during the last few years. A draft of these amendments will be forwarded to the Committee. The Committee is requested to examine the amendments and to offer its views thereon.

News and Notes.

The 9th Andhra Provincial Co-operative conference will be held on the 5th March 1939, at Tapeswaram in Ramachendrapuram Taluq, East Godavari District. Dr. B. V. Narayanaswamy Naidu, M.A., Ph.D., of the Annamalai University will preside over it. In addition to co-operative institutions in the Andhra districts, the Provincial Co-operative Bank, the Central Land Mortgage Bank, the Provincial Co-operative Union and other provincial institutions have been invited to send delegates to the conference.

* * *

The 9th conference of Land Mortgage Banks in this province was held on the 11th instant (February) at the premises of the Central Land Mortgage Bank, Mount Road. Mr. T.A. Ramalingam Chettiar, as president of Central Land Mortgage Bank, welcomed the delegates. The Hon'ble Sri C. Rajagopalachariar, Premier, opened the conference, and Mr. T.A. Ramalingam Chettiar conducted the proceedings. For want of space in this number we are obliged to hold over their publication to the next issue.

* * *

The 2nd South India Rural Workers' conference was held at Kengeri Gurukul, 9 miles from Bangalore City, from the 10th to the 13th instant (February). Sir Mirza Ismail, Dewan of Mysore, opened the conference. It was attended by delegates from different parts of South India, including Travancore and Mysore States. Among the delegates were several Christian ladies, Indian and European. The chief attraction of the conference, however, was Dr. T. Kagawa of Japan, who addressed the conference on three occasions and explained the part that co-operation was playing in improving the welfare of the masses in his country. We hope to publish the proceedings of the conference in the next issue.

* * *

A new association under the name of "The Mysore Grama Seva Sangh" has been started in Mysore State. Its object is to reorganise and re-construct village life, including the encouragement of village industries, and the moral, economic and physical advancement of villagers. The Association has eschewed politics entirely, though well known politicians have agreed to be its office-bearers.

* * *

A Rural Reconstruction Department has been formed in Bombay by the amalgamation of the Co-operative, Agricultural and Village Industries Departments. A board will be constituted in each district for directing rural reconstruction work with a trained officer and assistants. Each big village will have a paid employee who will be the secretary of the village panchayat and of the co-operative society. The experiment will be watched with interest.

The Trivandrum Urban Co-operative Bank, which was started about six years ago, is running a smooth course of true progress. In this period its membership has risen from 931 to 3,108, paid-up share capital from Rs. 14,387 to Rs. 54,327 and deposits from Rs. 44,545 to Rs. 2,10,000. Its reserve and other funds amount to Rs. 15,000. The percentage of overdues is 20, which is considered comparatively low for an urban bank in Travancore Some of the best known co-operators of Trivandrum are serving on the managing committee of the Bank.

* * *

We understand that Mr. K. Narayanaswamy Mudaliar, who retired a few months ago as Deputy Registrar of Co-operative Societies in North Arcot district, has been appointed by Government as Honorary Organiser of societies for the consolidation of holdings in North Arcot and Chingleput districts. We are very glad that Government have made this appointment. Consolidation of holdings has not yet been seriously attempted in our province, though recent enquiries show that the scope for it is great. Mr. Narayanaswamy Mudaliar started two societies at Melkalathur and Takkolam in North Arcot district when he was Deputy Registrar and pushed on their work to a considerable extent. We understand that he is now attempting to start these societies in five more villages. Consolidation of holdings is held by co-operators like Sir M. L. Darling, to be the biggest step in Rural Reconstruction. Patience, tact and persuasiveness are necessary to effect consolidation and we believe Mr. Narayanaswamy Mudaliar possesses these qualities in abundance, besides being in the advantageous position of having served long in the districts of Chingleput and North Arcot. The success of consolidation societies in these districts will result in similar societies being started in other districts.

