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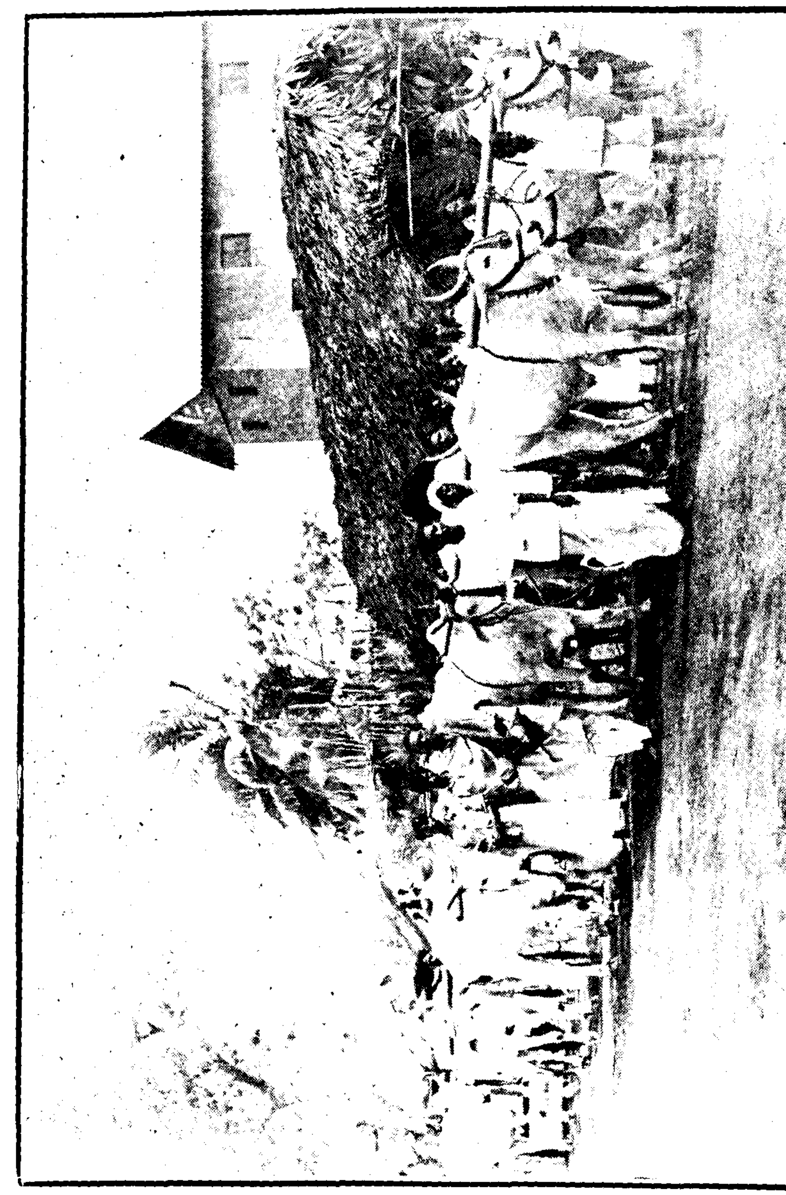

President's Cart drawn 10 Bullocks.

The Ninth Andhra Provincial Co-operative Conference

Group photo taken at the gate when the President arrived.

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Editorial Notes.

A Pleasing Vision.

The address delivered by the Hon'ble Dr. K. N. Katzu, Minister of Justice and Development in the United Provinces, while welcoming the delegates to the last United Provinces Co-operative Conference which was held at Bijnor on the 18th of February last, was remarkable for a beautiful vision of the future which he called up and which he firmly hopes can be realised. In that vision he saw the whole country spread with a net work of societies, every village having its own multi-purpose society, every family, if not every adult, in the village being included in its membership; it taking charge of the economic activities of the villager from the cradle to the end of his life, looking after agricultural improvement, consolidating holdings, arranging co-operative farming; those who have money depositing it with the society, those in need of finance for production being financed by it; and crops, cattle, cottage industries—all being looked after by the co-operative society. Every village, in Dr. Katzu's vision, is to have a Panchayat Ghar, towards the construction of which every able-bodied person in the village will have contributed something, where the co-operative society and the village panchayat transact their business, where also will be located a school for girls and women and a night school for adults, and where the products of the village industries will be sold or exchanged. This Panchayat Ghar is also to house a Gymnasium and a dispensary. Who will not love to contemplate such a vision? It is not impossible of realisation. The United Provinces Government have bent their energies towards the realisation of this vision and have set an example to the rest of India by boldly embarking on a scheme of Rural Reconstruction throughout the province, for which they have made an adequate provision in the budget. What is required is sustained idealism and faith in human nature. The United Provinces are fortunate in having a Government which is idealistic and which, far from being cynical, is quite confident of working out its programme.

