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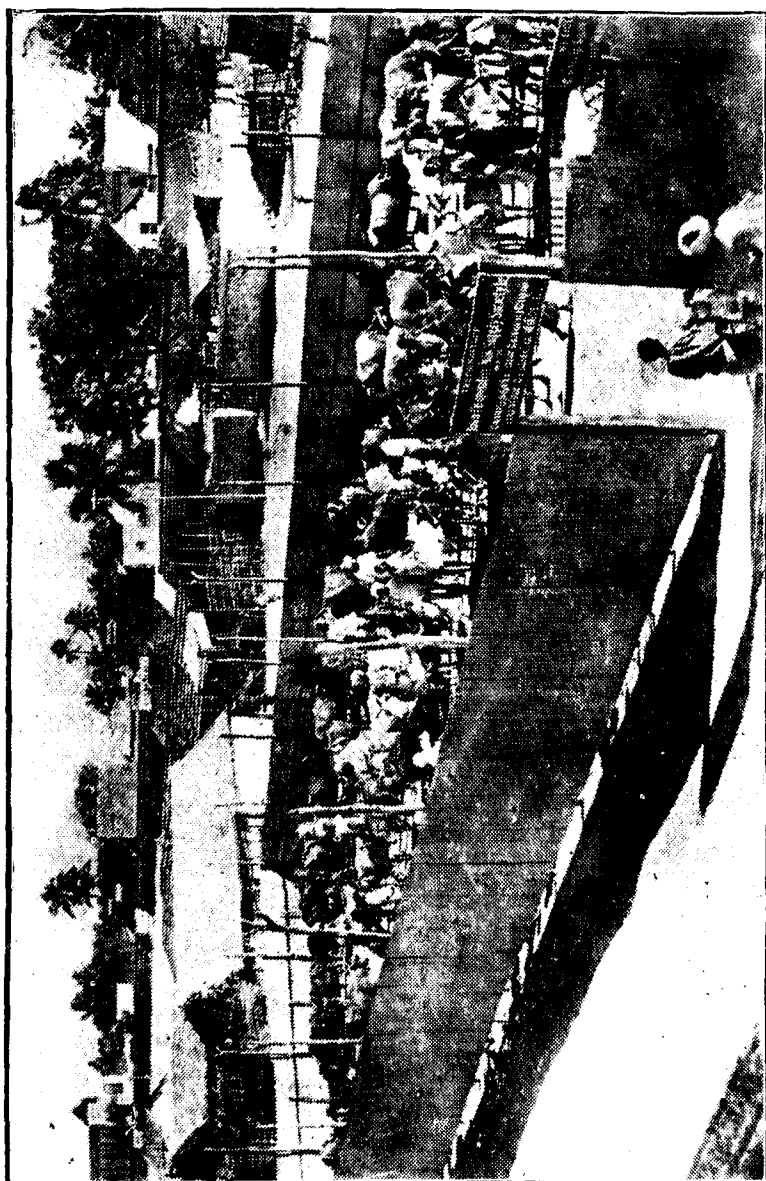
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The Coimbatore Co-operative Milk Supply Union.



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Editorial Notes.

The Sales Tax.

Numerous protests are being made all over the country against the proposed Sales Tax. Many of them are not due to the common desire to oppose a new imposition but are in the nature of constructive criticisms. Some point out how a uniform rate, would differently affect different trades and therefore that it is necessary to vary the incidence for different kinds of goods. Others maintain that to meet the small deficit of this year's budget a measure of this magnitude and potentiality is uncalled for. These and other aspects certainly deserve unbiased examination. We are, however, specially concerned to show how the tax would affect co-operative trade.

Under definitions the Bill defines a 'dealer' as meaning "any person who carries on the business of selling goods but does not include a person selling agricultural produce grown by him." In virtue of this definition an agriculturist who sells his own produce, whatever its value, is exempted from the tax. It is, however, 'produce grown by him' that is exempted from liability to tax. We take it the object of the Government is to help the agriculturist as such, whom it has been trying to help in various other ways also. That being the case, the exemption should not be confined to 'produce grown', which would mean only crops, but to other articles also, such as

cattle, milk, eggs etc., which are all products of agriculture. We hope the definition will be suitably modified so as to include all of them.

All co-operative sale societies, whether they are production and sale societies or purchase and sale societies, will be affected by the tax: in other words, all loan and sale societies, milk supply societies, the Provincial Marketing Society, weavers' and other artisans' societies and co-operative stores. We believe that all these categories of societies, except perhaps the last, would have to be altogether exempted from the tax. Under the Bill an agriculturist who sells his own produce is exempted from the tax. But if he combines with other agriculturists in order to be better able to sell his produce—if he joins a co-operative sale society, as he is earnestly advised to do by everybody from the Viceroy downwards—he loses the exemption. It is manifestly absurd that he should be thus penalised for doing a very desirable thing. Therefore all co-operative sale organisations of agriculturists should be exempted from the tax. It is true that in some societies traders, who are either non-agriculturists or being agriculturists also market the produce of others, are allowed to be members and to sell through the societies the produce collected by them. It should be possible to separate such business from the rest and to subject it alone to the new tax. Similarly, weavers and other artisans, who if they did not combine in a co-operative society would never have to pay the tax, should not be penalised for utilising the services of the provincial and primary societies. Both the Central and Provincial Governments are rightly very solicitous of the weaver's welfare. The Central Government has placed a considerable sum at the disposal of the Provincial Governments to promote the co-operative organisation of weavers and the sale of handloom products through co-operative societies of weavers. Our Local Government has taken a further step to help them by means of the Sale of Cloth Act. If weavers' societies were not exempted from the levy of the sales tax, this enlightened policy of the Local Government would be violated by itself. These considerations equally apply to societies of other artisans. We therefore trust that all organisations of weavers and other artisans will be exempted from the tax.

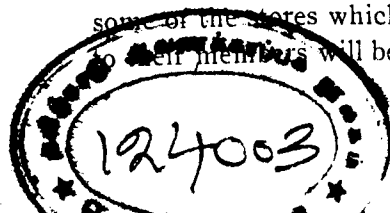
With regard to co-operative stores, it should be admitted that the average member is a middle class man, of whom it cannot be said that he is too poor to pay the tax. But if a tax of $\frac{1}{2}$ per cent. is levied, some of the stores which are now declaring some sort of a dividend to their members will be unable to do so and may even work at a loss.

The stores will have to sell at the retail market rate, which is determined by the competition of the small retailers who will not have to pay the tax. Margins are proverbially low in our country. While the trader indirectly adds to his margin by various kinds of fraud, the co-operative society rightly refuses to do so. Therefore the co-operative stores will be at a special disadvantage. We should therefore suggest that the rate of the sales tax for them should be less than for competitive trade. But in this connection another point may be considered. How many are the co-operative stores that would be liable to pay the tax? If they could be counted on one's fingers, yielding on the whole very little revenue, is it worthwhile treating them separately from other co-operative societies? We hope these difficulties will be carefully considered by the Minister in charge of Co-operation and by the members of the legislature.

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Land Mortgage Banks' Conference.

Mr. T. A. Ramalingam Chettiar's speech at the Land Mortgage Banks' Conference, the proceedings of which are found elsewhere, was thoroughly practical and contained many valuable suggestions to Government for making the Debt Relief and other Acts more useful to the agriculturists. He handsomely acknowledged the ready help given to the land mortgage banks by the Government in various matters and had serious complaint to make only on one matter—the insistence of Government on a $2\frac{1}{2}$ per cent. margin between the Central Land Mortgage Bank's borrowing rate and the primary bank's lending rate. The Hon. Mr. C. Rajagopalachariar who opened the conference was equally handsome in acknowledging the services rendered to the public by the Central Land Mortgage Bank and described its work as really Government work done on economical lines. On the question of margin, however, he was unyielding. He could not say whether Mr. Ramalingam Chettiar or the Government's advisers were right on this point, but it appeared to him that the matter was not of great importance, as it involved a difference of only $\frac{1}{2}$ per cent. What was more important in his view was that the rate of interest charged by Government or the land mortgage banks should not be very much lower than that charged by private money-lenders, as that would lead to corruption. While we may admit some force in this argument, it should be said that he does not appear to have adequately appreciated the influence which non-profiteering agencies like Government and co-operative institutions exert in bringing down the general rate of interest—which



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not measured by the proportion which moneys lent out by them bears to the moneys lent out by private moneylenders. The rate to the ultimate borrower from land mortgage banks was recently raised, as Mr. Ramalingam Chettiar pointed out, from 5 to 5½ per cent. It is certainly undesirable to raise it further against all assurances given hitherto. When the sinking fund has been provided for, we do not see why the margin of 2½ per cent. should be so much insisted upon by Government and why the proposal of those who actually work the banks should not have been accepted. The Premier said that the Government was open to conviction, and if the President of the Central Land Mortgage Bank showed that the margin suggested by him was the right one, it would be accepted. We wish he had accepted the Central Land Mortgage Bank's suggestion and altered it later if found necessary.

The South Kanara Central Bank.

The South Kanara Central Co-operative Bank, Mangalore, celebrated on the 18th of February last its Silver Jubilee in a fitting manner, Sir Mirza Ismail, Dewan of Mysore, presiding over the function. The Bank has brought out a very well got up souvenir which contains among other things an admirable short history of the Bank. It started work on the 24th January 1914 at Puttur. Its history divides itself into three periods—of all round expansion from 1914 to 1927, of a set-back from 1927 to 1934 and of gradual recovery thereafter. The first period was marked by enthusiasm, propaganda, organisation of various kinds of societies and expansion of business. Messrs. M. Shiva Rao and M. Ananta Rao were chiefly responsible for almost all the activities of that period. It was marked by the starting of a co-operative monthly journal in Kannada, of the first co-operative printing press in the province, of wholesale societies for garden planters, guano factory owners and agriculturists respectively, and of supervising unions. On 30-6-1927 the Bank had 418 society members, owing Rs. 11.3 lakhs to it, and held deposits amounting to Rs. 13.5 lakhs. The Royal Commission on Agriculture noted with pleasure that in South Kanara nearly one-fifth of the population had come within the co-operative movement.

The period of set-back began with the shifting of the Bank from Puttur to Mangalore. The shifting was perhaps unavoidable, but it deprived the Bank of the services of the old and experienced workers who were at Puttur. Depression aggravated the effects of

mistakes, frauds were discovered, a large number of societies were liquidated and the Bank sustained considerable losses. The number of societies came down from 418 on 30-6-1927 to 300 on 30-6-1934. In the period of revival, suretyship loans are largely replaced by mortgage and produce loans, and special encouragement is given to sale societies. Of the old societies the South Kanara Agriculturists Co-operative Wholesale Society which alone survives has been making good progress during the last four years. In 1938 its total sales amounted to Rs. 3.7 lakhs. The assistance rendered by the Bank to the garden cultivators of Puttur in fighting the Mahali pest forms a glorious page in its history :—

“ In 1936 the Puttur Taluk was faced with a crisis of the first magnitude. Hundreds of acres of areca gardens were about to be ruined absolutely by the break-out of the Mahali pest. Never before was the efficacy of co-operation proved to a greater extent. A society was started to distribute chemicals and sprayers to the ryots and the Central Bank advanced to the society a sum of Rs. 21,539. One thousand two hundred and forty acres of land were sprayed in this manner and we are happy to record that the society managed to clear off its entire dues to the Bank. ”

On 30-6-1938 the working capital of the Bank was Rs. 11 lakhs, of which deposits amounted to Rs. 8.5 lakhs. The reserve fund of the societies invested with it exceeded Rs. 4 lakhs. Its own reserve fund was Rs. 71,000 in addition to a bad debts reserve of Rs. 34,000, against which is to be counted an estimated loss of half a lakh from liquidated societies. The overdues under principal were 12.5 per cent. and under interest .5 per cent. At one time the district was in the vanguard of progress. Later on it looked as though all was lost. It has now recovered much of the lost ground and is quite confident of the future. It has learnt much and has much to teach. It has had an eventful and interesting history. Our hearty congratulations to the district and to the Central Bank.

The Central Co-operative Printing Works.

The Central Co-operative Printing Works should be congratulated on having wiped out during 1937-38 the balance of the losses of previous years amounting to over Rs. 1,600 and earned in addition a net profit of about Rs. 1,400. For the first time after six years it has been able to pay a dividend on share capital. Its general body, which met on the 5th instant, declared a dividend of 3½ per cent., the maximum permitted under its by-laws, and a bonus to customers and

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to workmen—the last amounting to about 10 pies per rupee of salary earned by them during the year. It will be remembered that about three years ago the liquidation of the society had been ordered, but on appeal to Government the order was kept in abeyance for a period of six months and the management of the Press was entrusted to a Special Committee, carefully chosen by Rao Bahadur M. Giriappa, with Rao Sahib M. J. Venkatakrishna Pillai, retired District Registrar, as its Chairman. The Committee soon justified itself, the liquidation order was cancelled, and with the co-operation of the Registrar and of prominent societies in the city, the Press was gradually restored to its former satisfactory condition. The thanks of the members are due in a special degree to Messrs. Giriappa and Venkatakrishna Pillai.

Recently the character of the society has been substantially altered. Its membership, from being confined to co-operative societies, has been widened so as to include any individual or institution which wishes to join it. It has thus become a hundred per cent. consumers' society. One of the main objects of the Press is to benefit the workmen to the maximum extent which business conditions permit. In pursuance of this object it had formerly instituted a provident fund for the workmen, which had enabled each of them to save a considerable amount. When unfortunately the Press fell on evil days, the old workmen left the Press in order to secure their provident fund, but when the money got into their hands they only squandered it away. Now that it has come back to its old good condition, we hope it will not only institute again the provident fund but adopt other measures also which will make it a model employer. Just at present there is a good deal of unrest among the workers of Presses many of whom are on strike, entailing much misery on their families. The C. C. P. Works can do a great service to Labour by evolving standard conditions suitable for this city, which may be adopted by the other Presses. In western countries Trade Unions have laid down accepted standards of work and wages. In our country the Trade Unions have not yet attempted to enunciate them. It therefore becomes the mission of co-operators to do so. There is no reason why the C. C. P. Works should not expand and become one of the biggest Presses in Madras. We hope it will grow to be that and fulfil its co-operative mission of reconciling the interests of capital, labour and consumer.

In this connection we are happy to note that the Coimbatore Co-operative Printing Works also worked very satisfactorily during

the last co-operative year and earned a net profit of about Rs. 1,300. It declared a bonus of one month's salary to its workmen, which is very satisfactory indeed. We hope it will soon introduce a provident fund for the workmen and also give a bonus to its member customers.

Dr. T. Kagawa.

Dr. T. Kagawa of Japan—author, social worker, ardent Christian co-operator—had a strenuous time in India. He attended the Tam-baram conference in December and then toured the length and breadth of India in January and February. His engagements were numerous—sometimes five or six speeches a day—but he always welcomed opportunities of meeting co-operators and talking to them. Madras co-operators had the pleasure of sitting with him for dinner in the premises of the Provincial Co-operative Union. Well informed, practical, energetic, enthusiastic—he has a wonderful personality which once you meet you will never forget.

Dr. Kagawa is generally referred to as the Gandhi of Japan. He and Mahatma Gandhi are both simple in life, feel quite at home with the poor, are their best friends, stand up for truth and have often braved the displeasure of Government. But there is also a great difference between them. Dr. Kagawa is immensely practical, while Mahatma Gandhi is very idealistic. Dr. Kagawa saw Mahatmaji for a short while at Shergoan, and asked him what he was doing for promoting co-operative societies. Mahatma Gandhi is not particularly interested in them and said he had not done any thing for them. He wanted to talk on other subjects and asked Dr. Kagawa whether he had publicly protested against the aggression of his country on China. Dr. Kagawa said he had not done so and might be shot down if he did so. As a Satyagrahi, Mahatma Gandhi felt that if in protesting Dr. Kagawa had lost his life his protest would have been very effective. The fact that the interest of one was in Satyagraha while that of the other was in co-operative societies, brings out very well the contrast between the two natures, great as both of them are.