* * *

The Directorate of the Guntur District Co-operative Central Bank, Tenali, was under supersession from 18-3-1936 to 18-3-1938, during which period the Bank was managed by a special officer of the grade of Sub-Deputy Registrar. That its affairs very much improved during this period is obvious from its report for 1937-38. The deposits held by the Bank increased from Rs. 8.67 lakhs to Rs. 10.60 lakhs; the loans issued to societies during the year amounted to Rs. 5.98 lakhs against Rs 2.90 lakhs in the previous year; the total amount outstanding against societies increased from Rs. 6.87 lakhs to Rs. 9.45 lakhs; cash credit loans increased from Rs. 1.30 lakhs to Rs. 3.46 lakhs; overdue loans decreased from Rs. 3.82 lakhs to Rs. 2.49 lakhs; their percentage to demand decreased from 55.85 to 41.62 under principal and from 3.21 to .49 under interest; and loan and sale societies were accommodated to the extent of Rs. 5 lakhs.

The report pays a well deserved tribute to the Directors of Unions for enthusiastically helping in reducing the overdues from societies, and to the officials who were in charge of the Bank during supersession for their efficient work. It is interesting to note that the overdues have steadily decreased

from Rs. 13.37 lakhs in 1931 to Rs. 2.49 in 1938. The bad debts reserve, amounting to Rs. 1.49 lakhs, covers fully all the estimated bad and doubtful debts due to the Bank from unliquidated and liquidated societies. We are very glad the Bank has got out of the ugly position in which it was found a few years ago and is now able to claim a respectable place among the central banks of the province.

* * *

The amount due to the Viziavada Co-operative Bank, Bezwada, by its affiliated societies rose during 1937-38 from Rs. 6·84 to Rs. 9·81 lakhs. This was largely due, we are told, to the Agriculturists' Debt Relief Act having curtailed private credit and the ryots consequently having greater recourse to co-operative societies. The Bank's lending rate to societies which had been reduced to 5 per cent. from November 1934, was further reduced to 4¾ per cent. from 1-2-1938. Out of Rs. 8·24 lakhs, which the Bank disbursed to societies during 1937-38, Rs. 7·74 lakhs were short term loans and only Rs. 0·5 lakhs were long term ones. The examination of individual loans of all the unlimited liability societies affiliated to the Bank has now been completed. It reveals the interesting fact that out of loans due from members amounting to Rs. 7·28 lakhs, the bad debts are estimated to be only about Rs. 21,000 of which, those that would effect the Bank are said to be less than Rs. 2,000. And the Bank has a bad debts reserve of Rs. 35,600, apart from the ordinary reserve fund of about Rs. 35,000.

* * *

The Malabar District Co-operative Bank was able to reduce in 1937-38 the percentage of overdues in respect of loans due to it by societies from 76·96 to 66·5 under principal and from 42·8 to 38·36 under interest. The amount of loans issued to societies rose from Rs. 1·24 lakhs to Rs. 2·58 lakhs. Though the major part of the increase was due to urban banks and the Malabar District Co-operative Produce Sale Society, several rural societies also are reported to have taken loans, thereby showing signs of revival. More than 90 per cent. of the Bank's outstandings with societies are due to long term loans, and even during the year more than 70 per cent. of the loans given were long term ones A very large number of societies are under liquidation in the district and a high proportion of the amount due by them to the Bank is considered bad and doubtful. The Bank is making strenuous efforts to retrieve the position and is slowly improving matters.

* * *

The year 1937-38 was one of severe famine for the districts of Bellary and Anantapur—far more severe than the famines that usually visit the districts at almost regular intervals. The Hospet Central Bank which serves the Bellary district passed therefore through a very difficult year. No wonder that the percentage of overdues increased from 71 to 82 under principal and from 13.5 to 24 under interest. It might have been worse. About Rs. 74,000 was issued as loans to primary societies, of which Rs. 14,000 was for long-term and the rest for short-term, and about

Rs. 69,000 was collected under principal. In the current year the Bank is engaged in introducing the controlled system of credit, in organising new types of societies and reviving dormant ones. Like other Banks it is devoting special attention to the education of the members of societies in the principles of co-operation.

Referring to the difficulty which some of our good employees' societies are experiencing on account of the members withdrawing the authorisation of payment from their salaries, *The Pathfinder* of Kaula Lumpur, Malaya, observes:

> "In this country, the problem has not arisen, authority given by a member at the time when he applied for membership is not made optional and he cannot withdraw it at his pleasure. Government has instructed Heads of Departments that, without the consent of the committee of management of the society, no alteration should be made in the deduction lists submitted monthly by the society and that the amounts shown in the monthly deduction lists must be recovered from the salary of the member and remitted to the society in full. The adoption of some similar arrangement with the consent of the Government would solve the difficulty experienced in Madras."