In recent years one may say a very great change has come over the co-operative movement in the United Provinces. There is new life, new hope and a spirit of self-reliance. We are told that in 1937-38 63 per cent. of the capital invested in the movement was owned capital. Quite a large proportion of societies distributed dividends and rebate on interest. New forms of societies such as for better living, consolidation of holdings, popularization of improved seed, sugar-cane supply etc., are taking root and doing well. Dr. Katzu rightly pointed out that young men were not joining the co-operative movement, though it certainly deserved the devotion of the best of them. "Year after year veterans have attended the conference and have sought to guide the movement by their sound advice and rich experience. But one regretfully misses the presence of new recruits to the ranks. I shall not go into the reasons for this state of affairs. It may be that younger men of unbounded energy and self-effacing patriotism were attracted and engrossed in other directions. But with the change of conditions and with greater opportunities for moulding our destinies after our own hearts' desire, I fervently hope that the call of co-operative work which is indeed in other words constructive work—will find ready response in many a heart, and many men and many women will devote their energy to this selfless work." The lack of good young recruits is not peculiar to the United Provinces, but is felt in every province. It is very much to be hoped that the appeal made by Dr. Katzu will be responded to by the youth of United Provinces and that there will be similar recruitment of young men to the cause of co-operation all over the country.

Planning.

We hope that the resolutions passed at the recent Andhra Provincial Co-operative Conference will receive the earnest attention of

the Committee on Co-operation. The first resolution expresses the view that every village in the Andhra districts should be brought within the operation of a co-operative society within a period of five years and that a plan should be drawn up for the purpose and carried out. During the last 35 years, only 11,000 out of about 53,000 villages in our province, in other words about 20 per cent. of them, have been reached by the movement. Convinced as everybody is of the beneficial results of co-operation, the country cannot be content with the present rate of progress which will take a century to attain the ideal of every village being served by a society. The Andhra Conference therefore suggests that the idea of one village for one society should be given up and that a society should serve a compact group of villages in a radius of 3 to 5 miles. When societies are organised on this basis it will be possible for the average society to have a larger membership than at present and therefore to have paid staff and to be in a position to manage credit as well as non-credit activities within reasonable limits. If existing societies are re-organised and new societies are organised on these lines we shall be approximating the ideal of the United Provinces so attractively delineated by Dr. Katzu. The conference also recommended in specific terms that early steps should be taken by Government to train Rural Guides and Rural Development Officers on the lines of the United Provinces scheme and that the scheme be introduced as an experimental measure in 2 or 3 districts of the Andhradesa. We know that some members at least of the Committee on Co-operation wish to adopt a bold and forward policy and do not want to be content with mere tinkerings. The need for such planning was the main point urged by the Hon'ble Mr. V. Ramadas Pantulu in opening the conference. We hope that this idea of a five-year plan and the ideal of United Provinces co-operators will commend themselves to them.

Co-operative Societies and Adulteration.

One of the topics discussed at some length by Dr. Gurumurthi in his welcome address at the Andhra Provincial Conference was the injustice of co-operative stores being prosecuted for adulteration of food stuffs sold by them. He rightly pointed out that a co-operative store seeks no profit to itself at the expense of others. It only arranges to distribute to its members the goods wanted by them and that too in the manner decided by them. No instance was known of a co-operative society having ever adulterated things in its possession, But apart from this, he pointed out that there was no fairness in a public authority merely punishing distributors without helping them to obtain unadulterated goods. Chemical analysis is a slow and costly process which is not within the reach of either co-operative societies or ordinary honest dealers. To detect adulteration by smell or appearance is impossible. He mentioned a case in which a Health Officer considered by smell a sample of ghee very good, whereas chemical analysis showed that it was adulterated to the extent of 25 per cent. with foreign fats. Pure goods may be costly but they must be available. If they are not available, what can the consumers do? Public authorities should adopt constructive measures in the interests of public health rather than assume the easy role of prosecutors. Co-operative Stores, Milk Supply Unions and such institutions are trying their best to serve their members, but they are not fool-proof institutions. There is no point in prosecuting them as if they are actuated by wicked motives. Law may be blind but administration cannot afford to divorce itself from common sense.