Dr. Kagawa was very enthusiastic about what co-operation had done for Japan. He thought the co-operative movement in India had failed because the first place was given to credit institutions. Co-operation which did not involve money was in his view the best co-operation. His advice to Indian audiences was to plant trees wherever possible in order to prevent soil erosion, conserve subsoil water and increase food for man and beast; to make compost of

nightsoil and use it as manure (Japan produced annually Rs. 30 crores worth of it, he said); to apply science and intelligence to agriculture; to organise the people co-operatively for every conceivable purpose, and to work hard. An amusing but instructive example of Japanese co-operation mentioned by him was that among young Christians marriages were now celebrated co-operatively without any extra expense to the parties. Friends and guests would each bring a coin equivalent to annas four. They would have singing and dancing without expense and the coins brought by them would be pooled and refreshments purchased with them. They had no problem of dowry or debts due to marriages. If co-operation should succeed, he said, it must be quite independent of Government. We hope to give his views in some detail next month.

Co-operative Pasteurised Milk.

A notable stage in the development of the Madras Co-operative Milk Supply Union was reached the other day when the Pasteurising Factory of the Union was opened at Ayanavaram by the Hon. Dr. T. S. S. Rajan. The Hon'ble Mr. C. Rajagopalachariar who presided over the function complimented Dewan Bahadur K. Deivasikhamani Mudaliar, President of the Milk Supply Union, and other retired officers of the Co-operative Department for continuing to serve the movement with devotion even after retirement. He pointed out further that the Union was trying to solve the difficulty of cattle sheds in the city by supplying milk from the villages and the problem of the timing of milking by pasteurisation. Dr. Rajan observed that pasteurisation was indeed the only form by which they could supply milk to a large city like Madras free from contamination. The Indian habit of boiling milk before use no doubt greatly reduced tubercular infection through milk. But boiling killed off not only harmful but also beneficial bacteria. Pasteurisation, however, retained all beneficial bacteria and vitamins, while destroying harmful bacteria. We hope the Union will soon be able to distribute pasteurised milk in sealed bottles. Its popularity ought to increase greatly then. Administrative difficulties are many at present and all of them may not disappear with the distribution of pasteurised milk in sealed bottles. But a great step forward will have been taken in safeguarding the health of the city-dweller and in economically benefiting the villagers through co-operation. We wish the Union every success.

The Co-operative Movement

BY RAO BAHADUR SRI A. RAJABADAR MUDALIAR.

Of all causes for the unsatisfactory working of the co-operative movement in this province the most potent, as I am impressed, is the neglect of the moral aspect of the movement. The MacLagan Committee of 1915 whose report is considered a classic on co-operation said, "We wish clearly to express our opinion that it is to true co-operation alone, that is, to a co-operation which recognises the moral aspect of the question, that Government must look for the amelioration of the masses and not to a pseudo co-operative edifice, however imposing, which is built in ignorance of co-operative principles." This opinion has proved to be too true. Men with qualities inimical to co-operation have entered the movement in such large numbers that they have now become a menace to it. Their removal now is almost an impossible task. What may possibly be attempted is to keep at least the committees of management of societies as pure as possible. Who should shoulder that responsibility? It must be the Government represented by the Registrar or the central bank in each district. This latter body is now supervising the societies in the district with the assistance of local unions. Unions consist of no other than the representatives of societies and the central bank also consists mostly of such representatives with a few individual shareholders. Virtually therefore the societies supervise themselves. Such self-supervision, which may do for a world of ideal co-operators, is bound to be a failure in our world as it is. How deplorably it has failed in the past is too well-known to co-operators. About 4 years ago the Hon'ble Mr. V. Ramadas Pantulu wrote bitterly of this failure in the following words to the press.

"The number of good societies is steadily decreasing and, with it, the benefits of the co-operative credit movement to the rural population. In many districts the *Supervisory Agencies* which were expected to look after the well-being of these societies and their healthy functioning have practically collapsed; and, with their corrupt and incompetent personnel, they are now a positive danger to the movement in certain areas. The number of dishonest men exploiting the movement for self aggrandisement has been on the increase for sometime, and many of them have succeeded in capturing positions of power in the societies. Numerous instances of fraud and *benami* (indirect) loans have been detected from time to time."

"There has been reckless and improvident lending through societies without due regard to the needs and repaying capacity of the borrowers. Overdues have naturally mounted up to enormous proportions, inevitably resulting in severe restriction of credit and the closing down of many credit societies."

The supervision now is much more nominal than before, and, societies are drifting towards liquidation in most districts. Unless and until the Government make satisfactory arrangement for efficient supervision of societies the movement is bound to collapse sooner or later. The tantalizing feature of credit societies with which the movement was started and developed brought into it all classes of members who for the most part knew little of the moral requirements of the movement and a large number of them came with the object of exploiting it for selfish ends. Politicians invaded it as a convenient accommodation for securing votes for local bodies or the legislature. Money-lenders came into it to make good easily what loans advanced by them in their private capacity were found irrecoverable. The exploiters naturally did not like the Government's supervision with which the movement started and were so incessantly vociferous against Government's interference that Government gradually withdrew from supervision. The field having thus become free for them, all kinds of misdeeds in societies were freely practised and even individuals who posed as saints were tempted by the "open door." It was this sad condition of the movement that drove an impartial critic like Mr. Sathianathan, I.C.S., to recommend to Government years ago that it should take over the work of supervision to save the movement from ruin. This recommendation was strongly resented by some leading co-operators, who, however, have done little since to improve matters. The occasion of the present inquiry by a Government committee is opportune to completely overhaul the existing system of supervision. The best organized movement in the world can succeed only if it is efficiently supervised and a movement which demands the practice of moral qualities in all its affairs has little chance of success in an atmosphere where such qualities are generally lacking. Every previous committee appointed by Government emphasized the great importance of supervision in strong terms. The Maclagan Committee said, "Considering the class of people who compose the bulk of the agricultural societies it is useless to expect the maintenance of such a standard without frequent audit and unceasing supervision from without. It is difficult to exaggerate the importance of such audit and supervision. Without them a

good society may soon degenerate and a bad society may soon come to ruin." That Committee further held the Registrar responsible to direct and supervise both audit and supervision. The later committees also laid similar emphasis on the importance of supervision and the last committee, the Townsend Committee—said "in the case of weaker districts, when the supervision fund collected is not adequate to meet the requirements of supervision in the district, we consider that supervision ought not to be starved, and that Government should make such contribution as is necessary to make up the deficit." The work of supervision can no longer be entrusted to societies themselves. Some outside agency should take the responsibility. A committee composed of public spirited persons who are not themselves members of the societies which they supervise ought to be distinctly more helpful. The famous Maclagan Committee have recorded in para 35 of their report that such committees have been tried and found of distinct use in enhancing the efficiency of societies. Surely this province is not wanting in such persons, in all parts of it and it should be easy for the Registrar to secure suitable persons to form committees in central places. Retired Gazetted Officers are available in sufficient numbers to run such committees with a due sense of responsibility.

The committees of management of primary societies should, as I said, be kept as pure as possible by insisting upon the election to them of only individuals of approved character with capacity. It is imperatively necessary that some one should carefully look after the purity of committees and be empowered to promptly get rid of any undesirable members. The best authority to be entrusted with such power would obviously be the Registrar, who is no other than the representative of the people's Government. He is at present empowered to supersede a whole committee of management of a society. As president of the Conjeevaram Central Bank for a pretty long period I can bear testimony to the fact that the exercise of the present power of supersession by the Registrar has saved several societies from ruin which would otherwise have been inevitable. I am astonished that even this limited power, productive of immense good to the movement, is objected to by some of the co-operators.

I often felt that there could be better harmony between Government and non-official leaders of the movement than I noticed. The Rt. Hon. V. Srinivasa Sastri once expressed his view that the Government and the non-official institutions should work as the husband and wife in a family, harmony between whom is essential

for the success, prosperity and happiness of that family. There is no interest of Government which is not also the interest of non-officials in working this movement. It was a wonder therefore why there should be disagreement between them so often as I had the misfortune to witness. Possibly this was due to the former Governments not being wholly of the people as now. There can be no reason for co-operators objecting now to the free exercise by Government of such powers as they consider essential for the efficient working of the movement. Misconduct of a Government subordinate can quite promptly and effectively be punished by the Registrar, while such remedy is not easy for an offence committed by a responsible member of a committee.

I would suggest among other reforms that a rule may very profitably be made by Government that none shall be eligible to be a member of a co-operative society who is a member of a Local Board, Municipality, or the Provincial Legislature. There is quite enough work for one in any of these other bodies to do for the welfare of his electorate and a rule to confine him to one public body should tend to improve the welfare of the country as a whole.

More important than all other reforms to better the working of Agricultural credit societies is the lightening of the land revenue burden and the provision of small industries to supplement the income of the agriculturist. Without this rural credit co-operation is bound not to succeed whatever orientation may be given to it.

The Provincial Co-operative Union can be a much more useful body than it has been. It does practically nothing beyond the issue of the monthly co-operative journal—a useful organ no doubt—I would suggest that Government may attach the Registrar also to its management as in some other provinces and grant any financial help for improving the practical working of the movement, in this province. Co-operative education in this province, except for some journals issued, has been far from satisfactory and the way in which the Government of India's grant is being spent for this purpose is of doubtful value. With all the inducements offered by way of feeding those who come for education to central places there is not any visible desire for the free education offered. Education advocated by the MacLagan Committee and the Linlithgow Commission namely *the patient, persistent and systematic teaching* by competent persons *in the villages themselves* should be undertaken in the best manner possible. The running of model co-operative societies in selected centres, preferably the headquarters of supervisors, ought to prove helpful in the practical teaching of working primary societies. At present important by-laws affecting the financial condition and the discipline of the members of societies are being freely violated with impunity. Efficient supervision with model societies working as examples and power to the Registrar to remove unworthy individuals ought to go a long way to stabilise the movement.

Work of Consolidation of Holdings.*

BY MR. MUHAMMAD HAYAT, B.A., B.L.,
Deputy Registrar of Co-operative Societies, Tanjore.

The work of consolidation of holdings has been done with great success. Upto 31st July 1937, the total area consolidated was 7,91,358 acres. The area consolidated through co-operative societies from 1934 to 1937 is given below:—

Year.			Acreage consolidated.
1934	...	...	56,148
1935	...	...	65,534
1936	...	...	92,689
1937	...	...	1,20,295

As a result of the successful work done, the people have been so much impressed with the benefits of consolidation, that a large number of villages now apply for consolidation and are prepared to pay in advance the cost involved.

Paragraph 46 of the Administration Report of the Registrar of Co-operative Societies, Punjab, for the year ending 31st July 1937, gives a succinct account of the present position.

“This activity was carried on with increased vigour and enthusiasm. The contributions made by villagers under consolidation enabled us to employ additional staff consisting 1 Assistant Inspector and 11 Sub-Inspectors, bringing the total of staff employed from this source to 8 Assistant Inspectors and 37 Sub-Inspectors. It is only the difficulty of obtaining trained staff and the necessity of ensuring that the amount of work undertaken is not beyond the possibility of efficient supervision that prevent us from increasing the pace still further. Four years ago, the total acreage consolidated during the year was 56,148; in the year following it was 65,534; the next year the staff was considerably increased with the assistance of the Government of India grant and the area rose to 92,689; in the year under report we have reached the record figure of 120,295 acres. The total area consolidated in the whole province up to 31st July 1937 is 791,358. As we are still further increasing the staff during the

*Mr. M. Hayat and Mr. G. Spittler, Deputy Registrars, were recently sent by our Government to the Punjab to study the co-operative movement there. We are indebted to the Registrar of Co-operative Societies, Madras, for permitting the publication of portions of Mr. Hayat's report.

present year, I have every hope that the close of the present year will see us within sight of the million acre mark. Side by side with increasing the pace of consolidation, we have attempted also to improve our methods of work; all Assistant Registrars in the Province were deputed for a fortnight's Revenue training in the Lahore Settlement in order to equip them better for the task of supervision. For this training, we have to thank the Settlement Officer, who had himself had experience of the problems of consolidation from the co-operative point of view. Another step which was taken this year was the sending of parties of co-operators and co-operative staff from other districts to the groups of consolidation societies in Jullundur and Hoshiarpur in order to enable them to see the solution of their problems actually carried out. The group of societies in the neighbourhood of Phillaur has, in fact, become the *locus classicus* of co-operative consolidation and has been visited by a large number of officials and non-officials, including His Excellency the Viceroy himself. The cost of consolidation has shown a slight increase over last year's figure and I find this somewhat difficult to explain, since the outturn per Sub-Inspector has shown a considerable increase. I suspect that the figures of cost are not uniformly calculated throughout the Province and I am having this matter examined. The amount collected in contributions during the year was Rs. 51,000 as compared with Rs. 45,000 last year and the amount would have been considerably larger, but I thought it advisable to issue instructions that no contributions should be accepted from villages in which there was no prospect of starting work in the near future. The rate of contribution has been at a maximum of about 9 annas per acre in the older areas, but even in some districts in which the work was newly started societies have been contributing towards the cost. More and more villages undergoing consolidation are realising the advantage of taking this opportunity for reserving areas for public purposes. In the Jullunder district, a total of about 250 acres has been reserved for such purposes as future extensions of the village site, play grounds, tanks, cemeteries, segregation area for infected cattle, manure pits, etc. In Hoshiarpur, one village decided to abandon entirely its old *abadi* and set aside an area of 8 acres for a village plan on the lines prescribed for colony villages. The effect on village communications has also been remarkable, Jullundur and Hoshiarpur reporting the re-alignment or fresh provision of about 360 miles of village roads giving access to cultivators' fields. It is gratifying that we have been able to make a new start in Amritsar

where a previous attempt 5 years ago failed; we have also broken new ground in Sheikhpura and Shahpur. It is perhaps natural that the intensification of our work and its extension to new areas should have been accompanied by an increase in the number of complaints from right-holders dissatisfied with their new allotments. Detailed investigation of every one of these is, of course, essential and this increases the burden on the superior staff already hard worked with the general task of supervision. The complaints are a warning against making the pace too fast and also against increasing the subordinate staff out of proportion with the supervising and inspecting staff."

During my tours in the Punjab, I was eager to make a careful study of how exactly these societies were formed and worked. Two societies in Phillaur Tahsil of Jullundur district, namely, Dosanj Khurd Co-operative Consolidation of Holdings Society and Chachrari Co-operative Consolidation of Holdings Society, one society in Gurdaspur district, namely Bains Co-operative Consolidation of Holdings Society and 3 societies in the Rupar Tahsil of Ambala district were visited by me. The by-laws and the records of the society which are all in Urdu were carefully studied and notes taken on all the essential points. When I asked the members of these societies who met me during my visits to their villages what exactly was their position after they had acquired consolidated plots in place of their fragmented and scattered holdings, the glow on their faces bore more eloquent testimony to the benefits they had derived than what they were actually able to express. After consolidation, each ryot (or zamindar as they call him in the Punjab) was able to obtain one or two consolidated rectangular plots instead of several small tracts of land which he held scattered all over the village. The whole village has been practically resettled with land re-allotted in consolidated blocks—each block being in a rectangular form and being about the equivalent in value and other respects of the total of the fragmented and scattered plots and every consolidated block having a pathway. After re-allotment, arrangement has been made in every case to improve the general condition of the village by laying out roads, paths, play grounds and in providing for other amenities. The zamindars who acquired consolidated holdings have been able to economise considerably in transport charges and cultivation expenses and to develop the utility of their holdings by sinking wells and by other arrangements which they could never have thought of if their holdings were scattered all over the village.

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In 3 villages of Phillaur Tahsil, Jullundur district, namely, Pal Qadim, Pa Nau and Landra, where consolidation work was done successfully, the field maps of the villages which I have brought with me showing the position before and after consolidation, indicate that there has been a wonderful improvement in the consolidation of holdings in these villages and consequently in the economic condition of the zamindars. The following figures will show the improvements :—

	(1) Pal Qadim. Acres.	(2) Pal Nau. Acres.	(3) Landra. Acres.
Total area	330	375	436
Blocks before consolidation	577	964	832
„ after „	163	279	135
Average per block before consolidation.	.57	.39	.52
„ after „	2.01	1.31	3.22
Survey Numbers before	817	1240	1411
„ after „	325	413	356

In Phillaur Tahsil of the Jullundur district, where this work has been done with conspicuous success, 78 villages out of 242 in the Tahsil (analogous to taluk in our Presidency) have been consolidated. The cost of consolidation has not exceeded 10 annas per acre consolidated.