We hope the Registrar will take up the question with the Government.

* * *

The first Congress of Electricity Co-operative Societies in the Argentine Republic was held at Buenos Aires on 11, 12 and 13 November 1938. It was convened by the Federation of Electricity Co-operative Societies and attended by 54 societies with a total membership of 120,000.

* * *

We all admire Denmark so much for its eminence in agricultural production and sale on co-operative lines that we are apt to forget the place occupied by the consumers' societies. They serve more than two-fifths of the whole population. The average turnover of a society is found to be three times that of a private shop. In October 1937 while the index of prices outside co-operative societies was 158, it was only 141 in the societies and if dividend on purchases was deducted it would be only 130. In other words, as pointed by 'Co-operative News Service,' the net saving effected by the consumers' societies for the members was equivalent to a reduction of 28 points in the price index.

Co-operative Societies for Refugees. The Chinese National Government has embarked on a systematic establishment of Co-operative societies for refugees. The task of these societies is not only to assist refugees, but to act as an instrument for the industrialisation of the country. In the provinces of Shansi, Szechwan, Hunan and Kiansi, special districts have been selected for the establishment of co-operative societies, and it is reported from the province of Shansi that the establishment of co-operative cotton mills may be regarded as a complete success. The Government Banks are providing the societies with the necessary machinery and raw materials and are placing the required capital at their disposal in the form of a credit—(From Co-operative News Service.)

Extracts.

UNPOLISHED RICE.*

Rice is the staple food of half the population of the world. There are various reasons for this, the chief of which are the following:—(1) In tropical countries where rainfall is heavy no other grain than paddy can be grown easily. (2) It is very prolific in growth and yields a large amount of grain per acre. (3) Rice requires little time in cooking as compared with other cereals and can be eaten without grinding.

The advantage thus accrued in using the grain without grinding is lost to-day by polishing the upper coating, so as to make it easily cookable and to give it an attractive white colour. But all that glitters is not gold. What is pleasing to the eye may be poison to the system as we shall presently see.

With the advent of rice mills, town and city people get only bazaar rice which is as a rule polished. Even in places where paddy is extensively grown villagers have acquired the habit of getting their paddy husked in mills. Even where indigenous instruments such as dhenki or pestle and mortar are used the people have imitated the production of white polished rice of mills with the result that in many places they have almost forgotten what unpolished rice is. Unpolished rice is that which is got by removing only the upper husk of paddy and which is not subjected to any process of beating. It is generally brownish or red in colour. Besides the husk if the outer coating of the grain is also removed the rice looks white and is said to be polished.

Unpolished rice is recommended from two points of view (1) Hygienic and (2) Economic.

Hygienic.—Unpolished rice is rice in its natural form. So it has all its nutritive constituents in tact. Unpolished rice and other cereals which are dried and which are in their natural state contain generally the following elements of nutritive value:—

(1) Carbohydrates (2) Protein (3) Fat (4) Mineral salts (5) Vitamins A, B and E.

From the structural point of view unpolished rice is made up of the peri-carp and alurene layer, the embryo or germ and the endosperm. All these elements are required for the harmonious growth and working of the human body.

Rice is an excellent fuel food because it contains nearly 76 per cent. of carbohydrate which is easily digestible. Unpolished rice and polished rice both have this element of nutrition. But when rice is polished it loses all its other constituents except carbohydrates. As such, rice is chemically deficient in food values such as protein, fat and Vitamin B. These deficiencies in polished rice cause the diseases described below.

* Extract from "Gram Udyog Patrika" the organ of the All-India Village Industries Association, Wardha.

Beri-Beri.—Continuous use of polished rice only causes this disease. It is mainly prevalent in South India, Malaya, Ceylon, China, Japan and the Philipines. As regards the Madras Presidency, Drs. Robert McCarrison and Roland V. Norvis state in the Indian Medical Research Memoirs page 24 "Statistics of the disease recently furnished by every hospital and dispensary in the Madras Presidency have revealed that in endemic areas Beri-beri is nine times more common in towns than in districts. In the former, raw, milled and polished rice are mainly used and in the latter home pounded unpolished rice." The disease is cured by giving rice polishings or such other food materials which contain large amounts of Vitamin B, protein and fat.