Non-official Co-operative Employees.

The employees of co-operative institutions in the Andhra districts have been more vocal than their brethern elsewhere and have been organising conferences of their own and formulating their demands. They were able to interest the last Andhra Provincial Co-operative Conference in their grievances—with the result that the conference adopted three resolutions, two of which concerned them directly and one indirectly. The two which concern them directly expressed the opinion that cuts in salaries and retrenchment measures were detrimental to the progress of the movement and that the bye-laws of institutions should provide for a committee to which appeals may be made by employees against punishments, stopping of promotions and allied matters. If financial and business considerations make cuts and retrenchment imperative, we do not know how and by whom they could be prevented. But we welcome the idea of an appelate authority being created by the bye-laws themselves to whom the employees make take their grievances. Employees have demanded that safeguards against the caprices of management should be included in the Rules, if not in the Act itself. The conference rightly rejected this idea as both wrong in principle and unsound in practice and preferred the alternative of creating an appelate authority. The other resolution, which concerned the employees

indirectly, recommended that the creation of a separate supervision fund by the bye-laws of societies and central banks should be done away with, and that the salaries and travelling allowances of supervisors and the expenses of unions be met from the general funds of the central banks as is done in the case of the banks' own employees. Supervisors have a grievance that while they work at least as hard as the other staff of the central banks and are also paid by the banks, a difference is made between them and the others on account of the supervision fund being made a separate item. According to this resolution unions will continue to exist, but their expenses, including supervisors' salaries, will not be met out of a separate fund which may fall with transactions and non-realisation of interest. They will have to be met from the margins of central banks and societies, but in a more elastic manner than at present. The idea is worth examination at the hands of the Committee on Co-operation.

In this connection we should like to express our appreciation of the tolerant and even helpful attitude of the representatives of societies towards the criticisms and demands made by the employees of societies.

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Health Co-operatives.

We have published elsewhere the scheme of the Madras Government to start as an experiment eight co-operative health societies, four in Telugu districts and four in Tamil districts. Each society is intended to serve a group of villages containing 1,000 to 2,000 families or 5,000 to 10,000 population. About 500 members are expected to join a society and pay an annual membership fee of Rs. 1-8-0 each, in cash, kind or in labour. Members will be given free medical advice at the dispensary maintained by the society and medicine at cost price. A fee of As. 4 will be charged where the doctor calls at the member's house and a fee of As. 8 will be charged for injections. Each society will maintain a doctor, a compounder, a servant and a sweeper. The recurring expenses are expected to be met from the members' annual fees and special fees for visits and injections. The expenses are estimated to come to about Rs. 900 a year, the doctor's salary being estimated at Rs. 50 per month. The capital expenditure for a centre is estimated at Rs. 1,000, including the cost of the dispensary building, of quarters for the doctor and the compounder, of initial stock of medicines and office equipment. We should think that this is an under estimate. That, however, is a matter of detail.

We heartily welcome the starting of this scheme. It should be quite possible to find 500 paying members in a group of villages containing about 2,000 families. Members are free to give their contributions in cash, kind or in labour. The Registrar of Co-operative Societies is expected to help in converting contributions in kind into cash. That one can understand. But if contributions are made in labour it is difficult to understand how they can be converted into cash to be used for the maintenance of the doctor and the staff. That again is a matter of small detail which does not affect the soundness of the scheme.

Health co-operatives of the kind contemplated by our Government are working quite successfully for nearly 20 years in Yugoslavia, particularly in Serbia, and they are considered the distinctive contribution of Yugoslavia to the diversity and enrichment of the co-operative movement. In India we are having for a number of years the Anti-Malarial Co-operative Societies of Bengal, which have done an immense amount of good to their members and which have attracted wide attention. Again, health societies of the kind contemplated by our Government are being promoted in the district of Berbhum in Bengal by the Rural Development Department of Viswabharathi of Dr. Rabindranath Tagore. In fact, the Madras Government has drawn its inspiration from the latter.