It is interesting to see how the actual work is done from the beginning to the end. This was studied by me at Bains in Gurdaspur district and in Dosanj Khurd in Jullundur district. I must mention here that the Sub-Inspectors for consolidation work are recruited from amongst the best Patwaris (village munsiffs) and as such have knowledge of the Revenue settlement and survey work. The Inspectors in charge of this work are also men qualified and experienced in this line. From the Sub-Inspectors to the Inspector and the Assistant Registrar, every one actually doing the work is a thoroughly qualified and experienced man in the line. The Registrar himself has made a special study of this line of work and takes a keen interest in the progress of the work and issues practical instructions to his subordinates from time to time for their guidance. I found that the Sub-Inspectors and the Inspectors who were doing this work were not only properly qualified and trained men, but by virtue of having been kept on to do the same work and nothing else for some years together, they had become experts and were in a position to do their work with ease and confidence. The success of the work done in the Punjab is due in a large measure to this fact and to the great

WORK OF CONSOLIDATION OF HOLDINGS

attention they have been bestowing on training of the staff and on the efficient organisation of departmental work and to specialisation brought about by a wholesome distribution of work amongst the officers and the staff.

I shall describe the actual work done with reference to the Bains Co-operative Consolidation of Holdings Society. The Sub-Inspector commenced the work on 5-10-1936. He reported to me that from this date till 30-4-1937 when the work of consolidation was finished, he had to remain in the village and carry on his work without diverting his attention to anything else. The period of 7 months that he took for the completion of work in this village was ascertained to be the minimum time required for such work. There are other villages which took a period of 2 to 2½ years for the completion of work. It may be seen from this that consolidation work requires not only expert staff but also intensive and patient work. From the date the Sub-Inspector took up the work in this village, he commenced his propaganda and his study and soon after 80 per cent. at least of the zamindars (landholders) expressed their willingness to join the scheme, he began his preparatory arrangements. The procedure described here is the common procedure adopted in all consolidation societies. Reports are submitted by the Sub-Inspector to the Inspector in charge of consolidation work from time to time and the latter visits the village periodically to assist the Sub-Inspector and to see that the work is carried on properly.

The first step in the work is to take an Iqnarnama (an agreement in writing) from each of the members to the effect that he is willing to join as a member, that he will abide by the decision of ¾ majority and that he will not go to civil court in regard to disputes that may arise in the course of reallotment of land and that he will abide by the settlement of the general body and the Assistant Registrar. The second and third items consist of the preparation of the village map showing the holdings of the zamindars with full particulars and the preparation of a property register classifying the land held by each under 3, 4 or 5 heads as may be necessary according to the varying grades of lands, their fertility and value. After this is done, attempt is made to consolidate the fragmented plots into one, two or three consolidated rectangular blocks, being more or less similar in value and in other respects as the total of the fragmental plots in each case. The houses in the village and other common land are left out. And usually in most of the cases provision is made

for playgrounds, roads, and other amenities that had not existed before. Arrangement is made to provide for paths to reach every newly formed consolidated holding. It is when the actual allotment takes place that there is higgling and difficulty, that the Inspectors and the Sub-Inspectors have to talk to the different zamindars and persuade them and arrive at a workable arrangement. The benefits to be derived by each of the consolidated holders are so clear that it is not very difficult to persuade them to forego petty and minor considerations and sometimes sentimental attitudes and to make them agree to the arrangement. As soon as the reallocation is settled, a fresh map showing the holdings as allotted after consolidation work with full particulars is prepared by the Sub-Inspector with a fresh Khatauni register. A copy of this is given to the Patwari (Village Munsif.) He prepares a copy and submits it to the Tahsildar who visits the village and ascertains whether the zamindars all agree to the reallocation. If they answer in the affirmative, he sanctions the mutation. This is the re-settlement of the village practically. The work of the consolidation staff is over with this. The cost of consolidation which is on average about 10 annas an acre is collected from the members to cover the cost of the work. After consolidation work is over, the society is passed on to the Credit Inspector and Sub-Inspector for supervision. The instructions of the Registrar to his subordinates on this subject are contained in chapter VIII of his consolidated circulars.

The following particulars show the work done by the Bains Co-operative Consolidation of Holdings Society.

Date of commencement of work	...	5-10-1936
Date when work was finished	...	30-4-1937
Total area of the village	...	237 acres.
Area brought under consolidation	...	237 "
Land Revenue of the village	...	Rs. 500
No. of holdings	...	84
Kinds of land according to revenue papers	...	5 (Names being in Urdu not mentioned.)
Do Qismbandi	...	5 (Do)
No. of fields before consolidation	...	1,254
Do after Do	...	270
No. of blocks before Do	...	795
Do after Do	...	53
Average area of a block before consolidation	...	.30 acres
Average area of a block after consolidation	...	4.47 "

The cost of consolidation collected was Rs. 85-8. The pay of the Sub-Inspector drawn during the period was Rs. 560. Hence average cost per acre came to Rs. 2-5. There used to be endless disputes among the zamindars prior to consolidation owing to encroachments and right of way. There was an end to this after consolidation. The plots of issueless persons and widows were allotted adjacent to the plots of their heirs so that after the death of the former, the latter could easily link them with their plots and that there may be no difficulty about the improvement of the land.

Sardar Amar Singh, Inspector for Consolidation, Gurdaspur district, who met me at Bains and explained to me the working of the society, told me that he began his career as Patwari (village munsiff) and Kanungo (Karnam) in the Revenue Department, was Sub-Inspector for Consolidation for 4 years and Inspector for Consolidation for the last 14 years. P. Nihal Chand who was Sub-Inspector was also an experienced Patwari. Similar was the case with the Inspectors and the Sub-Inspectors in charge of this work in Jullundur, Ludhiana, Ambala and other districts. From what I have seen in the Punjab it strikes me that unless we have qualified and properly trained staff to do this work and carry on an organised and properly controlled campaign in this direction, it will not be possible to attain any adequate progress. It is also necessary that arrangement should be made with the help of the collectors to make a survey of the districts or areas where fragmentation is more widely spread than in others and where conditions are more favourable for consolidation work to make a beginning with successful results. It may not be possible to do the work in every district to start with.

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The Coimbatore Co-operative Milk Supply Union, Ltd.

BY MR. M. S. PALANIAPPA MUDALIAR, B.A.,

Hon. Secretary.

The idea of milk supply to Coimbatore town through co-operative enterprise emanated from the late Mr. T. L. R. Chandran, I.C.S., himself a cowherd by birth. While he was undergoing training as Additional Joint Registrar of Co-operative Societies, he visited this town in June 1937 and persuaded some of its prominent residents to tackle the problem of milk supply in this city without detrimentally affecting the interests of milkmen and women.

Coimbatore is well-known in this Presidency as a fertile field for any kind of co-operative activity. It has the advantage of having the Agricultural College nearby. The industrial labour of this place is increasing day by day. These considerations prompted Mr. Chandran to try here the experiment of co-operative milk supply to towns. He had very clear ideas before him, having seen personally the scientific and perfect distribution of milk in London city. To help him to start an institution under the co-operative system, the Deputy Registrar of Co-operative Societies of this district, Mr. A. D. Balasundara Mudaliar, himself a man of ideas and great tact, gave his energies and support for the starting of this Union.

The Union was started on the 15th July 1937. Its first Board of Directors has been nominated for three years by the Registrar. They are nine in number and they individually and jointly command the confidence of the several communities of the town.

The Union is one of societies of producers and not of consumers. What the consumers care for is the purity of milk and the fairness of its price. The Union will of course look to it. For the producers it can do more—it can help their economic development. The producers here are the milkmen and women, who own cows and buffaloes, and who sell the milk to the public. I have no definite idea about the actual number of cows and buffaloes in this town and the surrounding area. On a rough calculation, I am of opinion that there are about three to four thousand milch animals, always milking within this town and two to three thousand animals within a radius of 10 miles. Of the latter's production, a quantity not less than 60 per cent. of milk and by-products enters this city. So, we can compute that this town requires about four to five thousand milking animals, if the demand and supply are calculated on the present basis.

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To provide four to five thousand milking animals there must be somewhere about seven to eight thousand animals in this area. No doubt, this is an area where the needs are met by a sufficient supply. Anyhow, there was no system in the collection and distribution of milk. The institution wanted to introduce a system, and we have, with day-to-day modifications, evolved one such. It may be lacking in certain details and may require improvement. The Union welcomes criticism from customers and the general public, and changes its working if found necessary.

We have come across several difficulties even in the short period of our existence. They are from (a) milkmen, (b) customers and (c) subordinates.

- (a) (1) In the beginning the owners of cows and buffaloes refused to join the societies.
- (2) Those who joined left without proper notice.
- (3) There was a strike of the members on the 1st December 1937.
- (4) Milkmen demanded higher prices than the societies could afford to pay them, and
- (5) When this institution had to reduce the price on milk purchases by 12½ per cent. on account of the initial loss, the milkmen refused to co-operate with it.
- (b) (1) Customers were at first reluctant to buy milk from us, as the price they had to pay was 10 per cent. higher than the prevailing market rate.
- (2) Those who joined as customers left on the slightest pretext giving out several flimsy reasons.
- (3) Some ladies were not 'satisfied' with us. It is well-known that certain households are run by the ladies. While previously they used to get a lump sum for purchase of milk, out of which they were able to save a little for their 'pocket-money', now they are unable to do so, because the Union sends a bill with figures. Hence it is easy to infer their unwillingness to have dealings with us.
- (c) The milk delivery boys are not all of them angels. With all our checks and threats, they find out some means to dupe at least a few of the customers. This is a problem which is seriously engaging our attention for the past

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few months. An institution of this type naturally depends for its satisfactory working on the loyal co-operation of its subordinates. We have to select our subordinates very carefully. Human nature being what it is and our remuneration to them being very low, we are having a lot of difficulties on this score. In a few months, we hope to increase their pay and wean them away from bad inducements.

Our Union is eighteen months old. At the end of its sixth month of working it had accumulated a loss of about three thousand rupees. But subsequently it worked at a profit. It has still to wipe off a loss of about a thousand rupees. It may take four to five months more to do so. Afterwards we expect a fair amount of profit monthly. Of this amount half will be retained to stabilise the Union and the other half will be distributed to the societies to be passed on to the producer members.

The loss mentioned above was due to heavy surplus of milk, which had to be converted into by-products—buttermilk, butter and ghee—and sold. Whereas in selling whole milk—we gain 20 per cent. on cost price, on conversion we incur a loss of 20 per cent.

The avoidance of surplus milk was a problem we had to tackle from the sixth to the ninth month. Finally we decided to work on quotas. The five societies affiliated to the Union were allowed quotas upto which they could send milk to it. The members of the societies were asked to take back a portion of the milk for their own consumption, and the Union was able to adjust its supply to the demand almost accurately.

From August onwards, we are in the next stage of development, *i.e.*, the actual trial to improve and extend our activities. We are now catering to the needs of only 5 per cent. of the population of this town. We have got to explore a large field as yet. With the support of the public, the forbearance of our customers and the honesty and obedience of our staff, we hope to develop our activities so that all producers and consumers of this place may come within the purview of this Union.

Working.

Our Union serves as a marketing centre, the producing places being the five affiliated societies. People owning milch animals are members in these societies. They bring their animals to the society's common yard and milk them in the presence of its officers. The

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milk thus gathered is put in cans, sealed and sent to our office; cow's and buffalo's milk separately.

Daily we receive the supply from societies before 5 in the morning and 3-30 in the evening. As soon as the milk is received it is measured and the distribution clerk takes account of each society's supply and acknowledges the quantity in the invoice which each society prepares and sends along with the milk. The distribution of milk is carried out by house delivery boys, depot vendors and messenger boys. The house delivery boys are eight in number and serve some 250 customers consuming about 275 measures daily. There are about a dozen depots. There is a vendor for each depot. This vendor takes the milk to his depot and sells it there in retail to the public. We meet other demands such as from coffee clubs, mills, etc. through our messenger boys.

The milk is supplied to customers in cans which are wax sealed with our M. S. U. seal at the top. These cans are provided with taps at the bottom. Milk is drawn through the tap, measured in the presence of the customer and supplied to him. At first we tried the bottle system for house customers. But it was found to be expensive and difficult. Hence we have adopted the can-delivery system.

For transport we use bicycles and tricycles. We use tricycles for transporting big consignments to large consumers such as coffee clubs and mills. Bicycles are used for house delivery. The societies outside the town use bullock carts for the present. No doubt it is a slow conveyance. We are thinking of going in for a lorry for this purpose as soon as our finances improve. Though our area of operations extends upto 15 miles from the Municipal limits, we have not organised societies very distant from the town, because of the transport difficulty.

The measure we use is the 32 ounce measure. For all practical purposes this arrangement seems to be good. We sell in retail at the rate of Rs. 0-2-8 per measure, *i.e.*, one ounce at one pie. The distance of a society from our office controls the price paid by it to its members, because the Union pays to the societies at the rate of Rs. 0-2-1 per measure of milk, and they have to bear the transport charges. The societies in the town purchase at two annas per measure and those in villages at 0-1-9 pies and 0-1-10 pies per measure. All the societies deliver milk at the Union office at 0-2-1 per measure.

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We sell milk at the following rates:—

		Cow.			Buffalo.		
		Per measure.					
Customers (Houses)	...	0	2	6	0	2	8
Depots	...	0	2	8	0	2	8
Coffee clubs below 20 measures							
a day	...	...			0	2	6
Coffee clubs above 20 measures							
a day	...	...			0	2	4
Mills	...				0	2	8

The house customers are required to pay trade deposit for one month. The coffee clubs are required to pay one day's money in advance. The mills are allowed to pay weekly or monthly. The Agricultural College Hostel and the Government Headquarters Hospital (we have secured the Government Hospital contract for milk supply for the official year 38-39) pay at the end of the month. The Union makes payment to the societies, and they to their members, every fortnight.

Other Activities.

The by-laws of our Union provide for varied activities. But we have not tackled any of them, except purchase and sale of milk. We are trying to start a fodder society under the auspices of our Union, or to open a fodder branch in the Union itself. The price of fodder varies from month to month so much that at times the milkmen have to pay twice as much as they would have paid if they had bought it at the proper season.

We are maintaining a Sindhi stud bull and a Murrah buffalo stud bull for serving the milch animals of affiliated society members. The Sindhi bull was presented by one of our Directors, Rao Sahib S. N. Ponniah Gounder, and the buffalo bull by the Coimbatore District Board.

In our early period the Co-operative Department gave us an Inspector free of cost. The Department also selected one of the members of our staff and trained him in non-credit work. The Municipal Council has encouraged us by asking the Health Officer and his subordinates to help the Union to their best. They have co-operated with us in stopping competition of vendors who sell adulterated milk. The Municipality has recently given us a site at R. S. Puram at a nominal cost for the construction of a building.

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The Veterinary Department has agreed to inspect the animals of the members of our societies free of charge. This will enable us to select the proper animals to be milked.

The Coimbatore District Urban Bank provides finance to our societies by giving them loans. These loans are disbursed to members for the purchase of milch animals and fodder. The Bank has been kind enough to help the Union also by giving it a subsidy of Rs. 200 in each of the last two years. The President, Diwan Bahadur C. S. Rathuasabapathy Mudaliar, and the Secretary have often given temporary financial accommodation to the Union, as and when other sources were not easily available.

We thank all concerned for their kind help and co-operation, but for which it will be impossible for us to administer this institution successfully.

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The Co-operative Movement and the Depressed Classes Societies

BY MR. V. KRISHNA MOHAN, M.A., B.L.,

Assistant Secretary, Madras Provincial Co-operative Bank.