Poly-neuritus and Epidemic dropsy.—It has been proved by study and experiments that when pigeons were fed on wholly polished rice poly-neuritus appeared within 2 to 3 weeks or so, deaths amongst them occurred a week or so later. The disease was cured by giving them substances like milk and whole wheat meal which contain a large amount of Vitamin B.

Stunted growth.—The loss of phosphorous caused by polishing rice accounts for stunted growth of bones. Perhaps this may be one of the reasons why rice eaters such as the Japanese, Chinese, Sinhalese, Madrasis and Bengalis are stunted in growth.

Indigestion and Loss of appetite.—As there is very little protein content in polished rice, rice eaters suffer from weakness of nerves and muscles and this in turn causes lack of appetite and defective movements in the alimentary canal. As polished rice is devoid of cellulose constipation is the chronic disease of rice eaters especially in cities.

Premature Birth.—Large intake of milled rice causes an incidence of premature birth and increase in infant mortality.

Seeing the horrors and dangers of polished rice, the use of it is unanimously condemned by all doctors in Ayurved, Unani, Allopathy, Homeopathy and Naturopathy. The Japanese Government have prohibited the polishing of rice beyond a certain degree of fineness.

Over and above the value of unpolished rice for health it is also sweeter and more palatable than polished rice. The protein, fat and mineral contents of unpolished rice give it a distinct flavour which is absent in polished rice. Since uupolished rice goes rancid with in a few weeks paddy should be husked from time to time as required and the rice taken fresh. As it requires more time for cooking, it should be soaked in water fot two or three hours before cooking. This also makes the rice more tasty.

Economic.—If the consumer himself husks the paddy at home the rice will be fresh, cheap and without admixture of inferior rice. Broken rice which generally contain the embryo of the paddy will be available to him. In British India yearly about 8 crores of acres of land are generally under paddy cultivation and the estimated yield is about 4 crores of tons of paddy. If all this paddy is husked in the villages it will provide work for about 38

lakhs of people in a year of 300 working days, whereas if rice mills alone do the husking, only 24,000 people will get employment, while a few capitalists will take the largest share of the profits and lakhs of rupees worth of raw materials will be exported to buy rice mills.

Economically, there is a distinct advantage in taking unpolished rice as an article of diet for, for being more nutritive less of it is required to be eaten than polished rice. To determine approximately the proportion between the two we experimented at the Headquarters to see how much polished rice is required to supplant the quantity of unpolished rice generally consumed by our inmates. Other things remaining the same we found that 33 per cent. more was required when the rice was polished than when it was unpolished. On that basis we calculate that for a family of rice eaters, 4 lbs. of rice will be required daily if polished as compared wifh 3 lbs. if unpolished, i.e. nearly 1440 lbs. and 1080 lbs. respectively. Further, unpolished rice is cheaper in villages than polished rice, for there is no labour to be paid for polishing. Accordingly if 25 lbs. of unpolished rice can be had for a rupee the same quality and quantity of polished rice can be had at only 22½ lbs. for a rupee. While therefore for these two reasons the yearly expense of a family for unpolished rice will be only about Rs. 43 that for polished rice will be about Rs. 64. So there is a distinct saving of Rs. 21 if the family takes to unpolished rice. When our income per capita is as low as about of Rs. 40 per year this is indeed an enormous saving. Further, if all rice eaters in the country take to unpolished rice 2 crores of acres of land less will be required for cultivation of paddy, which can be used for other purposes. And in an over-populated country like ours where land is scarce this will indeed be a great national gain.

It is quite essential, therefore, for village people to take to unpolished rice both for reasons of hygine as well as on grounds of economy. Their scanty means of livelihood hinder their buying other nutritively higher food materials and they have as such to depend merely on rice for all the nourishment they need. If educated people and village workers make it a point of using only unpolished rice and spread information in regard to it, the day will come when our village people will revert to hand-pounded unpolished rice, and thereby maintain health, inorease vitality, save money by pounding the paddy at home and earn an honest livelihood.

As the use of hand pounded unpolished rice is so important for the welfare of the people any Government run in their interest, we submit, should take up this problem immediately and prohibit the further establishment of rice mills and curtail the existing number by imposing heavy taxes on them. The function these mills perform in a poor country like ours is anti-social in as much as it undermines the health and thereby the physique of the race itself.

II

COMPOST MAKING.