The provision of medical aid is admittedly the duty of the State whether in the provincial or local sphere, but the State is not always in a position to provide medical relief, especially to rural areas, for want of funds. Private charity often helps, no doubt, but not always. Meanwhile those who suffer from ill-health cannot afford to keep quiet and wait for the day when the State or private philanthrophy could come to their rescue. After all, the sick person is more interested in his recovery than even the State. It is therefore a sensible move on the part of people to create co-operative organisations for the provision of medical aid and the prevention of diseases. We earnestly hope that the experimental societies will prove successful. There may be some difficulty in evolving a suitable arrangement for the management of these societies. The Co-operative and Health Departments would have to be represented on the managing committee of the society by nomination. To meet the initial expenses and also to some extent the current expenses, grants should be paid by District Boards and the Provincial Government. Government seem to entertain high hopes of the common good fund of co-operative societies becoming available for the maintenance of the health

societies. It is only institutions in urban areas which are generally in possession of the common good fund, and except central banks, they may not feel called upon to help the rural health co-operative societies. The claim of health societies for State aid is certainly stronger than their claim for the common good fund of urban co-operative societies. Moreover, the common good fund is now being spent for co-operative education and propaganda and for the support of many local institutions from which it is not advisable that help should be withdrawn. But a suggestion, which we should make for the consideration of the Government, is that Insurance Companies which are working in our province may be asked to contribute funds for the promotion and upkeep of the health co-operatives, as they are interested in the general improvement of the public health from their own business point of view. We should think they will also be glad to help the scheme. We have no doubt that the health co-operatives will succeed but a good deal of propaganda and the education of the public in self-help and co-operative effort is necessary. We hope that this propaganda will be forthcoming and that all agencies, Governmental and other, will co-operate in this.

Agricultural Indebtedness.

The *Communique* of the Government giving statistics showing the nature and extent of the relief afforded to indebted agriculturists by the Civil Courts under the Madras Agriculturists Relief Act, 1938, during the period of eight months ending with October, 1938, is an interesting document. While 53,522 cases were disposed of, still 24,131 cases were pending at the close of the period. The total amount of reduction by scaling down and its percentage to the original amount due were Rs. 69,72,091-11-2 and 47.4 per cent. respectively. Taking into account the total indebtedness in the presidency, the reduction effected and the total amount of debt involved may not be considered satisfactory. But there is no denying the fact that the relief afforded has been effective and would have been much more substantial if the suggestions for compulsory conciliation by the Debt Conciliation Boards had been accepted. If the Government arrange to collect the figures relating to amounts dealt with by the Conciliation Boards, we have no doubt they will not be comparatively so encouraging as those dealt with by the Civil Courts. The amount of expenditure involved in adjudication by the Civil Courts in the cases already decided and those pending decision must be considerable, and this could have been easily saved if the

Conciliation Boards had been empowered to act as Courts in the matter of scaling down of debts. It is deeply regretted that though this aspect of the matter has been brought to the notice of the Government time and again, somehow they have not moved in the matter. One wonders if it is due either to fear of fall in the receipts under stamps and court fees or the desire not to alienate the lawyers.

Then again the debtors cannot of their own accord go to Civil Courts to get their debts scaled down under the Agriculturists Relief Act, which they can do so under section 4 of the Debt Conciliation Act. Now they can seek relief only when the creditors proceed against them. This places the debtors under a distinct disadvantage. If only the debtors had enjoyed that privilege, the amount of debt scaled down even by the Civil Courts would have been considerable. If the Conciliation Boards also had been empowered to act as Civil Courts, the relief afforded would have been much more effective and real. Even if it is conceded—a point on which there is doubt—that the provisions of the Agriculturists Relief Act are applicable even to debts conciliated by the Conciliation Boards, the fact that only under certain conditions an agreement under section 14 of the Debt Conciliation Act can be drawn up prevents real conciliation and scaling down of debts.

We wish to draw the attention of Government once again to the absolute necessity of allocating the functions of the Land Mortgage Banks in regard to discharge of debts, either scaled down or conciliated, to prevent overlapping of their efforts and those of the Land Mortgage Banks. In areas where there are Land Mortgage Banks, they should deal only with cases involving loans above Rs. 1,000, the Government alone dealing with loans below Rs. 1,000. The conditions of Government loans especially in regard to the rate of interest charged, the security demanded and the period of repayment should be the same as those of the Land Mortgage Banks. Otherwise, the relief afforded by the Government will not be availed of. Above all, there is urgent need to associate the Land Mortgage Banks with the work of the Conciliation Boards. The Conciliation Boards as constituted at present will prove ineffective not only in conciliating but also in discharging the conciliated debts unless the Land Mortgage Banks are made to form part of the machinery set up for the purpose.

Better Living and Better Farming Societies.*

BY MR. MUHAMMAD HAYAT, B.A., B.L.