The co-operative movement in India, with a record of nearly forty years of progress, has not yet been able to successfully tackle the acute problems of the depressed classes, though, it must be said to its credit, it was able to embrace the other sections of our society. The depressed classes have all along occupied quite a unique position in society and there is no doubt that until quite recent times, they were kept out of the pale of society as outcasts but fortunately for them and more fortunately for a united India, that outlook of our society has now completely changed, thanks to the Harijan movement initiated by Mahatma Gandhi, which is gaining ground day by day among the masses as well as the cultured—with the happy result that the depressed classes are now recognised as members of society entitled to respect as fellow citizens. Their separate claims in the field of public service have always been zealously safeguarded by the Government and several philanthropic institutions have been started to ameliorate their general condition. All this, however, can in no way elevate the financial and economic position of the depressed classes. If their condition is to be improved all round and their uplift is to be achieved, the only agency which can successfully carry out that object is the co-operative society. There have been co-operative societies started for the depressed classes in this Presidency—both in the Presidency town of Madras and in the mofussil and it is admitted on all hands that these societies have been able to do some real good to their members, though they have not been able to successfully tackle all the problems of their existence.

Depressed classes societies in the City of Madras are financed by the Madras District Co-operative Central Bank, and the depressed classes societies in the mofussil are financed by the Christian Central Co-operative Bank which has its headquarters at Madras. The conditions prevailing both in the city and in the mofussil with regard to the depressed classes being the same, it is proposed to deal with all of them on the same footing.

The whole community of depressed classes, with rare and honourable exceptions, is a very poor one and it is this poverty, coupled with lack of education that stands in my humble opinion as

THE CO-OP. MOVEMENT AND THE DEPRESSED CLASSES SOCIETIES

the chief stumbling block in the way of progress of that community. The rigid rules of the Hindu caste system resulting in the complete social ostracism of the depressed classes were mainly responsible for their humiliating condition. This social boycott eventually led to their segregation—with all the evils attendant on social boycott and an isolated existence. It is no wonder therefore that Government should have thought it fit to come to their rescue by organising separate institutions for their special benefit, the most important of which are the co-operative societies. Hence we see co-operative societies separately started and run for the depressed classes both in the Presidency town of Madras as well as in several places in the mofussil.

It is interesting to note that the co-operative movement, at the time of its inception about forty years ago, took a concrete shape in the form of co-operative credit societies, and co-operation was confined to credit and credit alone. The Government at that time was naturally very enthusiastic about the new movement spreading far and wide into every nook and corner of the country, and the accredited pioneers of the movement, both official and non-official, concentrated their attention on the starting of as many co-operative credit societies as they could in every conceivable village centre. Interesting stories are told how the Government organisers went about in dead earnest, of course, under directions from their superiors in office, not only preaching the great potentialities of the movement but also the immediate and tangible benefits which all the members of co-operative societies would derive by way of speedy grant of loans repayable in very easy and convenient instalments without fear of any penal consequences—tactics invariably resorted to by all progenitors of new schemes and institutions to attract the public notice and capture the investing public. In a province too well-known for its backwardness and poverty, the inhabitants, one and all, were only too glad and ready to clutch at such a godsend, with the result that there was an immediate and a very heavy rush for membership of these co-operative societies and a huge scramble for loans. The main object of membership being the desire to get speedy loans from the societies, and the main object of the societies being the speedy grant of loans to their members, there was absolutely no difficulty felt on both sides in the matter of speedy mobilisation of funds. The desire for loans being universal, the depressed classes were no exception to the rules and forming a poor section of the community, they naturally took full advantage of this magnanimous offer—perhaps a fuller one than

the other sections did—made by the co-operative credit societies organised for their sole benefit.

The present condition of these depressed classes societies is far from satisfactory and is really deplorable. Almost all of them are in quite a dormant condition with plenty of overdues from defaulting members and without any asset at all. The reasons for this unfortunate state of affairs are, in the main, poverty, lack of education and absence of character. The majority of the members of these societies are either domestic servants or Mill employees in towns, or farm labourers in the mofussil, and as such their incomes are slender and uncertain and their existence precarious. Coupled with this poverty there is lack of education. As a class they are illiterate having been from the beginning denied the benefits of proper education. Poverty and lack of education contributed to absence of character among the members, which is really the bane of all the depressed classes societies. One chief expression of want of character is to be found in the total absence of a bonafide intention on the part of members to repay loans borrowed from societies—resulting in very heavy overdues from members to societies and from societies to institutions which finance them. As a matter of fact the overdues of the Madras District Co-operative Central Bank, Ltd.,—of which I had the honour of being the Secretary for a period of nearly four years—which finances all the depressed classes societies in the city are mainly from the depressed classes societies. At the time of the starting of the Central Bank in Madras there was an understanding that it should help the organisation, financing and encouragement of depressed classes societies in the city. True to that understanding, the Madras District Co-operative Central Bank, Ltd., has been from its very inception, actively carrying out its avowed policy of financing and encouraging the depressed classes societies in Madras; but it is a great pity that there has been no reciprocity in giving effect to this understanding. The depressed classes societies have always been defaulters to the Central Bank, anxious only to obtain loans from the Bank but not to repay them. This bad trait has undermined almost all the depressed classes societies and has thoroughly shattered the faith of the Central Bank in them all. The unfortunate result is that while there are deserving members in depressed classes societies who are in need of loans, the Central Bank is unable to help them, as the society of which they are members and to which and through which alone they can apply for loans, happens to be a rotten one with heavy overdues to the Bank. Apart from this lack of bonafide intention to repay the

loans borrowed, the members also suffer from lack of an honest desire to learn and profit by good and sound advice given to them both by the Department and the Bank authorities, and thus elevate their position in life. They have absolutely no ideas of thrift or of accumulating their small savings proportionate to their income for the rainy day. The system of Hundi Boxes, at one time tried in these societies, proved to be a hopeless failure—Besides, the loans borrowed are not for productive purposes at all—and no sooner is a loan granted than the amount is frittered away in repayment of prior debts to their greedy creditors who hold them fast in their firm clutches, with the tragic result that no portion of the loan borrowed actually reaches their homes. This is especially the case with regard to the seven Corporation Menial Employees' Co-operative societies in the city of Madras now amalgamated into one. Weekly propaganda meetings, held under the auspices of the Madras District Co-operative Central Bank, Ltd., Madras, presided over by the secretary of the Bank and addressed by two depressed classes propagandists employed by the bank for the sole purpose of educating the depressed classes societies' members in the premises of the societies themselves, are scrupulously avoided both by the office bearers of the societies and members, lest they should be questioned by the Bank authorities about their overdues. Thus it will be seen that the co-operative credit societies had not at all improved the economic condition of the depressed classes but on the other hand contributed to their increased indebtedness.

Remedial Measures.

The co-operative credit society having thus been found to be economically of no use to the depressed classes, it remains to be considered what other types of societies can be formed for their economic uplift. As every kind of co-operative organisation is to be founded on high moral character, any other type of co-operative society, credit or non-credit, will not be successful in advancing their interests. Until the level of their morale is satisfactorily raised by means of co-operative education of the right type, there is only one way of helping them and that is by supplying the actual domestic necessities required by the borrowing member instead of cash. This system will at least put an end to the oft-made complaint of the wives of the borrowing members that not a pie of the loans taken by their erring husbands from the societies reaches their homes at all. To effectively carry out this system and to create confidence in the minds of the members of the depressed classes societies, the depressed

classes representatives on the Board of Management of the financing Central Bank should be requested to undertake, with the help of the Central Bank's Supervisors or Inspectors and the Panchayatdars of the concerned societies, the distribution of the supplies to the respective borrowers. There is no good of trying the experiment of mixed caste and depressed classes members' societies, for the simple and obvious reason that caste sentiment is still obsessing the caste Hindus and is bound to obsess them for some time to come in the matter of their freely mingling with the depressed classes. Apart from this, the past bitter experience of admitted overdues in all depressed classes societies is definitely against the suggestion. Further, the members of the depressed class societies as a class have not proved themselves credit worthy and as such it is not fair to introduce them into caste societies. As for financing these depressed classes societies, there is no need for a provincial organisation at all. The Central Bank in each district can easily finance the few depressed classes societies affiliated to it and supervise them through its Supervising Inspectors just as the Madras District Co-operative Central Bank does in the city of Madras. What the Madras District Co-operative Central Bank has been successfully able to do the Central Banks in the mofussil can equally do.

There is certainly a wide scope for an all round improvement of the condition of the depressed classes societies, provided the members are made to realise by means of right and persistent co-operative education and propaganda, that high moral character is absolutely essential for their economic improvement that they should honestly repay their debts to society in time and prove themselves credit worthy citizens and that they should not allow defaulters, even borrowers, to be on their Panchayat Boards. Above all, their earning capacity has to be raised. It can be emphatically stated that unless the Government choose to take early steps to promote schemes with a view to increase the earning capacity by opening for their benefit some industrial, agricultural or other lucrative occupations, there is no salvation for the depressed classes in the near future. The responsibility of raising their economic level rests solely on the Government and the sooner the Government shoulders it, the better.

Conferences.

THE NINTH LAND MORTGAGE BANKS' CONFERENCE.

The 9th annual conference of Land Mortgage Banks was held at the premises of the Central Land Mortgage Bank, Ltd., Mount Road, Madras, on the 11th February. This year's conference was opened by the Hon'ble Sri C. Rajagopalachariar. Mr. T. A. Ramalingam Chettiar, President of the Central Land Mortgage Bank, welcomed the Premier and the delegates and also presided over the conference—following its usual practice. In doing so he said :

Brother Co-operators,

On behalf of the Board of Management of the Madras Co-operative Central Land Mortgage Bank I have very great pleasure to welcome you to the 9th conference of the Land Mortgage Banks. We have passed through another year of quite and busy work marking another milestone in our progress towards helping the ryots to relieve themselves of the accumulated burden of debts. The year was marked by a great effort made by the popular Government of Madras to relieve the ryot of his debts. This great effort was called for, both by the extraordinary circumstances starting from the phenomenal fall in the price of the agricultural produce and consequently of the lands on account of the economic depression started in 1928, but is still continuing, and by the condition of the ryot who in following an occupation not remunerative even in ordinary times, has been going down unable to meet his growing wants and the strain of the accumulated debts. It is a well-known experience that a ryot who has to borrow funds has only to go on accumulating his debts with the inevitable result of being forced to sell his holding and become a labourer, often without work. Let me express, on behalf of the agricultural population, our indebtedness to the Government for having passed the Agriculturists' Debt Relief Act. At the same time, it is my duty to inform the Government that their intention in passing the Act has not been and cannot be fulfilled without further legislation. I will refer to some of the difficulties felt later.

It is a matter for gratification that the Hon'ble Sri C. Rajagopalachariar, Premier of Madras, has accepted our invitation and come here today amidst his multifarious engagements. I am sure that he will watch our proceedings with more than ordinary interest, and his presence here today will hasten efforts intended to secure the ryot in the enjoyment of the fruits of his labour and his property and to improve his condition in every way to enable him to play the role of a self-respecting and self-dependent citizen contributing to the progress of our nation.

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I am very glad to be able to report once again that there have been no overdues to this bank from any of the primary banks and that the primary banks generally managed their affairs efficiently. It is a standing complaint that there is long delay in the sanctioning of applications for loans. We have been examining this question from time to time. Even though the evil is known, it is very difficult to find a remedy for it. Most of our ryots do not keep their old records. When they come and apply for loans, we have to ask them to produce satisfactory vouchers for discharge of old encumbrances and proper documents to prove title. The applicant goes about searching for records only after he applies for a loan. Very often original documents are missing and we have to be satisfied with certified copies of registered documents, and in case of transactions not evidenced by registered documents, with statements taken from persons likely to question the title or to claim under previous encumbrances. Most of the delay in sanctioning the loans is due to this. There are, no doubt, a few cases in which want of adequate staff either in the primary bank or for valuation purposes, causes delay. The number of Sub Deputy Registrars sanctioned for valuation purposes is still not adequate. A Sub Deputy Registrar can ordinarily look after three banks. When there is a large flow of applications or when the area to be covered is large, even three banks may be too much for a Sub Deputy Registrar. Two banks in the province, viz., Amalapuram and Peelamedu had to employ special Sub Deputy Registrars at their expense for a period of 3 months for the purpose of valuation to clear the large number of applications received by them. There is also a demand for more banks to be opened in the province so as to serve the areas not provided with banks now. I will appeal to the Government to be a little more generous in supplying the agency for this purpose. I will also take this opportunity of thanking the Government for the decision they came to, not to charge the primary banks for the present for the cost of the Sub Deputy Registrars on the understanding that after paying a dividend not exceeding 5 per cent. to the share-holders, the primary banks should set apart the entire balance of their profits to the reserve fund. We have also arranged this year that the Sub Deputy Registrars themselves, in cases where they are considered competent and experienced by the Registrar, may send the applications for loans up to Rs. 500 direct to the bank. This will lead to reduce the delay in cases of loans up to Rs. 500 by two or three weeks.

Many of the problems which were pending solution last year have since been settled. The bank has agreed to the constitution of a sinking fund, called the Debenture Redemption Fund, to which whether collections are made by the bank or not and whatever the collections made by the bank may be, payment will be made every year of an amount which with interest at the rate at which the debenture has been floated, will accumulate to 1/20th of the amount of the series to which

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the sinking fund relates. There will be a sinking fund for each series separately. The investments in the sinking fund will be valued annually and any short-fall will be made good out of the profits of the year before they are utilised for other purposes. This is satisfactory so far as it goes.

But the Government have imposed two more conditions, namely, (1) that there should be a margin of $2\frac{1}{2}$ per cent. between the rate of interest at which the debentures are issued and the rate of interest charged to the ultimate borrower, and (2) that the dividend paid to the share-holders of the bank should not be more than one per cent. above the rate at which the debentures are issued. While I have no objection to the latter condition which will, to a certain extent, cripple the resources of the banks who are the principal share-holders, but who are also the sole beneficiaries of the benefit derived from the reduction in the rate of interest, I am of opinion that the first condition is neither necessary nor expedient. I have shown repeatedly to the Government and to you that it is possible to manage and provide for all the requirements including the building up of satisfactory reserves by charging only 2 per cent. above the borrowing rate. Now that our transactions are increasing rapidly, there is very much less justification for this condition than before. The constitution of the sinking fund on the lines above stated ensures a satisfactory margin for the expenses of the bank. The rate of interest charged to the villagers by the indigenous money-lenders has been also going down. Under these circumstances, it will be a great pity if we are to raise the rate of interest further. In response to the demand of the Government it was raised from 5 to $5\frac{1}{2}$ per cent. only recently. But we find that the conditions of the money market, especially in view of the higher rates of interest offered by the Provincial Governments and by institutions whose loans are guaranteed by the several Governments, require that we should increase the rate of interest offered for our debentures. If the condition imposed by the Government above mentioned stands, we will have to raise the rate of interest correspondingly to the borrowers. I represented this state of facts to Government. But they have not shown any intention to relax the condition. The Board of Management considered the situation at the last meeting and has decided to make a final appeal to the Government to reconsider the situation in spite of the likelihood of the charge being levelled against it that it is persistent and it is becoming a nuisance like the old beggar renewing his solicitations even after he had a direct refusal. I once more appeal to the Premier to take into consideration all the factors involved before finally disposing of this matter and forcing the bank to still further increase the rate of interest.

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The Government were pleased to enhance the maximum amount of guarantee to Rs. 150 lakhs in April 1938 and to Rs. 200 lakhs in September 1938. They have also been pleased to sanction a scheme of temporary accommodation whereby they are lending to the bank according to its requirements every month sufficient to meet the needs of the bank up to the limit of the mortgages for which money is advanced, but not covered by the debentures issued. This arrangement has very greatly relieved the bank of its anxieties, as the applications received for debentures were not equal to the requirements of the bank. We are very happy to express to the Government our gratitude for this prompt and ready help. This will also enable us to float our debentures, as it is intended, at the most favourable opportunity in the market.

The Government have also passed orders giving some concessions in the fees to be charged for encumbrance certificates and in stamp fees and registration fees. The encumbrance certificate fee specially works a great hardship on the borrowers who, being indebted, require as much relief as can be given. The Government have passed orders making the issue of encumbrance certificates free for all loans upto Rs. 2,000. The primary banks are finding it difficult to pay the audit fees fixed which are heavy and require to be reduced. The Provincial Conference and the Provincial Union, after considering the requirements of finance, have passed resolutions suggesting scales of fee which have been endorsed by the conference last year and which I will request the Government once again to accept. Even if there is a small deficit, I will appeal to the Government to bear it, as they will be affording by means of audit a security for the proper management of co-operative institutions intended for the agricultural population. Audit has to be treated as a security service which ought to be compulsory, but not too burdensome.