Farm Yard Manure is undoubtedly the best manure. It is as good for crops as mother's milk is for babies. All other manures are only substitutes like tinned foods or milks for children. It has been established by experimentation and research that seeds obtained from plants manured with farm Yard Manure have better vitality than those treated with the artificials. Seeds of better vitality must certainly contribute to the better vitality of man and beast t at feed on them. It is therefore of national importance to devote better attention to the proper preparation and application of farm yard manure to cultivated crops.

Farm yard manure is nothing but a mixture of the dung and urine of farm livestock and the farm yard sweepings, waste straw, etc. To some extent cattle dung is at present converted into bratties and used as fuel while the urine goes to waste in cattle sheds except in the Ceded Districts where there are small pits in the flooring of cattle sheds in which urine collects. If the ryot is not careful even in the Ceded Districts, the urine removed from the pit by means of coconut shell is thrown on the roadside by the farm servant instead of taking it to the manure pit. On rainy days this valuable manure is usually taken and thrown on the road near the threshold of the house. If, however, the urine pit is widened and filled with earth, the loss of urine is better prevented. Urine-soaked earth can be easily taken to the manure pit once or twice in a week. This system is slowly finding favour with the ryots.

The solid and liquid voids of human beings are always lost on the farm. There is no proper latrine and after the destruction of prickly pear by the Cochineal insect, places of privacy for latrine purposes have become rare. The aversion the ryots have towards human excreta can be got over by means of *a combined Latrine and Manure Pit*. Two sheds—Railway Porters' sheds—may be put up on the edge of the manure pit. A sloping also may be provided. The voidings will all drop into the manure pit and on this the daily sweeping of the farm yard and cattle dung may be put. When the manure reaches the brim it may be raked and drawn backwards in the pit. Ryots will not have compunction to handle this kind of mixed manure.

In spite of adopting the above methods the quantity of farm yard manure available is not enough to manure all the lands of a ryot. In order to increase the output, he has to adopt other methods and tap new sources for getting a manure equivalent to farm yard manure. Composting of all farm wastes, sweepings and other vegetable refuse matter and applying them to the soil is one of them. Rarely we find people doing it; but they always throw away their rubbish or burn them as fuel. Yet another way of increasing the supply of organic manure to soils is by the conversion of the rubbish and night soil which are at present wasted by the municipalities and Union Panchayats into innocuous and useful compost. Its conversion not only disposes off the refuse in a most sanitary way but has also proved a source of potential wealth to the Municipalities. On the advice of the Agricultural Department such compost has been prepared in Proddatur and Kurnool Municipalities during the past three years and ryots are very much satisfied with the quality of the manure and are freely handling it. The income to the Kurnool Municipality by sale of rubbish and night soil separately in the year 1934-35 was only Rs. 1,125; but in 1936-37 when they were composted according to the departmental method it was Rs. 3,353 and in 1937-38 it was Rs. 3,173. In the case of Proddatur the demonstration was made early in 1937 and the income from the manure obtained from April to December 1937 was Rs. 1,620 whereas the estimated income from the sale of rubbish and night soil was only Rs. 500.

In addition to the increased income to the Municipalities and the most sanitary disposal of night soil and rubbish it must be remembered that the application of this compost increases the humus or organic matter content of the soil which increases the water-holding capacity of the soils—a factor necessary to prevent failure of crops in the Ceded Districts.

(*From the Madras Agricultural Journal.*)

Government Orders.

GOVERNMENT ORDER.

DEVELOPMENT DEPARTMENT.

G. O. No. Mis. 38, 5th January 1939.

Subject:—Co-operative Societies—Act—1932—Rules—Rules XII and XIV—Maximum rate of dividend on shares in limited liability societies—Draft amendment—published.

Order:—

The following notification will be published in the Fort St. George Gazette:

NOTIFICATION.

The following draft of certain amendments to the rules published with Development Department Notification No. 264, dated 1st August 1933, at pages 1178 to 1185 of Part I of the Fort St. George Gazette, dated the 1st August 1933 as subsequently amended, which the Government of Madras propose to make in exercise of the powers conferred by section 65 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) is hereby published, as required by sub-section (3) of the said section, for the information of all persons likely to be affected thereby.

Notice is hereby given that the draft will be taken into consideration on or after the 17th February 1939 and that any objection or suggestion which may be received with respect thereto from any person before the said date will be considered by the Government of Madras.