Another line of work in which the Punjab has attained a fair measure of success and given a lead to the other Provinces is its campaign of rural reconstruction. Mr. Brayne, I.C.S., who is the Commissioner, Rural Reconstruction, lays great stress on the value and importance of this work. The Co-operative Department of the Punjab has to its credit 920 societies of this class with a total membership of 41,033 (Figures for the year ending 31st July 1937). I am quoting below paragraph No. 57 of the Registrar's Administration Report for the year ending 31-7-1937 which gives a concise idea of the work done.

"Better Living or Dehat Sudhar Societies have continued to multiply and to extend their activities; last year there was an increase of 146 societies, whereas during the present year the figure is 184, the total number now being 920, with two Unions. The total membership has almost doubled in the last two years and is now 41,033. In this movement, weight of numbers is important and in most districts the aim has been to start a society only where nearly every family in a village consents to take part. The programme of these societies now extends far beyond the mere restriction of expenses on ceremonies and embraces (in accordance with local conditions) all or any of the items of the general reconstruction programme now being followed throughout the province. Assistant Registrars have sent in formidable lists of actual work carried out, which it is not possible to reproduce in this report, nor could the credit of all this work be claimed for our societies. But the work has been done, and Better Living Societies have undoubtedly been among the agencies chiefly responsible and it is they on whom reliance must be placed to carry it on permanently. In many districts, they have been working side by side with Panchayats and Sudhar Committees, all collaborating towards the same end. As samples of the variety of tasks, which these societies have set themselves to carry out and have in many cases actually carried out, may be mentioned the establishment of co-education primary schools, sports clubs, village libraries, flower-gardens, fixation of marriageable age for youths, "not remaining at

* Mr. Md. 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. In the last month's issue we published an article of Mr. Md. Hayat relating to the "work of consolidation of holdings".

home out of work," prohibition of beggars and control of hawkers, First Aid Centres, settlement of village disputes, distribution of canal water, and fixed payment to a doctor to pay regular visits to the village patients. All these are in addition to the main uplift programme of improved housing, sanitation and personal hygiene".

I visited both the Unions of Better Living Societies in existence in the Punjab, namely, the Jati Sha Rahman Co-operative Dehat Sudhar Union and the Khika Zail Dehat Sudhar Union and the following primary societies :—

1. Wadda Pind Better Living Society
2. Jati Sha Rahman ,,
3. Khika Zail ,,
4. Doburji ,,
5. Bhabra ,,
6. Bhabra Rahman Farming Society
7. Chachrari Better Living Society
8. Dholan Majra ,,

Both these Unions are in Lyallpur District. The former was registered on 27-7-1938 and had 10 societies affiliated to it, with its area of operations extending to a radius of 8 miles. The latter was registered on 10-10-1936 with 22 societies affiliated to it. Its area of operations extends to one Zail which consists of 32 villages. Both the Unions were working well. The office bearers were quite enthusiastic and were visiting the neighbouring villages on their own bicycles without any expenditure to the Union by way of travelling allowance, to do propaganda for the formation of more societies and for the improvement of work in the existing societies.

The work done by the Khikha Zail Union has been classified under the following heads in a note prepared and given to me by the Inspector :—

1. *Improvement of Sanitation:—*
   (*a*) The Union encouraged its member societies to put up ventilators to their houses and to dig manure pits to preserve manure. As a result, 1,286 members of affiliated societies constructed 4,858 ventilators and dug 1,385 manure pits.
   (*b*) Depressions in roads and streets were filled up in almost all the villages having societies.
   (*c*) Pacca and Kacha drains were prepared in all the villages.

   (*d*) Water tanks were improved.
   (*e*) Shady trees were planted in streets.
   (*f*) Flower plants were planted in chowks of villages.

2. *Increase of income.*
   (*a*) Improved seeds and improved implements were encouraged. The Union worked as agency of the Agricultural Department and supplied 80 maunds of cotton and 45 maunds of wheat seed to members of affiliated societies last year. Nearly all the societies purchased single cotton drills. As a result of the efforts of the Union, improved cotton seed is used all over the area.
   (*b*) Gardening and fruit growing is encouraged. Indents of 5,000 fruit trees were dealt with.

3. *Reduction of waste :—*
   (*a*) Wastage on ceremonial expenditure was arrested. A schedule has been prepared as circulated to all societies and they adhere to it. (Appendix IV.)
   (*b*) Shopping through women discouraged.
   (*c*) Sale of luxuries by hawkers curtailed.
   (*d*) Some societies have taxed beggars and discouraged begging.
   (*e*) Compromises effected in disputes and money that would have been spent in suits saved.
   (*f*) Other miscellaneous items.