In the working of the banks, various difficulties have been met with. Some are of an administrative character about which resolutions have been proposed by some of the banks. You will have to consider them and arrive at satisfactory conclusions which will safeguard the business management of the Central Bank and the Primary Banks, but at the same time will give as much relief to the ryot as possible. But there are other matters which require legislation.

Many of the zamindars have not issued pattas to the ryots. The procedure laid down for the demand of patta is cumbrous, and often leads to delay and vexation. In zamindari areas we have found great difficulty in dealing with applications, as pattas are not forthcoming for a number of years. While the bank cannot accept title without production of a satisfactory patta, the ryot finds it difficult to produce it and

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has to forego relief that can be given by the Land Mortgage Banks. In case of default in the payment of rent, the holdings can be brought to sale by the zamindar. Under the present law, no notice need be sent to a mortgagee of the default or of a sale to be held. This makes the position of the bank risky. It is not always possible for the bank to be watching the notifications in the gazette about sales. Negligence and possibility of overlooking are human weaknesses to be taken note of. If notice is given to the bank of default in payment of rent, the bank can induce the ryot to pay or itself pay and later collect from him. It is, therefore, necessary that legislation should be undertaken to meet the two difficulties mentioned above. In view of the fact that the Estates Land Act is shortly to be revised, I request that these points may be kept in mind by the Government when the amending bill is prepared. I may also state in passing that at least one bank in the East Godavari district has represented that its members will not apply for pattas pending the new legislation. This will argue the necessity for speedy disposal of the matter.

In giving effect to the Agriculturists' Relief Act, several difficulties have been felt. There have been cases in almost every bank in which the creditors declined to take the amount arrived at on a calculation based on the provisions of the Debt Relief Act. As the debtor cannot have the amount of debt fixed unless and until the creditor files a suit for the amount due to him, the debtors have been forced either to pay more than what is due or leave the debt outstanding. Some procedure by way of application by the debtor either to the ordinary courts or to a debt conciliation board, where one exists, to fix the amount due, is necessary. For this purpose, the necessary amendments to both the Acts (Agriculturists' Relief Act and the Debt Conciliation Act) may be passed as early as possible. I may state that an appreciably large number of mortgagors are not able to complete the transactions on account of this difficulty and large sums have to be kept in suspense in primary banks and the debtors have to pay interest on them.

The creditors are not willing to produce their documents to enable the bank to calculate the amount due to them. In most cases, the prior documents, the liability under which is covered by later documents, are not produced. The creditors also refuse to take payments even after the amount due is calculated. In the case of mortgages, it is possible to deposit the amount in court. But even here, the bank cannot go and deposit the money and take the risk of the amount not being accepted by the mortgagee. There is considerable delay in the disposal of applications regarding deposits. The question of payment of interest in case the deposit is not accepted by the mortgagee, will arise as well as the complications arising from first advancing the money and then taking it back in case the mortgagee declines. In the case of simple loans, it is

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not possible to make a deposit even on these terms. Suitable amendments have to be made to meet these difficulties.

In many cases the creditors are now taking promotes or other securities for much larger amounts than they advance so as to secure them higher rates of interest or to get a premium for advancing loans. In some cases they take sale deeds of properties, while what is intended by the parties is only mortgages. This device is resorted to, to get over the provisions relating to interest in the Agriculturists' Relief Act. An amendment to the Money Lenders' Act, prescribing a form of accounts to be kept and a proper audit of accounts along with the licensing of money-lenders, which is demanded widely, and is in force in some of the provinces, will go a long way to meet these difficulties. I have referred at length to various difficulties we have met with and made suggestions and requests to the Government for action and help.

Many persons are devoting their time and energy for the satisfactory working of co-operative institutions in the province in the full belief that thereby they are rendering a service, which though not in the lime-light as in the political field, is productive of real and lasting benefit to their fellow beings. As our people live mostly in the villages, it is in villages that all the civic virtues and business principles have to be inculcated and worked. The co-operative movement is a great agency intended to give effect to the urge in the people to uplift themselves. Even though there have been failures, the movement generally has contributed to the public service of a large number of unselfish workers. So far, the movement has been devoting itself mainly to the supply of facile credit. But the realisation has come to the people that the ryot has to be dealt with as a whole and for any economic improvement in his position, his income from all sources has to be increased by the improvement of his agricultural methods, by enabling him to purchase cheap and sell dear and not allowing any portion of the fruits of his labour to go into the pockets of the middlemen, by utilising his spare time and the spare members of his family by giving them suitable subsidiary occupations and more than all by organising his economic life as a whole. Village leadership has to be developed and proper supervision and help, technical and otherwise, have to be provided. For this, a band of properly trained men is a necessity. There are so many unemployed men seeking work. If only they can be utilised by giving them proper training and putting them in charge of a few villages each, on a remuneration which will not be high but sufficient to maintain them, a great deal can be done. Even the cost of these organisers and supervisors or village leaders, as they may be called, can be found by a readjustment of the expenditure incurred already by Government and non-official agency. I made a proposal in the Provincial Union that the cost incurred on the maintenance of Revenue Inspectors, Co-operative Supervisors and the Inspectors may be

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pooled and Supervisors may be appointed one for each group of six or seven villages who will look after the work done by these people at present, as well as look after the village panchayats and other village institutions to come into existence. It is for the Government and the people to consider how best we may meet the requirements of the situation.

Brother co-operators, on your behalf as well as mine, I once again express our great indebtedness to the Hon'ble Mr. C. Rajagopalachariar for his coming here today and giving us encouragement and support by his presence. I will now request him to open the conference.

PREMIER'S SPEECH

In the course of an extempore speech the Premier said that the Central Land Mortgage Bank was doing solid and substantial public work. It was utilising the credit of the province for raising loans with the Government's guarantee and distributing that money to relieve individual indebtedness through local banks. This was really Government work done on economical lines. He believed that Madras could justly claim that it had worked the co-operative movement very satisfactorily, at any rate much more satisfactorily than several other provinces. He was in touch with the movement in an individual capacity for over 35 years and had formed this impression because of the exceedingly able, honest and earnest persons in the movement like their president.

Referring to the difficulty mentioned by Mr. Ramalingam Chettiar of applicants for loans not producing the title deeds, he said that under the Hindu Law titles to land took the most complicated forms that jurisprudence could conceive of. He would welcome individuals and institutions with experience and knowledge to come forward and advocate that the personal law should be changed, and that the man for the time being in possession of land should be declared absolute owner of the land. If this reform was effected, the credit of the people would go up.

On the question of the margin between the rate of borrowing and lending, about which Mr. Ramalingam Chettiar was rather bitter, the Premier said that both Mr. Ramalingam Chettiar on the one hand and the Government's advisers on the other, were equally sure of the soundness of their respective conclusions. He would not suggest that the one was right and the other was wrong, but they might carry on and see how the arrangement worked. In this connection he uttered a warning that the rates of interest charged by societies and Government should not be very much lower than those of the honest private money-lenders. If the former underbid the latter there would be a tussle and competition among borrowers to get loans, and that would result in corruption. When he viewed the problem as a whole he did not think it very important whether the margin between the borrowing and lending

rates in Land Mortgage Banks was $2\frac{1}{4}$ or $2\frac{1}{2}$ per cent. Everybody could not get a loan from the Land Mortgage Bank or the Government. The bulk of the people had still to go to private money-lenders. Between their rates of interest and those of Government and Land Mortgage Banks the difference should not be very great. The Government, however, were open to conviction; and if the President of the Central Land Mortgage Bank showed them that the margin fixed was not the right one, they would alter it. For the present, however, there need be no quarrel over it.

In conclusion, he again congratulated the Land Mortgage Banks of this province on the excellent reputation they had earned for themselves and hoped that they would continue to work in the same excellent spirit.

RESOLUTIONS.

The following were the resolutions passed at the conference of Primary Land Mortgage Banks held on Saturday the 11th February 1939.

1. *Share Capital*: Does the collection of 1/20 of the loan applied for as share capital cause hardship to members? Is it advisable to reduce the ratio of share capital to loan?

Resolution: "Referred to the Co-operative Committee."

2. *Entrance and Transfer fees on B. Class Shares*: In some banks, there is provision for collection of entrance and transfer fees for B. class shares. Can the collection of these fees on B. Class shares be dispensed with?

Resolution: "The Primary Banks may consider and reduce wherever possible."

3. *Loans*: (a) Is propaganda necessary to afford the benefits of Land Mortgage Banks to a larger number of agriculturists? If so, which is the agency that should take up the work?

Resolution: "The Primary Banks and the Departmental officers."

(b) Can Land Mortgage Banks issue loans for purposes other than the discharge of prior debts? If so, under what conditions and safeguards?

Resolution: "The Banks may more largely give loans for land improvement and issue a general circular on the subject."

(c) Loan applications of Rs. 500 and below, scrutinised by Co-operative Sub Registrars specially authorised by the Registrar, are now sent to the Central Land Mortgage Bank direct. Can this arrangement be extended to loan applications of Rs. 2,000 and below?

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Resolution: "To selected Sub Deputy Registrars the power of sending direct to the Bank up to a maximum of Rs. 2,000 may be given."

(d) Are the instalments in Land Mortgage Banks paid promptly? Can the penal rate of interest provided in the by-laws be deleted?

Resolution: "No change is necessary."

(e) What is the policy to be adopted in regard to the issue of loans in Inam villages on the security of (a) Melvaram rights and (b) Iruvaram rights, and under what conditions and safeguards may loans be advanced?

Resolution: "No loans can be given in such cases."

4. *Distribution of profits*: Is it desirable to exclude B. class share-holders from participating in the profits of the bank—Dividend?

Resolution: "It is desirable."

5. *General*: (a) What is the practice in banks in regard to the payment of fees for registration of assignment deeds in favour of the Central Land Mortgage Bank? Is any additional fee for this purpose collected from members?

Resolution: "The whole question be examined. The borrowers should not be made to pay."

(b) What is the effect of the latest orders of Government on the question of payment of half fees for registration of documents and for obtaining encumbrance certificates for loans exceeding Rs. 2,000?

Resolution: "It is working hardship on those who have to pay. Exemption should be given in all cases."

6. *Sub*: Disbursement of loans—obtaining of encumbrance certificate for a further period of 4 months from the date of execution of the mortgage bond.

Resolution. "It is desirable to obtain the encumbrance certificate for 4 months, but the disbursement of the loan need not be delayed."

7. Annual budgets of expenditure of primary banks—Approval by the Central Land Mortgage Bank or by the Deputy Registrars for Land Mortgage Banks.

Resolution: "The budgets need not be sent for sanction or approval."

8. Issue of pass books by primary land mortgage banks to their borrowers and annual confirmation slips—Amendment of by-law No. 30 of the model by-laws.

Resolution: "It is desirable to issue pass books and confirmation slips."

9. *Sub*: Legislation.

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Resolution: "Legislation on the points mentioned in the President's address may be undertaken as well as on the following points as early as possible. Power to summon witnesses and documents be given to the Co-operative Sub Registrars of L. M. Bs. wherever necessary to obtain information relevant to enquiries before them."

10. (a) As, in pursuance of circular 1/38-39 dated 16-7-38, the Primary Banks are prohibited from issuing loans without the production of a separate patta in the name of the borrower and as the said prohibition is bringing to a stand still the work of the banks where the zamindari villages predominate, this conference urges that the insistence on a separate Patta, as a *condition precedent*, be dispensed with and loans may be issued to members as before, if the following conditions are fulfilled:—

(1) Zamindar's agreement to the bank undertaking to issue notice before the hypotheca is put up for sale.

(2) Mutation of the borrower's name in the village accounts.

(3) Joint Patta including the name of the borrower.

(4) Production of the tax receipts in the name of the borrower.—*Cocanada L.M.B.*

(b) Resolved that the production of Estate Pattas in respect of hypotheca in Zamindari villages be waived in cases where they are not forthcoming. In such cases a certificate from the village officer regarding the possession and enjoyment of the borrower as shown by the village records be accepted as substitute.—*Vadlamannadu L.M.B.*

Resolution: "Referred to the F.C."

11. "To request the Registrar of Co-operative Societies to exempt Primary Land Mortgage Banks, whose working capital is less than 1,00,000 from audit fees."

12. "Where an applicant is required to file field sketches for fields with measurements, certified by the village karnam or the joint pattadars when a portion of a field is offered as security, the Revenue Department may be addressed to speed up the sub-division and separate registry of the lands offered as security, soon after a requisition from an applicant to that effect is received by the Department through the bank for such sub-division and separate registry. (This sort of work is done when the special loans under the Agriculturists' Loans Act were granted by the Special Loans Officer)."

13. "The Government may direct the village officers to grant sketches showing sub-division where all the owners agree."

14. *Sub:* Raising the maximum limit up to which loans may be granted on the security of tea and coffee estates to 50 and 45 per cent. from 35 and 30 per cent.

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Resolution: "May be considered after gaining experience."

15. *Sub:* to request the Central Land Mortgage Bank to grant loans at 50 per cent. of the value on the mortgage of well-aided dry lands as in the case of wet and garden lands :—*Rajampet L.M.B.*

Resolution: "Will be treated in the same way as other dry lands."

16. *Sub:* Extension of period of loan from 20 to 30 years.

Resolution: "May be extended to 25 years if the primary banks want it. It may be tried up to a limit of 5 lakhs."

17. *Sub:* Reduction of the rate of interest from 4½ per cent. to 3 per cent. on all the existing loans.

Resolution: "Impossible."

18. **Resolution:** "As the loan applications up to Rs. 2,000 are asked to be sent by the Co-op. Sub-Registrars direct, the remaining work of the D. Registrars may be done by the Dt. Deputy Registrars and the bank be relieved of the high cost incurred on the Special Deputy Registrars."

19. "This conference resolves that in order to speed up sanction of loans, the number of Sub-Registrars for Land Mortgage Banks be increased so that scrutiny of the applications may be ensured better."

20. "In order to investigate immediately into loan applications it is hereby resolved that a committee consisting of three directors of primary banks, one of whom shall be the President or Secretary, may be authorised to admit the members and receive loan applications."

21. "That the Secretary of the Primary Land Mortgage Bank should, in all cases where a loan has been sanctioned by the Central Land Mortgage Bank, be authorised to allot additional A Class shares to the past members (whose loans have been sanctioned) and any B Class shares to the members of the family or representatives in the interest of such members for the purpose of enabling the execution, without delay, of mortgage bonds."

22. *Sub:* To allow Primary Land Mortgage Banks to raise building funds. To grant funds for propaganda work in connection with the Land Mortgage Banks.

Resolution: "Each case will have to be considered on its merits."

23. "That a system of provident fund be immediately started in every Primary Land Mortgage Bank for the benefit of its staff, subject

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to the approval of the Central Land Mortgage Bank, so as to ensure a uniform system in the Presidency."

24. *Sub:* Revising the system of fixing the value of paddy to bring it in line with the present market rate namely not less than Rs. 15 per 96 Madras measures (called a "Padi" in Tamil Districts).

Resolution: "Referred to the Board to call for information and fix the rate."

25. "This conference recommends to the Government that ordinarily, co-operative Sub-Registrars of Land Mortgage Banks should be kept in one station for at least a period of three years as frequent transfers very often dislocate the work of the Primary Land Mortgage Banks under their charge."

26. The following draft resolution was referred to the Executive Committee. "As the Sub-Registrar's report is almost on the same lines as of the Supervisor's report, and as it is essential that a printed and concise form should be prescribed for the Sub-Registrar's report to facilitate quick disposal of loan applications, and to avoid repetition, it is resolved that the Central Land Mortgage Bank and the Registrar may prescribe a form."

27. "Resolved to address the Madras Co-operative Central Land Mortgage Bank, Limited, Madras, requesting them to permit entertainment and sanction of loan applications on the security of properties mentioned in A and B lists though the major portion of the properties may not be situated in the villages included in A list."

28. "Resolved to request the Government to give proper representation to the Primary Land Mortgage Banks, in the Debt Conciliation Boards."

29. "To request the Registrar of Co-operative Societies to organise a crop loan and sale society at the headquarters of every bank."

30. "Members should be advanced a second loan if they require it for a legitimate purpose. This may be advanced on property other than the hypotheca or on a portion of the hypotheca released from the first mortgage. The bank may be a little liberal. But it ought to close the loan in all cases in which a member borrows outside on the security of the property mortgaged to the L. M. Bank."