DRAFT AMENDMENT.

1. In the first proviso to sub-rule (*a*) of rule XII of the said rules clauses (ii) and (iii) shall be renumbered as clauses (iv) and (v) respectively and for clause (i) the following clauses shall be substituted namely:—

(i) "the Madras Provincial Co-operative Bank, Ltd., shall not pay a dividend to its shareholders at a rate exceeding 9 per cent. per annum on the paid-up value of each share;

(ii) no financing bank other than the Madras Provincial Co-operative Bank, Ltd., shall pay dividend to its shareholders including preference shareholders, at a rate exceeding 5 per cent. per annum on the paid-up value of each share;

(iii) no other society with shares and limited liability shall pay dividend to its shareholders at a rate exceeding 6¼ per cent. per annum on the paid up value of each share.

2. For clause (*c*) of sub-rule (2) of rule XIV of the said rules, the following clause shall be substituted namely;

"(*c*) the dividend upon paid-up share capital at rates not exceeding those specified in the first proviso to sub-rule (*a*) of rule XII for the class of society under dissolution for any period or periods for which dividend due under the by-laws of the society has not been paid".

II

Copy of Dev. G. O. No. 251, 28th January 1939.

Subject:—Co-operative Societies—Education—Co-operative Training and education—Training of Supervisors—conversion of Peripatetic Institutes into stationary ones—orders passed.

Order:—

The proposal of the Registrar of Co-operative Societies to run three stationary institutes in the place of the present peripatetic schools will be considered on receipt of the report of the Committee on Co-operation which will examine the subject of co-operative education in all its aspects.

(By order of His Excellency the Governor)

C. J. PAUL,
Secretary to Government.

Circulars.

OFFICE OF THE REGISTRAR OF
CO-OPERATIVE SOCIETIES,
Madras, Dated 24th December 1938.

No. A. 4396/36.

SRI RAO BAHADUR M. GIRIAPPA, B. A.,
Registrar of Co-operative Societies.

CIRCULAR.

Subject :—Audit fees—Scales—revised scales—introduction—instructions.

Government have decided to introduce new scales of audit fees based on the actual time taken for the audit of the accounts of societies. According to the new scales, all the Central Banks and Urban Banks (limited liability credit societies) with a working capital of Re. 1 lakh and over will be charged fees at the rate of Rs. 5-8-o per day; while all other societies liable to pay fees under Rule XI shall be charged at Rs. 3-12-0 per day. These scales will be brought into effect from the current co-operative year i.e., in respect of the audit for the period from 1–7–38 and thereafter. As the fees will depend on the number of days taken for audit by the auditor in each case, it is necessary that the institutions concerned should fully co-operate with the auditors in getting through the work without room for any complaint. Concurrent audit has been done already during the first six months of the current year and so far as this period is concerned, fees will be calculated with reference to the number of days already taken for audit in each case as shown by the auditors in their diaries.

2. In some cases the societies concerned may desire to satisfy themselves about the time actually taken by auditors and this can be done in respect of the remaining six months of the year. Instructions have been issued to the auditors to see that there is no avoidable delay in the audit of any society. The societies on their part must realise, however, that there should not be any undue haste in getting through audit, as it will tend to detract from its efficiency and thoroughness. The auditors should not, therefore, be urged to rush through the work with a view to keeping the fee payable by societies as low as possible. It should be possible, however, to finish the audit within a reasonable period, consistent with efficiency and thoroughness, if the societies concerned maintain their accounts properly and keep them ready for audit when the auditors go to the societies. It is also necessary that there should be whole-hearted co-operation between the staff of the societies and the auditors, if the work is to be done efficiently and quickly. The Registrar trusts therefore, that all the institutions concerned will keep these points in view and afford adequate facilities to the auditors in their work. The auditors will work for six hours a day and societies can satisfy themselves if they do so. There is no provision for granting any remissions in future, under the revised scales, and all societies will have to pay full fees at the new rates.

II

B. 7988/38. *Madras, Dated 5th January 1939.*

SRI G. VISWANATHAM CHETTY, B. COM. (EDIN.) F.R.E.S.
Joint Registrar of Co-operative Societies.

CIRCULAR.

Subject:—Supervision Fund—Primary Societies—Calculation of—Procedure—Instructions issued.

Ref:—Registrar's Circular No. 3406-22, dated 21-6-22.

2. Registrar's Circular No. B. 2932-37, dated 28-9-1937.

Certain practical difficulties have been pointed out in following the instructions issued in the Registrar's Circulars quoted regarding calculation of Supervision Fund due to the following reasons.

(i) Difference in the rates at which accrued interest has been calculated in successive years and (ii) Exclusion of interest earned on loans classified as bad for purposes of calculation of Supervision Fund.

As a consequence the income to Central Banks under Supervision Fund has fallen considerably with the result that many of them had to contribute large amounts to meet the expenditure on supervision.

(2) In order to overcome the difficulty, the Registrar suggests that the product system may be adopted for calculating Supervision Fund, instead of the formula prescribed in Registrar's Circular 3406-22, dated 21-6-1922. According to the bylaws governing the payment of Supervision Fund a society will have to pay Supervision Fund of Re. 0-8-0 on every sum of interest earned on Rs. 100 of loans outstanding, irrrespective of the rate at which interest has been earned. If products of the outstanding loans and the period for which they have been outstanding during the year (from 1st July to 30th June) are worked out, the total of such products will give the necessary data for calculating the total interest earned for the year. The products can be converted at 0-8-0 for every 100 yearly products or 1,200 monthly products, etc., and the result arrived at will give accurately the Supervision Fund payable by the Society. The products in respect of bad debts may be omitted so far as calculation of Supervision Fund is concerned as Supervision Fund is not payable on them.

3. This method is more scientific and is independant of the variations in the rate of interest from year to year. Further it has got the advantage that the products can be made use of in calculating accurately the interest earned on the individual loans also. In fact auditors in many districts adopt this system. All Deputy Registrars and Assistant Registrars are requested to issue necessary instructions to the auditors and see that Supervision Fund is calculated in future according to the product system.

(By order)

G. CHANDRASEKHARAN,
Manager 7-1-39.

III

OFFICE OF THE DEPUTY
REGISTRAR OF CO-OPERATIVE SOCIETIES,
F. 1943-37. *Madras, Dated 24-1-39.*

SRI M. G. PADMANABHA MUDALIAR, M.A.,
Deputy Registrar.

CIRCULAR.

Subject :—Peddunaickenpet Co-operative Society—Offences under the Madras Co-operative Societies Act—Prosecution against Tholasingaperumal Naidu and Sarangapany—accused sentenced.

It is observed that persons seeking admission in co-operative credit societies have not realised the implications of the law against contravening Rule 20 of the Rules framed under the Madras Co-operative Societies Act. The rule definitely lays down that no person can be a member of two credit societies. Any violation of the rule constitutes an offence punishable under section 55 of the Madras Co-operative Societies Act. The case of members Tholasingaperumal Naidu and Sarangapany, members of Peddunaickenpet Co-operative Society, is an instance in point. They both became members of Katchaleswarar Koil Co-operative Bank by making a false declaration that they were not members of any other Co-operative Bank whereas they were actually members of the Peddunaickenpet Co-operative Society. They were prosecuted therefore and found guilty by the Special Honorary Magistrate, Madras, under section 420 I.P.C. and 55, Madras Co-operative Societes Act VI of 1932 and sentenced to pay each a fine of Rs. 10, in default simple imprisonment for one week. Co-operative Societies are therefore requested to point out the implications of Rule 20 of the Rules framed under the Act to persons who apply for being admitted as members.

(By order)
T. K. KOTHANDARAMAN,
Head Clerk.

List of Societies Registered in January 1939.