31. "The Central Bank is requested to give due weight to the primary banks' recommendation and to the reasons stated therein in sanctioning loans whenever they differ from those of the Sub-Registrars."

32. "As, in ascertaining applicant's title to the hypotheca from the encumbrance certificate obtained for a period of 24 years, the bank as well as the applicant being ignorant of the transactions in the interim period from block survey, experience considerable difficulty which may

CONFERENCES

be obviated if the encumbrance certificate concession is extended as far back as the time of Block survey, it is resolved that the Registrar and the Central Land Mortgage Bank may agitate on this and get the concession accordingly in the interests of the poor ryots."

33. "To request the Government to deliver the security bonds in the case of Government loans under Land Improvement Act or under any other rule, soon after the loan is completely discharged, and not wait for one year under present rules and to return these bonds to the Land Mortgage Bank which paid the amount and not to the borrower on his application to the Tahsildar."

34. "To request the Imperial Bank and other Joint Stock Banks that in case of promotes or bonds discharged by the Primary Land Mortgage Bank on behalf of its clients, they should return the same to the bank and not to the clients."

35. "To request the Government to give illustrations under the different conditions of debts mentioned under the two sections 8 and 9 of the Debt Relief Act to avoid wrong application of its principles under section 28 (2c) of the Act."

The Erode Co-operative House Mortgage Bank, Ltd., No. 9782, Erode.

THE ERODE CO-OPERATIVE HOUSE MORTGAGE BANK, LTD., hereby invites the attention of the investing public about its being the safest place for investment of long-term funds, viz., funds that could be tendered as Fixed Deposits for a period of ten years or more. The Bank advances loans only on first mortgages of valuable buildings, within the jurisdiction of the bank for new construction, repair, redemption and purchase of houses at not more than 50 per cent. of the value, estimated on an average of valuations made on a scientific basis by the Supervisor, Surveyor and two appraising Directors of the bank. The present rate of interest offered on deposits made is 5 per cent. per annum, if payable annually and 4½ per cent. per annum, if payable half-yearly.

	Rs.
Paid up Share Capital of the Bank on 9—2—39	is ... 12,596
Reserve Fund	... 2,922
Total Loan Outstandings	... 50,071
Fixed Deposits	... 51,605
Provident Deposits outstanding formed as Sinking Fund	... 7,109
Cash on hand and in bank accounts	... 7,521

E. S. GANAPATHI AIYAR,

President.

Reviews.

I

BETTER VILLAGES.

By F. L. Brayne, C.I.E., M.C., I.C.S., Commissioner of Rural Reconstruction, Punjab. Second Edition, 1938. Pages 296. Published by The Oxford University Press. Price: Rs. 2-0-0.

Mr. F. L. Brayne, author of the famous Gurgaon Experiment in the Punjab and of 'Socrates in an Indian Village' and other books, needs no introduction to those interested in the improvement of villages in India. No one has been writing more constantly and more persistently than he on this subject. He writes for the worker and for the ordinary busy man, not for the scholar. When a book is sold out and a revised edition of it has to be brought out, he generally makes it a new book with a new name. *Better Villages* is a re-incarnation of *The Remaking of Village India*, which was itself a new edition of *Village Uplift in India*. There is an advantage in this method—the reader's interest is kept up.

In this book Mr. Brayne emphasises the importance of the driving force for reform coming from within. When he tried some years ago his Gurgaon Experiment, he made full use of his official position as Deputy Commissioner (Collector) to get improvements carried out in the villages, without the people themselves understanding their need or wanting them keenly. The work all went to pieces when he was transferred to another district. Benefiting by that experience he says in this book:—

"The main problem of rural reconstruction is not so much to find out what is wrong and how to put it right, as to put a dynamo into the village, so that the villager himself will not only realize that things are wrong but will go on thinking and working in co-operation with his fellow-villagers and with Government to put them right. This dynamo is the ambition to raise the standard of living In fact, until this desire to rise can be put into the villager's heart, we are rolling stones up a hill, like Sisyphus of old, and as soon as we stop our unnatural efforts, things will soon be as bad as ever or even worse."

He has drawn a useful contrast between a really high standard of living and a low one. It will suffice to mention here some of the marks of a low standard according to him: expensive clothes worn untidily and not too clean; bursts of extravagance followed by want; dirty children, cluttered with ornaments; quarrelling, indiscipline, disease; irregular

REVIEWS

meals, badly cooked ill-balanced diet; illiteracy, absence of books, medicines, etc.; calling in a dirty *dai* but spending huge sums on fire works and so on for the birth of a son, etc.

Every chapter of the book is important and full of practical suggestions. Emphasis is rightly placed on the co-operation of women in all improvement work, on group effort and a permanent organisation in the village, whether it is the village panchayat, co-operative society or some other organisation. In the chapter on co-operation he observes:

"Looking back, one is tempted to suggest that the Credit Society was not the best form in which co-operation should have been introduced to people who were reckless of debt and without the discipline and the virtues of true co-operators. It is easy to be wise now, of course, but for the future the policy is the approach credit through the training and self-denial of thrift and better living."

Though the book deals chiefly with the villages of the Punjab, its lessons are equally applicable to all provinces. Abridged editions in different Indian languages would be exceedingly useful, and we hope the publishers will think of bringing them out.

V. V. S.

II

Annual Report on the working of Co-operative Societies in the Presidency of Bengal for the year ending 30th June, 1937.

To one like the present reviewer, who after a break of three years comes back to the movement, the reading of the report of the Registrar of Co-operative Societies of Bengal for the year ending 30th June, 1937 is a sad experience.

With the rest of India the province of Bengal is passing through bad times. But it seems to have some peculiar weaknesses which have to be immediately attended to, if the movement is to survive and progress along healthy lines.

The Agricultural Credit Societies form the backbone of the movement and their condition is almost an unerring test about the condition of the movement as a whole. The Central Banks that finance these agricultural societies have to be taken as a part of the system and the machinery of finance has to be examined as a whole.

For a province which is smaller in extent than our own province they have 118 Central Banks as against 32 of ours. The number of districts is 26 in Bengal which is not very different from ours. We need not at present examine the historical causes that led to the multiplicity of central financing institutions. The sooner they are integrated into a fewer number, on the average of one per district, the better for the movement. As it is, Central Banks, especially those with small working

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capital, are not even able to meet the demands for the return of matured deposits. It is high time that the agricultural societies confine themselves to short and intermediate loans only and leave it to other agencies to deal with long-term loans. It is a pity that separate land mortgage banks with a Central Bank of their own, have not been organised; but, the Provincial Bank is having a section attending to land mortgage bank transactions. The sooner these are separated the better and here again, Madras has got an example to set to other provinces.

The Central Banks are not able to reduce the rate of interest and the complex situation has been somewhat further complicated by the actions of Debt Settlement Boards. Unless the machinery is completely overhauled, as indicated above, the financing system is bound to remain unsatisfactory. No wonder that the main work has been the "determination of the actual repaying capacity of the primary borrowers and of the village societies and the degree of relief necessary for gradual realisation of overdues of Central Banks and the Provincial Bank." No wonder that the policy of cautious expansion of the agricultural credit movement had to be pursued during the year under review also. The stagnation in the agricultural side of the movement caused by the "stoppage of fresh loans to the societies and the consequential waning faith of the cultivators in the movement" is a serious moral set back and not to speak of its economic consequences.

We are glad to be told that a draft revised bill for amendment of the Co-operative Societies Act of 1912 is under the consideration by Government and we hope they would incorporate into it not merely provision for "realising the co-operative dues from recalcitrant members as public demand," not only will they make special provision for Land Mortgage Banks, but we hope they would make provision for consolidation of Central Banks and make arrangements for the free flow of credit from the centre to the villages.

We are glad that the Rural Reconstruction Societies, especially those under the guidance of Sree Niketan, Viswabharati, the Co-operative Insurance Society, and the Milk Supply Unions at Calcutta have been doing comparatively well. We are not surprised that the Bengal Co-operative Organisation Society, corresponding to our P. C. U., fared badly and was in extreme difficulty in carrying on its normal activities. All these symptoms of deterioration are bound to vanish, if once more cheap credit be made available to the suffering ryot by an organised system of finance. It is somewhat surprising to a Madrasi to be told that the Provincial Bank lends to its constituents at 5 per cent. We can imagine the corresponding rates of lending by Central Banks to societies and by societies to individuals.

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The system of controlled credit, now in vogue in certain districts of our province and which has proved its usefulness as an experiment might also be adopted, and once the financing machinery is reorganised we hope the movement will put on new strength.

S. K. Y.

III

*Co-operation in the Federated Malay States and
Strait Settlements, 1937. Price \$1 or 2s. 4d.*

This is quite a human document. The Director, Mr. R. Boyd, has produced a clear and concise report of the progress of co-operation in the colony. There is no special enthusiasm for any department of work, no attempt to excuse any defect, and no desire to bolster up any supposed good work. There is a judicial calmness exhibited everywhere in the report. The language is so simple that even non-specialists can read it and understand it. Figures are given for five and ten years and anybody can draw his own conclusions.

Having said so much, I should point out one or two small defects. The report consists of 100 paragraphs touching on 25 items. Since the report is small, only 17 pages of matter, most facts are simply mentioned and left there. It badly bored me to read through. I should rather have liked a sort of connection to run through between the several parts of the report in place of compartments into which they look like being socketed. The Strait Settlements are different from the Malay States in control. Why should not co-operation in the States be treated separately from the activity in the Settlements, and an idea of the activities in the whole area be given separate from the others? If a comparative study of the activities were required, a very little rearrangement in the Appendices would give it.

While co-operative ideas of the last century—Raiffeisen's and Schulze's and Sir Horace Plunkett's—are quoted and acted upon, later co-operative ideas have not been much cared for. Of the 40 countries in the International Co-operative Union, most think of Stores as proper co-operation. And yet Mr. Boyd has something unnecessarily cautious to say about the Negri Sembilan Store and the two village stores. The necessity for stores has been well brought out by the economist Gide when he says that, if the rich man had to pay the price for his purchases which the poor man pays for his, it would be evident what inroads are made into his chest. A properly conducted store would not only get for the poor man the proper value for his hard-earned money, but, if undesirable competition is avoided, a growing nest egg which will stand him in good stead in periods of unemployment, or help him to slowly

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raise his standard of living. The raising of the standard of living is what I should commend to every friend of co-operation, Indian and Eastern.

I went carefully through the paragraphs that spoke of the growth of co-operation among Indian employees and labourers. The pleasure that I felt was somewhat marred by the recent agitation carried on on their behalf in India. The clever Indian worker, labourer and otherwise, is necessary for the development of these lands. But, when he has shown the way, he is not wanted.

The following figures represent the progress of co-operation in the country:—

Year.	No. of Societies of all kinds.	No. of Members.	Paid up Capital.
			\$
1933	311	44,605	3,898,036
1937	543	104,293	7,576,672

The period of depression continues, especially in the paddy areas.

C. S. R.

THE INDIAN CO-OPERATIVE REVIEW

(Journal of the All India Co-operative Institutes' Association)

Published Quarterly

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Letters to the Editor

I

Dear Sir,

I am thankful to you for your courtesy in sending me a copy of the 'Madras Journal of Co-operation' for January 1939, in which you have published extracts from my Presidential Address at the 10th All-Coorg Co-operative Conference and have commented editorially on some of the points touched by me in the address.

You seem to take objection to the remarks with which I emphasised the importance of holding up produce and of the provision of facilities for that purpose, such as storage godowns. In Coorg they have made a very good beginning in this respect and some large permanent structures are in the course of construction at present for more than one produce sale society. I think this is a most welcome development and certainly one which is generally considered indispensable, as a measure, for enabling ryots to obtain better prices for their produce than they do at present. The *raison d'être* of the storage godowns is obviously to secure for the ryot the advantage of higher prices which generally prevail after the harvest glut is over. I hope you do not imply, as you seem to, that there are various influences at work which go to neutralise and extinguish any such advantage; then, there is no case for these storage godowns, nor any need for holding up produce. Influences such as you mention do operate and lead to a certain amount of fluctuation of prices. It is not contended at all that the increase in prices is continuous and proportional to the lapse of time after harvest and all that one has to do is to postpone sale until the following harvest is to begin.

The case for holding up produce rests on the tendency of prices to rise later in the year, sometimes more, sometimes less and the chances amounting almost to a certainty, that they will rise high enough to justify storage. The stored produce may be sold at different prices at different times of the year, with the net result being an advantage over sales immediately after harvest. This is general experience, I think, though there may be exceptions.

As regards my not being on sure ground about prices at various times of the year, all I can say is, I made it as sure as anybody could. In the Mysore Department of Agriculture, the Agricultural Inspectors are required to report prices of produce in their headquarters from week to week; these from a number of Inspectors and for a large variety of produce are fairly extensive. This was the material I used and I doubt if any surer ground can be had. I grant that the increases in certain cases of 50 and 100 per cent. appear incredibly large but there they were. It is not stated or implied that these differences were solely due to the time

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factor and that other disturbing influences do not operate. "An appreciation of the various factors which influence prices" is certainly desirable, I grant, but that should not weaken the case for enabling ryots to hold up produce wherever the nature of the commodity will permit it.

Yours faithfully,

A. K. YEGNA NARAYANA AIYER,
Retired Director of Agriculture, Bangalore City.

[After this amplification there is practically no difference between Mr. Yegna Narayana Aiyer's views and ours.—Ed.]

II

Service Conditions in Co-operative Institutions.

Dear Sir,

With reference to the editorial comments on the resolutions of the Madras Provincial Non-official Co-operative Employees' Conference, published in your esteemed monthly, it is an incontrovertible truth that the work in co-operative institutions is suffering largely on account of the unsatisfactory state of affairs relating to the control, direction and conditions of service and emoluments of the non-official co-operative employees. In the first place, the control over the non-official co-operative employees is exercised by a large and varying section of non-official co-operative employers. The employees are therefore made, not infrequently, to play to the varying moods and caprices of these changing sections of non-official co-operative employers. Further they have to work to the constant satisfaction of departmental officers. In many institutions there is a tacit agreement by which the departmental officers and non-official employers form an alliance, whereby the departmental men are allowed to exercise extreme control over the non-official co-operative employees. The result of it all is that the non-official employees are subjected to grave hardships and their lot is rendered unenviable. It is this state of affairs—insecurity of service, multiplicity of control, absence of good prospects or decent conditions of work—which largely tends to militate against enthusiastic and efficient non-official co-operative service. This has caused the employees to request for provincialisation. It is also significant that in one of the co-operative conferences held recently in Bengal the non-official co-operators have actually themselves suggested provincialisation of non-official co-operative services in that province. It would be prudent for our co-operators in this province to inaugurate the system of provincialisation. It would be unwise to wait for a worsening of the movement and then put forth the suggestion of provincialisation to save the movement from a state of suspended animation.

With regards to the demand for providing in the Act and Rules for regulating service conditions of the employees the mere fact that certain

LETTERS TO THE EDITOR

sections of workers under private employers do not have such rules provided is certainly no reason why co-operative non-official employees should be denied such rights. The existence of slavery in some parts of the globe or in one section, group or groups of people can never be quoted as an argument for denying emancipation from slavery when any section demands it. Are not co-operative concerns enjoying benefits which are not available to capitalist concerns? Are they not clamouring for further benefits which are not at all enjoyed or not at all demanded by the capitalist concerns? Further, looking around us it is clear that many sections of employees are clamouring for protection and relief because conditions of service are becoming harder, the burdens heavier and the real wages lower. In our own country the Government is actually trying to mediate between employers and employees and in some cases have used their influence to secure redress of their grievances. Lastly, I have to deplore the attitude of the employers who are exhibiting in some cases an extreme disregard for the legitimate interests of the employees. I have to request every one of them to kindly go through the volumes of the "Review of International Co-operation" and learn what co-operation means at least in so far as it concerns the treatment to be given to the employees working in co-operative institutions, in civilised countries. I have to particularly appeal to them that on a false notion of autonomy they ought not to stand in the way of the Government making rules to prevent employers having recourse to acts which constitute an entire negation of decent conditions of service and legitimate rights of employees.

Yours faithfully,

K. KRISHNA RAO, B.A.,
*President, The Madras Provincial Non-official
Co-operative Employees' Association.*

III

The Present Co-operative Act.

Dear Sir,

The questionnaire issued by the Government, regarding the suggestions to be made in improving the co-operative movement in the Presidency, is remarkable in its wide scope. As the movement of co-operation is mostly intended for the economic uplift of the masses, all people, irrespective of their party feelings, should render a helping hand in this endeavour. No doubt the movement has done some benefit to the population of our country, but it fell far short of our expectations. So, the present Government has taken into its hands the remedy for the failure of the movement.

At present, there are three kinds of co-operative banks, *viz.*, Provincial, District and Village Banks. The Provincial Bank gives credit to the District Banks, which in turn, lend to the village societies, but the District and the Provincial Banks are not authorised to lend to the members of the village societies directly. All these banks can get deposits from rich people who can afford to lend to the banks at a low rate of interest. Generally the confidence in the Provincial Bank is greater than in the

District or Village Banks, and therefore these two have to depend on the Provincial Bank for credit. In our Presidency, the Provincial Bank gives credit to the District Banks at the rate of 3 per cent. per annum and they in turn are charging 5 per cent. from the village societies. Thus there is a large margin of interest between the Provincial bank and the village societies, and this margin, which comes to nearly 3½ per cent. is to be borne by the members of the village societies. If the mediator banks, i.e., the District Banks are abolished, I think that the people can get credit at a cheaper rate, than that fixed by the Government, and the movement can be more popular than before.

There are now co-operative unions for every one or two firkas, for supervising the village societies, and their services can be utilised by the Provincial Bank directly, for disbursing the loans to the societies. They will also supervise them as at present, and be acting as the branches of the Provincial Bank in their work. The Provincial Bank can lend to these societies directly without much difficulty and delay. At present, the people are more anxious to get their loans from individual bankers than from these co-operative societies, both on account of the delay in securing the loans and on account of the higher rate of interest charged by the societies. Moreover, they have to pay share capital also for obtaining a loan from the society, and they could get no dividend on it on account of the expenses incurred by the society. If the rate is less than the maximum rate of interest fixed by the Government for private bankers, all the people borrow from the co-operative societies only, considering the other facilities provided in these societies. Hence it seems essential that, in order to popularise the movement, these District Banks should be eliminated from the Act. I trust that the Government and the leading co-operators of the Presidency will consider this suggestion in amending the act.

Yours faithfully,
V. N. SWAMY,
Chicacole.

IV

Dear Sir,

In the "News and Notes" of the January 1939 issue, the following correction is necessary in the information published with regard to our Bank on page 433.

1. The rate of interest on fresh loans to societies was reduced to 5 per cent. with effect from 1-2-36 and this has been availed of by all the societies. The rate of interest on all outstanding loans was reduced to 5 per cent. with effect from 1-3-38 in the case of those societies which reduced in their turn their rate to 6½ per cent. It is only this reduction of the rate on outstanding loans that many societies have not chosen to avail of.

2. It is stated that the Bank issued loans at 3½ per cent. interest to Loan and Sale Societies and to Weavers' Societies and to other societies for jewel loans. The Bank has not as yet actually issued loans to societies for the issue of jewel loans at 3½ per cent. but has only made a provision in the by-laws to do so.

Yours truly,
SECRETARY,
The Trichy Co-operative Central Bank, Ltd.

News and Notes.

A correspondent, who is a graduate and has undergone co-operative training complains that his application for the post of a clerk in a Central Bank was unheeded, and that an S. S. L. C. passed candidate without co-operative training was appointed to the post. He has drawn our attention to a circular issued by the Registrar of Co-operative Societies on the 23rd April, 1932, requesting co-operative institutions to recruit only trained persons in future. A trained recruit is admittedly better than an untrained one. It is only the barest justice and fair play that trained candidates who have spent their time and money to get trained, and who have also cost the State and the co-operative movement some money, should be preferred to untrained candidates. If co-operative institutions do not stand up for fairness, what others will? We hope that directors and members of societies will have a watchful eye regarding this matter.

Rule 20 of the Rules framed under the Madras Co-operative Societies Act prohibits a person from being a member of two credit societies at the same time. Contravention of this Rule is punishable under Section 55 of the Act. Recently a case arose in Madras where two persons who were members of the Peddunaickenpet Co-operative Society joined the Katchaleswarar Co-operative Bank, making a false declaration that they were not members of any other co-operative credit society. They were prosecuted and fined Rs. 10 each and in default to undergo one week's simple imprisonment. Members of urban societies in particular will do well to remember the Rule and its implications.

The Alamuru Co-operative Rural Bank, Ltd., is the well-known 'multiple purpose society' which was opened by the Hon'ble Mr. T. Prakasam on 27-2-'38. During the last 12 months of its working its membership has grown to 155, the paid up share capital being Rs. 1,883. It has borrowed about Rs. 17,000 from the Ramachandrapuram Central Bank and holds deposits to the extent of Rs. 13,000. It issued loans on the pledge of gold and of produce and also gave cash credits on continuous mortgage of lands. The amount outstanding from members on the 7th February was Rs. 32,450. The Bank has taken agency for the supply of manures to its members from Messrs. Parry & Company and of Khadder from the All-India Spinners' Association, Andhra Branch. It has also moved the District Collector to acquire land of the extent of 2.62 cents for the construction of 25 buildings to form the nucleus of a Co-operative colony. We expect in the second year of its working it will develop marketing activities to a greater extent.

In his speech at the Land Mortgage Banks' Conference the other day, the Hon. Mr. Rajagopalachariar had a dig at our co-operative stores in

contrasting their managers with shop-keepers. While the shop-keeper was a keen man who 'had the price, make and quality of his articles at his fingers' ends' what was the co-operative store manager like? He was generally 'a gentleman who had failed to get on somewhere else or had been pensioned off, an old person full of dignity and the feeling that he was rendering a public service, having to look up some book or invoice at every turn.' We are afraid this description is quite true of most cases. There is any amount of difference between the shop-keeper and the store manager, not only in knowledge about articles but in the desire to please the customers. The latter is a complete official with all the drawbacks of official mentality.

A conference of the co-operative non-official employees in Anantapur District was held on the 8th and 9th February in the premises of the Central Bank at Anantapur. The resolutions passed at the provincial conference recently held at Nellore were approved. A district association was formed with Mr S. Adinarayana Rao, Manager of the Central Bank, as President.

The Kodavasal Land Mortgage Bank, which was started in 1930 with 34 members and a share capital of Rs. 340, had on the 30th of June last 568 members and a share capital of Rs. 20,433. There were no overdues at all either in respect of principal or interest from the members. It earned in 1937-38 Rs. 1,883.7-0 and declared a dividend of 5 per cent. on paid-up share capital. The credit for the excellent working of the Bank is given to the Secretary, Mr. T. S. Krishnaswamy Iyengar, who is a retired Government servant of the Police department.

With the support of the Municipal authorities and the Deputy Registrar, the Chittoor Municipal Employees' Co-operative Society has adopted a scheme for improving the condition of the scavengers employed by the Municipality. They are to be given Hundi boxes, rescued from debts incurred in pre-Prohibition days and supplied provisions and other domestic requirements through the Society. They will also be taken to cinema shows on Sunday evenings. A building scheme intended to enable each of them to become the owner of a house in the course of ten years is also under consideration.

It is with great pleasure that we note the good work done by the Pudur Co-operative Loan and Sale Society in Tinnevely District. The membership increased to 277, of which 260 were individuals and 17 were societies, with a paid-up share capital of over Rs 17,000. The Society gave loans to members of nearly a lakh of rupees and the repayment exceeded Rs. 80,000. The society also advanced loans on pledge of produce (mostly cotton, groundnut, tobacco, etc.) and the amount realised by the sale of produce pledged exceeded Rs. 80,000. We are glad to note that the Society earned a net profit of over Rs. 300 after wiping off the loss of the previous year and

setting apart Rs. 909-13-0 to be distributed as bonus to members. The authorities of the society deserve to be congratulated on the good work done during the year.

The Cochin rural development conference took place on the 31st January last at Ernakulam. Dr. P. J. Thomas, Professor of Economics, Madras University, presided over it. Elected representatives from most of the panchayats in the district attended the conference. Dr. A. R. Menon, Minister for Rural Development, opened the conference with a welcome speech.

The Rural Development School organised at Jammalamadugu in Cuddapah district on the model of the Salem schools came to a close after a month's duration on the 9th February. Mr. V. S. Hejmadi, I.C.S., Collector, delivered the valedictory address to the students. Srimathi K. Ramasubamma, President, District Board, presided over the function and distributed prizes to the winners in games competitions organised for village teams. She exhorted the students to carry the light of the knowledge into the villages and make the people happy. Mr. Mutthu Krishna Naidu, Deputy Registrar of Co-operative Societies, was the secretary to the school.

The Directors of Agriculture and Industries, Madras, recently visited Kampli in Bellary district to discuss with Dr. Nagan Goud, President of the District Board, and the representatives of land-lords and ryots, the proposal made by the latter to start a co-operative sugar factory at Kampli. Figures relating to the production of cane within a convenient radius would seem to indicate that a factory could be successfully run there. While the question will be receiving the attention of the Directors, the landlords and ryots have been advised to collect the minimum share capital required for the starting of a society.

The amount due to the Co-operative Central Bank, Ltd., Kumbakonam, by its affiliated societies rose during the year 1937-38 from Rs. 9'53 to 11'19 lakhs. We are told that this increase was contributed largely by the sale societies. The Bank's lending rate was reduced in the latter half of the year from 4½ to 4 per cent. The Co-operative Sub-Registrar of the department who was functioning as the Secretary of the Bank has been invested with the powers of the Registrar of the district in respect of Thiruthurai and Papanasam taluks. It is reported that he entertained 126 arbitration references and 251 execution petitions relating to the two taluks in his charge. During the current year the Bank commemorated its Silver Jubilee function.

The Keeranur Co-operative Society in Pudukottah State celebrated its Silver Jubilee with Mr. T. A. Ramalingam Chettiar in the chair. Mr. S. Krishna Iyer, president of the society, read a report stating that during

the last 25 years the society had given loans to the extent of Rs. 4½ lakhs, of which the amount outstanding at the end of June last was only about 16,000. The reserve fund of the society exceeded Rs. 10,000. The portrait of Mr. Krishna Aiyar was unveiled on the occasion.

The Silver Jubilee of the Mamandur Co-operative Society in Chingleput district was celebrated on the 4th February at Mamandur. Rao Bahadur M. Giriappa opened the proceedings, while Mr. K. Venugopala Mudaliar, President, District Bank, presided over the function. Mr. Giriappa stressed the need for members to live within their means and to sell their produce through sale societies. Mr. O. M. Venkatanatha Iyengar of Utthiramerur, a veteran co-operator, unveiled the portraits of Mr. Natesa Mudaliar, president of the society, and of Mr. M. Ramaswamy Mudaliar who has been connected with this society all these 25 years.

The Kodur Fruit Growers' Co-operative Society started work on 17-4-1937. During the co-operative year 1937-38, its membership increased from 25 to 108 and its paid up share capital from Rs. 1,260 to Rs. 2,795. This was shorter than what it should have been, by Rs. 1,455 which was the amount overdue under share capital. It is very unsatisfactory that such a large amount should have been overdue. The society issued during the year 70 loans to its members amounting to Rs. 42,635 on the pledge of standing crop at 6½ per cent. interest for the improvement of their gardens. About Rs. 6,000 out of it had been repaid and the balance was outstanding. The main object of the society is to market the fruits grown by the members. The report notes with regret that most of the members were not utilising the society for this purpose, in spite of the special facilities offered by the Government. However, things improved considerably during the last three months of the year and fruits, chiefly oranges, of a total value of Rs. 38,500 were sold through the Provincial Co-operative Marketing Society. The Kodur Society got a rebate of Rs. 1,504-12-0 from the Provincial Marketing Society, after Rs. 299-12-0 was deducted on account of bad debts arising from credit sales. The society earned a net profit of Rs. 852-11-0 after writing off the previous year's loss of Rs. 52-12-0. In the current year members are showing greater loyalty to the society, larger quantities of fruit are being sold and greater benefits to members are expected.

The Hon'ble Mr. Giri, had the pleasure of opening the district museum of arts, crafts and industries at Guntur on the 4th of February last. He complimented Mr. S. A. Venkataraman, I.C.S., Collector, on having started the first museum of the kind at Vellore, when he was Collector there last year, and for having followed it up by another here. The Minister declared that without a net work of museums, emporiums and warehouses the work of the Industrial National Planning Committee would be of no avail. The country would not be self-sufficient, he said, with the starting of large scale industries only. Cottage industries also were necessary and precautions had to be taken that no competition prevailed between the two types of industries. Key industries, he said, would be undertaken by the State, medium industries would be given State aid and self-sufficient industries would be left to private enterprise. He appealed to District Boards and Municipalities to support the museum.

Government Orders.

I GOVERNMENT OF MADRAS DEVELOPMENT DEPARTMENT.

G. O. No. 3016, 5th December, 1938.

Co-operative Societies Act—Rules—Rule XXIV—Amendment—Confirmed.

Read—the following papers :—

G. O. No. 2523, Development, dated 11th October, 1938.

From the Registrar of Co-operative Societies, dated 23rd November 1938, No. B. 5905/38.

Order—No. 3016, Development, dated 5th December, 1938.

In Notification No. 825, dated the 11th October 1938, published at page 1496 of Part I of the *Fort St. George Gazette*, dated the 18th October 1938, the Government, under sub-sections (1) and (2) of section 65 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), published as required by sub-section (3) of the said section a draft amendment to rule XXIV of the rules issued under the Act. The draft amendment empowered Presidents of Societies instead of Secretaries to sign applications for amendment to the by-laws. The Anantapur District Co-operative Central Bank has suggested that the Vice-President or in the alternative three members of the Committee of whom the President or the Vice-President shall be one may also be authorized to sign and that in the latter case the application should be countersigned by the Secretary. The Madura-Ramnad Central Co-operative Bank on the other hand suggests that any honorary officer may sign the application instead of the Secretary. The Government are unable to accept their suggestions. They hereby confirm the amendment already published. The appended notification will be published in the *Fort St. George Gazette*.

(By order of His Excellency the Governor)

C. J. PAUL,
Secretary to Government.

APPENDIX. Notification.

In exercise of the powers conferred by sub-section (1) and (2) of section 65 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), the Government of Madras are hereby pleased to make the following amendment to the rules published with Development Department Notification No. 264, dated the 1st August 1933, at pages 1178-1185 of Part I of the *Fort St. George Gazette*, dated the 1st August 1933, as subsequently amended, the same having been previously published as required by sub-section (3) of the said section :—

Amendment.

In clause (iii) of rule XXIV of the said rules, for the word 'Secretary' the word 'President' shall be substituted.

II

G. O. No. 2259, 12th September, 1938.

Co-operative societies—Act—Rules—Rule II—Non-official paid employees—Conditions of service, etc.—Provision in the by-laws—Draft amendment—Confirmed.

Read—the following papers :—

G. O. Ms. No. 869, Development, dated 31st March, 1938.

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Official Memorandum to the Registrar of Co-operative Societies, No. 2220-V/38-1, Development, dated 4th June, 1938.

From the Registrar of Co-operative Societies, dated 16th June 1938, B. No. 6217/37.

Official Memorandum to the Registrar of Co-operative Societies, No. 2220-V/38, Development, dated 21st July, 1938.

From the Registrar of Co-operative Societies, dated 21st July 1938, B. No. 6217/37.

From the Registrar of Co-operative Societies, dated 8th August 1938, B. No. 6217/37.

Order—No. 2259, Development, dated 12th September 1938.

In Notification No. 333, dated the 31st March 1938, published at page 538 of Part I of the *Fort St. George Gazette*, dated the 12th April 1938, the Government under sub-sections (1) and (2) of section 65 of the Madras Co-operative Societies Act, 1932, published, as required by sub-section (3) of the said section, a draft amendment to rule II of the rules issued under the Act. From the objections or suggestions received with respect to the draft amendment, it is observed that the scope of the amendment has been misunderstood in some quarters as an attempt at officialization and as fettering the powers now enjoyed by the societies over their paid staff. The Government desire to make it clear that what the amendment does is merely to require every co-operative society which has a paid employee to make provision in its by-laws regulating the conditions of service, etc., in order to safeguard him against unjust or improper treatment and to provide for him reasonable security of tenure. The Registrar will only suggest a set of model by-laws for adoption by societies with such modifications as may be found necessary in individual cases. The amendment published is hereby confirmed. The appended notification will be published in the *Fort St. George Gazette*.