Serial No.	Name of Societies.	District.
1	The Peravali Palmyra Jaggery Co-operative Sale Society ...	W. Godavari
2	The Viravallimoksha Sri Visveswara Co-operative Society ...	Kistna
3	The Manthena Sri Venugopala Co-operatve Society ...	,,
4	The Prodduvaka Sri Rama Co-operative Society	,,
5	The Pongur Co-operatve Credit Society ...	Nellore
6	The Amudalapalli Mahalakshmi Co-operative Credit Society ...	,,
7	The Sree Venkateswara Co-operative Credit Society ...	,,
8	The Panduvanagulavarm Co-operative Credit Society ...	,,
9	The Kavur Co-operative Credit Society ...	,,
10	The Gariminipenta Co-operative Credit Society	,,
11	The Cherukuvaripalli Co-operative Credit Society ...	Chittoor
12	The Muthereval Bandepalli Co-operative Credit Society ...	,,
13	The Karvetnagar Co-operative Thrift Society, Ltd. ...	,,
14	The Tirupathi Hackney Carriage Drivers' Co-operative Thrift Society, Ltd. ...	,,
15	The Tirumalai Tirupathi Devasthanams Co-operative Bank, Ltd. ...	,,
16	The Narayanavaram Co-operative Thrift Society, Ltd- ...	,,
17	The Yadamari Co-operative Thrift Society, Ltd.	,,
18	The Satravada Weavers' Co-operative Sale Society, Ltd. ...	,,
19	The Cheenepalli Co-operative Thrift Society, Ltd. ...	,,
20	The Kalicherla Co-operative Credit Society ...	,,
21	The Bokksampalem Co-operative Credit Society	,,
22	The Mudivedu Co-operative Credit Society ...	,,
23	The Kalahasti Weaver Labourers' Co-operative Thrift Society, Ltd. ...	,,
24	The Ramasamudram Co-operative Thrift Society, Ltd. ...	,,
25	The Kukkarajupalli Co-operative Credit Society	,,
26	The Panapakam Venkateswarapoliem Yanadi Colony Co-operative Thrift Society, Ltd.	,,
27	The Krishnapuram Co-operative Credit Society	,,
28	The Ramakuppam Co-operative Credit Society	,,
29	The Krishnasamudram Co-operative Thrift Society, Ltd. ...	,,
30	The Satravada Co-operative Thrift Society, Ltd.	,,
31	The Nadimidoddi Co-operative Credit Society...	Anantapur
32	The Chickakolachi Co-operative Credit Society	Bellary

33	The Veppankurichi Co-operative Credit Society	S. Arcot
34	The Tiruvennainallur Co-operative Irrigation Society, Ltd. ...	"
35	The Vridhachalam Board High School Employees' Co-operative Thrift and Loan Society, Ltd. ...	"
36	The Kuttanur Co-operative Consolidation of Holdings Society, Ltd. ...	Tanjore
37	The Ayan Reddipalli Co-operative Society ...	Trichinopoly
38	The Thuroiyur Hand Loom Weavers' Co-operative Sale Society. ...	"
39	The Keelayoor Co-operative Credit Society ...	Madura
40	The Gopalpatti Co-operative Credit Society ...	"
41	The N. Mathurai Co-operative Credit Society ...	"
42	The Soolappuram Co-operative Credit Society	"
43	The Surai Co-operative Credit Society ...	N. Arcot
44	The Katrambakkam Co-operative Credit Society	"
45	The Chettithangal Co-operative Credit Society	"
46	The Manthangal Co-operative Credit Society ...	"
47	The Mansurabad Co-operative Weavers' Sale Society, Ltd. ...	"
48	The Kelur Co-operative Society ...	"
49	The Bommakuppam Co-operative Society ...	"
50	The Se. Agarm ...	"
51	The Anapalayam Konga Moopar Co-operative Society ...	Salem
52	The Adayur "Maramerikal" Co-operative Society ...	"
53	The Thirthala Co-operative Poultry Farming and Egg Production and Sale Society.	Malabar
54	The Kadangot Bovis Co-operative Credit Society, Ltd. ...	S. Kanara
55	The Paivalike Co-operative Credit Society, Ltd.	"
56	The Madapady Co-operative Society ...	"

List of Societies Cancelled in January 1938.

	Name of Society.	District.	Date of Cancellation of registration.
1	Vayalur Co-operative Society ...	North Arcot ...	18-1-39
2	Kalipalayam ...	Coimbatore ...	20-1-39
3	Arasarkulam ...	Tanjore ...	23-1-39
4	Neiveli ...	Chingleput ...	24-1-39
5	Thusur Co-operative Society ...	Salem ...	25-1-39
6	Vettangudi F.L.C.S. ...	Tanjore ...	31-1-39
7	Shiyali Alangadu F.L.C.S. ...	Tanjore ...	31-1-39

ERRATA.

In the list of Co-operative Societies registered and published in the November issue of the Madras Journal of Co-operation, against the name of 'Hosdrug Hand-Pounded Rice Production and Sale Co-operative Society Ltd.' please read *South Kanara* for *Malabar* under the heading district.

Edited by Mr. V. Venkatasubbaiya, B.A.
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