(By order of His Excellency the Governor)

C. J. PAUL,
Secretary to Government.

APPENDIX.

Notification.

In exercise of the powers conferred by sub-sections (1) and (2) of section 65 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), the Government of Madras are hereby pleased to make the following amendment to the rules published with Development Department Notification No. 264, dated the 1st August 1933, at pages 1178-1185 of Part I of the *Fort St. George Gazette*, dated the 1st August 1933, as subsequently amended, the same having been previously published as required by sub-section (3) of the said section :—

Amendment.

In rule II of the said rules, after clause (u), the following clause shall be inserted, namely :—

“(uu) the method of recruitment, the conditions of service and the pay and allowances of paid officers and servants of the society and the procedure to be followed in the disposal of disciplinary cases against them.”

Circulars.

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE SOCIETIES,
Madras, Dated 9th July 1938.

T. AUSTIN, Esq., I.C.S.,

Registrar.

CIRCULAR.

Subject :—Land Mortgage Banks—Institution of provident fund for their employees—Draft rules—Communicated.

Almost all primary co-operative land mortgage banks have paid staff. A few banks have instituted the scheme of provident fund for the benefit of their employees and have framed rules for working the fund. A few more banks propose to adopt the scheme and have asked for the approval of the Department for the rules framed by them. It is considered necessary that there should be uniformity in the rules adopted by the banks. For this purpose, the Registrar has in consultation with the President of the Madras Co-operative Central Land Mortgage Bank, Ltd., framed draft rules and a copy of them is enclosed.

2. The Registrar considers that the scheme of provident fund can be introduced in all banks which have transactions of Rs. 2 lakhs and above. In banks working at a profit but whose transactions are less than Rs. 2 lakhs the question of provident fund may be decided by the banks themselves. Before a bank adopts the model draft rules referred to in paragraph 1 above, it must obtain the previous approval of its general body and of the Deputy Registrar for Land Mortgage Banks before introducing the fund.

(Sd.) T. AUSTIN,
Registrar.

Whereas it is resolved to institute a provident fund for making provision on retirement, death or resignation of the employees of the Co-operative Land Mortgage Bank, Ltd., and to frame rules for governing the Fund.

1. These rules, are called the Co-operative Land Mortgage Bank Provident Fund Rules and the Fund called the Co-operative Land Mortgage Bank Provident Fund.

2. The rules shall come into force on

3. Every person now in the permanent service of the bank or who may be employed permanently hereafter shall be a subscriber to the Fund.

4. Save as provided in rule 7, every person shall subscribe monthly at the rate specified below—

Employees drawing Rs. 15 and above—One anna in the rupee.

Employees drawing below Rs. 15—Six pies in the rupee.

5. Subscriptions shall be reckoned on the pay of the subscriber excluding recompense for special occasional services, acting leave and other allowances.

6. Should a subscriber be temporarily on reduced pay, his subscription shall be calculated on the amount actually drawn by him.

7. A subscriber on leave shall at his option elect not to subscribe during leave. He shall communicate in writing his decision to the Secretary of the bank. Failure to make due and timely notice shall be deemed to constitute election to subscribe.

8. Subscriptions shall be deducted monthly from the establishment pay bills and credit given for such deductions.

9. Every subscriber soon after joining the fund shall make a nomination conferring the right to receive the amount due to him in the event of his death.

10. It shall be open to the subscriber to distribute his interest in the Fund among one or more nominees at his discretion. In the event of there being more than one nominee the proportion in which the nominees should share the interest of the subscriber shall be specified.

11. A nomination once made may be cancelled and replaced by another during the service of the subscriber.

12. The Bank is not expected to take notice of a nomination except the one registered in its books.

13. A receipt signed by the nominee as registered in the books of the bank shall be a valid discharge of the claims against the bank.

14. The Bank shall contribute monthly on behalf of its permanent employees at a rate as shown below—

Employees drawing Rs. 15 and more —One anna in the rupee.

Employees drawing less than Rs. 15 —One anna six pies in the rupee.

15. Rules 5 and 6 are applicable to the contributions by the bank.

16. The resources of the Co-operative Land Mortgage Bank Provident Fund consist of—

(i) payment by subscribers under rule 4 ;

(ii) payment by bank by way of contribution under rule 14 ;

(iii) interest earned on investments of items (i) and (ii).

17. The Fund shall be managed by the Board of Directors. Its finances shall be invested outside the business of the bank in such manner as provided for under section 34 of the Madras Co-operative Societies Act VI of 1932 with the approval of the Registrar.

18. Separate accounts shall be maintained showing the amounts paid by each subscriber and by the bank for each subscriber.

19. Interest shall be allowed on the amounts subscribed by the subscriber and the amounts contributed by the bank at such rate as may be fixed by the Board in each year and shall be added to the amount to the credit of the member on 30th June of every year. The interest shall be exhibited in separate columns in accounts.

20. After 30th June and after the audit of the accounts of the bank is over, the bank shall arrange to communicate to the subscribers the amount standing to their credit both under their subscription and the bank's contribution including the interest for the year.

21. It shall be the duty of the subscribers to bring to the notice of the bank any discrepancy in the figures communicated.

22. The accounts relating to the Fund shall be open to audit by the regular audit staff of Government and the bank shall furnish all information relating to the Fund required by the auditor.

23. No withdrawal shall be permitted during service of a subscriber.

24. The accounts of a subscriber will be closed—

(i) when he dies ;

(ii) when he is dismissed,

(iii) when he resigns or otherwise ceases to be an employee of the bank.

25. When a subscriber dies while in service, his nominee or nominees, if nomination has been made, or his heirs shall be entitled to receive the amount standing to his credit at the time of his death inclusive of the bank's contribution after deducting the sums, if any, due to the bank by the deceased.

26. When a subscriber is dismissed from the services of the bank, he shall retain his right over his subscription up to the date of his dismissal together with interest calculated up to the end of the year preceding his dismissal but shall forfeit all other benefits from the Fund.

27. When a subscriber resigns within 12 months after joining the fund, he shall have no claims to anything more than the amount actually contributed by him.

28. When a subscriber resigns from whatever cause after one year and before he has completed five years' service he shall receive his own subscription up to the date of his resignation with interest calculated thereon up to the end of the year immediately preceding his resignation.

29. When a subscriber resigns from whatever cause after five years and before he has completed 10 years' service, he shall receive his own subscription and one half of the amount of the contributions paid by the bank up to the date of his resignation together with interest thereon calculated up to end of the year immediately preceding his resignation.

30. When a subscriber resigns from whatever cause after completing 10 years before completing 15 years, he shall receive his own subscription and three-fourths of the amount paid by the bank by way of contribution up to the date of his resignation together with interest thereon calculated up to the end of the year immediately preceding his resignation.

31. When a subscriber resigns or retires after 15 years' service he shall receive the amount of his subscriptions and the bank's contribution on his behalf with interest calculated up to the end of the year preceding his resignation or retirement as the case may be.

32. The bank will make arrangements as early as possible after the accounts have been closed to pay off the sums due to creditors. Any sum due to the bank shall be recovered before finally settling the accounts.

33. All lapses shall go to the credit of the Fund.

34. The ^{Secretary}_{President} may grant temporary advances to a subscriber from the amount standing to his credit subject to the following conditions:

(i) (a) the advance shall not exceed three months' pay and shall in no case exceed the amount subscribed by and to the credit of the subscriber in the Fund;

(b) the ^{Secretary}_{President} is assured of the necessity for the advance.

(ii) Advance shall be permitted for the following purposes only:—

(a) to pay expenses in connection with the marriage, funerals or ceremonies, which by the religion of the subscriber it is incumbent on him to perform and in connection with which it is obligatory that expenditure should be incurred:

(b) to pay expenses in connection with the illness of the subscriber or member of his family.

35. In every case of refusal of an advance by the ^{Secretary}_{President} he shall record his reasons in writing.

36. A list of rejected and sanctioned cases shall be placed before the Board at its next meeting.

37. No fresh advance shall be granted except with the sanction of the Board until at least 12 months have elapsed after the last instalment of repayment of the previous advance.

38. Advances shall be recovered in not less than 12 and not more than 24 monthly instalments; the first instalment of repayment to commence from the month in which the full month's salary is drawn after the advance is granted and in the case of an advance to a subscriber on leave after he returns from leave.

39. Interest on advances shall be calculated at one per cent. more than the rate allowed on subscriptions and shall be recovered in one or two instalments after the complete repayment of the advance.

40. The recovery of instalments shall be made by deductions from pay.

41. At the written request of a subscriber the Board may permit the diversion of the amount to the credit of his subscription for taking an insurance policy or for payment of insurance premia subject to the following conditions:—

(i) the amount to be diverted shall not exceed the amount of his subscription at any time;

(ii) the insurance policy is assigned in favour of the bank;

(iii) the company in which the policy is proposed to be taken is one approved by the bank.

42. For the purpose of these rules, the period of service of subscribers shall be calculated only from the date of their subscription to the Fund.

LIST OF SOCIETIES REGISTERED AND CANCELLED

List of Societies Registered in February 1939.

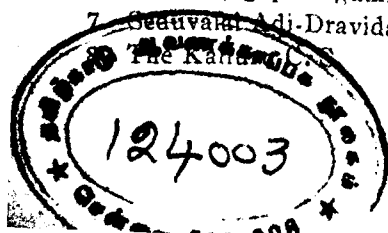
S.No.	Name of Societies.	District.
1	The Peddapudy Sree Krishna Co-operative Society	Kistna
2	The Paidikondalapalem Mahalakshmi Co-operative Society	"
3	The Aminpuram Sree Raja Raja Narendra Co-operative Society	"
4	The Velpuru Panduranga Co-operative Society...	"
5	The Veeranki Nageswaraswami " " "	"
6	The Dechavaram Co-operative Credit " " "	Guntur
7	The Gullapalle " " " "	"
8	The Daggubadu Nagavardhani Co-operative Credit Society ...	"
9	The Kolachanapeta Co-operative Credit Society	"
10	The Korisepadu " " " "	"
11	The Kadavakuduru Jayalakshmi Co-operative Credit Society	"
12	The Kirtipadu Co-operative Credit Society ...	"
13	The Jayavaram " " " "	"
14	The Kattuvapalle " " " "	Nellore
15	The Telugurayapuram " " " "	"
16	The Nellore Co-operative Milk Supply Society, Ltd., ...	"
17	The Ramanapalam Co-operative Credit Society	"
18	The Arukollu " " " "	"
19	The Medikurthi Co-operative Thrift Society, Ltd.	Chittoor
20	The Renumakulapalli Co-operative Credit Society	"
21	The Venkatagirikota " " " "	"
22	The Madanapalli Panchayat Board Menial Employees' Co-operative Thrift Society, Ltd. ...	"
23	The Tiruttani Co-operative Thrift Society, Ltd.	"
24	The Nallavanpalayam Co-operative Credit Socy.	N. Arcot
25	The Kikalur " " " "	"
26	The Melkatchirayampattur " " " "	"
27	The Mannargudi Weavers' Co-operative Sale Society, Ltd. ...	Tanjore
28	The Thugili Weavers' Co-operative Sale Society, Ltd., ...	"
29	The Kumarampalayan Co-operative Credit Socy.	Trichinop
30	The Cauvery Delta Co-operative Sale Society, Ltd.	"
31	The Perungamanallur Kanniampatti Kallar Co-operative Credit Society ...	Madura
32	The Pothikulam Co-operative Credit Society ...	Ramnad
33	The Karaikudi Co-operative Building Society, Ltd.	"

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S.No.	Names of the Societies.	District.
34	The Otapidaram Co-operative Livestock Breeding Society, Ltd.	... Tinnevely
35	The Elavadai Co-operative Society	... Salem
36	The Pagalahalli " "	... "
37	The Naduhalli " "	... "
38	The Thanavathiyur Konga Mooper Co-operative Society	... "
39	The Kottumala Co-operative Credit Society	... Malabar
40	The Palayur Coir-workers' Co-operative Society, Ltd.	... "
41	The Peria Co-operative Credit Society	... "
42	The Mangalore Ladies' Club Co-operative Stores Ltd.	... S. Kanara
43	The Thalapady Co-operative Society	... "
44	The Kulshekar St. Joseph's Co-operative Thrift and Loan Society, Ltd.	... "
45	The Nileshtar Fisherman Co-operative Society, Ltd.	... "
46	The Gangolli Fishermen Co-operative Society, Ltd.	... "
47	The Utukur Co-operative Society	... Cuddapah
48	The Madarpakkam Weavers' Co-operative Sale Society	... Chingleput
49	The Chingleput Co-operative Manure Supply Co-operative Society, Ltd.	... "
50	Thondamuthur Agricultural Co-operative Credit Society	... Coimbatore

List of Societies Cancelled in February 1939.

Name of Society.	District.	Date of cancellation
1 Adurru C. S.	... East Godavary...	2-2-39
2 Virinchipuram Adi-Dravida C. S....	North Arcot	7-2-39
3 Nungambakkam Co-operative Building Society	... Madras City	9-2-39
4 Arkonam Taluk Board Teachers' C. S.	... North Arcot	9-2-39
5 The Christian Co-operative Central Bank, Ltd.	... Madras City	14-2-39
6 Sree Rajagopalaswami C. S.	... South Arcot	17-2-39
7 Sreevaram Adi-Dravida C.S.	... North Arcot	28-2-39
8 The Kallur...	... Chittoor	28-2-39



The South India Co-operative Insurance Society, Limited.

Head Office: MADRAS.

(Registered under the Co-operative Societies' Act.)

President:—HON. MR. V. RAMADAS PANTULU, B.A., B.L.

TO THOSE WHO RECOGNISE MERIT.

"The Indian Insurance Journal" has made the following observation about the working of our Society.

"The South India Co-operative Insurance Society is an ideally constituted and most promising Life Assurance Office in India..... the policy-holders have thrown their lot with one of the finest and most promising Life Assurance Offices and we hope they will be joined by thousands more who recognise an offer of merit."

Kindly call for particulars.

V. VENKATACHALAM, M.A., B.L.,

Secretary.

The Madras Provincial Co-operative Bank Ltd.

(Registered under Madras Act VI of 1932, formerly Act II of 1912)

HEAD OFFICE: China Bazaar Road, Madras. Phone No. 2390.
MYLAPORE BRANCH: Luz Church Road, Mylapore. „ 3334.
EGMORE „ Ebrahim Colony, Egmore. „ 8510.
SAIDAPET „ 38, Karaneeswarar Koil Street, Saidapet.

President: The Hon'ble Mr. V. RAMADAS PANTULU.
Secretary: T. RAGHAVENDRA RAO.

The Bank is the chief organisation for providing credit to the agriculturists of the Province.

The Bank acts as Bankers to the Madras Corporation, University of Madras, Andhra University, Annamalai University and the various Local Boards and District Municipalities.

For rules and terms of business, apply to :—

THE SECRETARY, HEAD OFFICE, OR
ANY OF THE BRANCHES.

3 PER CENT. DEBENTURES **Guaranteed by the Government of Madras.**

The Madras
Co-operative Central Land Mortgage Bank, Limited,
Khaleeli Mansions, Mount Road, Madras.

President: Sri T. A. RAMALINGAM CHETTIAR, M.L.C.

20-year DEBENTURES bearing interest at 3 per cent.
per annum are available for investment.

Issue price 99%.

The Principal and Interest are guaranteed by the
Government of Madras.

The DEBENTURES are Trust Securities and are also approved Securities under the Insurance Act, 1938. The DEBENTURES are IRREDEEMABLE for the first 10 years from the date of issue and a REDEMPTION FUND (SINKING FUND) will be constituted to pay off the debentures on maturity.

Brokerage @ 2 annas per cent will be paid to approved brokers.

Other particulars and application forms can be had from the Secretary, Khaleeli Mansions, Mount Road, Madras.