4. *Education and Recreation.*
   (*a*) The Union has instituted a school for girls in the village of Jakhara.
   (*b*) Adult schools started in 3 villages.
   (*c*) Maintains play grounds and encourage sports amongst the boys and youngmen in several villages.

I visited several houses in every one of the 8 villages mentioned in paragraph 24 and went round the streets. I was struck with the cleanliness and the improvement in hygienic conditions as a result of the work of the societies. Every village was maintaining a scavenger appointed by the society to keep the streets clean. The improvements effected were :—

(1) Construction of drains—They flow into soaking pits.
(2) ,, ventilators.
(3) Manure pits for the preservation of manure.

(4) Circular roads—Construction of—
(5) Planting of trees—Shady and fruit bearing.
(6) Curtailment of ceremonial expenditure. In the villages visited by me the schedules fixed were adhered to.
(7) Provision for education of children.
(8) Improvement of water supply.
(9) Introduction of Better Farming methods.
(10) Vaccination—every year.
(11) Recreation—Provision of play grounds, etc.
(12) Safai week—Holding of—(Safai means cleanliness) in December every year. All the walls of every house are plastered and inside of the house cleaned and all the articles dried in the sun and cleaned.
(13) Restriction on hawkers entering the villages.
(14) Tree planting.
(15) Settlement of disputes.

I am attaching a copy of the model bye-laws of this type of society (Appendix III) to my report. There is no share capital to be collected and admission of members is made on a small entrance fee. The society does not require much by way of working capital to carry on its operations. The funds of the society are comprised of contributions from members, fines collected, and fees from hawkers visiting the village. The society relies a great deal on self-help and on mutual adjustments in carrying on its work. The instructions issued by the Registrar to his staff on this subject are contained in chapter V of his consolidated circulars. The formation of these societies and their development and attempting to bring about the moral and material improvement of the rural population thereby seem to me to have a great future. We may profitably take up this work earnestly in our province through our existing staff after giving them necessary training.

Cattle Breeding.

Cattle Breeding activities of the Punjab Co-operative Department are carried on under 4 Divisions with headquarters at Hissar, Amritsar, Lyallpur and Rawalpindi. The work of each Division is under the supervision and guidance of an Inspector who is a man qualified in Veterinary work and who has been taken from that Department. He is assisted by a number of Sub-Inspectors who confine their activities to cattle breeding work. In Amritsar Division, which I visited, there are 2 mule breeding societies, 1 cattle breeding

association and 53 cattle breeding societies affiliated to it. There is only one more cattle breeding association in the province and that is at Rawalpindi. The Amritsar Division is the best and the most successful in cattle breeding work. This is due to the fact that the people of Amritsar district take a keen interest in the welfare of cattle and also because the Amritsar District Board gives a lot of help. The Central Bank of Amritsar has set apart a sum of Rs. 50,000 and the four Banking Unions of the district a sum of Rs. 40,000 to be lent to cattle breeding societies at 4 per cent. interest. The Amritsar District Board helps in the following directions:—

(1) Free supply of stud bulls to cattle breeding societies.

(2) Payment of Rs. 5 per mensem to each society that maintains a stud bull.

(3) Payment of railway freight upto Rs. 500 for transport of cattle to Amritsar from the Hariana tract. (Hariana is one of the 4 breeds of cattle in the Punjab.)

(4) Holds 2 cattle shows every year and awards prizes upto Rs. 1,000 in the competition to societies and individuals.

The Amritsar Co-operative Cattle Breeding Association has a mixed constitution with individual members and one representative from each of the 53 affiliated societies. The admission fee of Re. 1 and an annual subscription of Re. 1 is charged from each member. Rs. 10 paid in a lump sum entitles one to life membership. The Amritsar Central Bank gave a sum of Rs. 1,200 and the 4 Banking Unions Rs. 400 to the Association last year. The functions of the Association consist mainly of propaganda and co-ordination of the work of the affiliated societies. The Association maintains a Sub-Inspector at its cost to help the affiliated societies. They also maintain a man on Re. 1 per day on the days employed to get hold of stray bulls and have them castrated; and they supply brands for branding the cattle for identification. The Association maintains registers to show the age, pedigree, etc. of the cattle bred and arranges for veterinary first aid training and attends generally to all other items relating to the welfare of cattle. They erected a shed for stud bulls with the help of the Amritsar Central Bank and the Taru Taran Union that gave Rs 500 and Rs. 100 respectively.

I visited and studied the working of Doburji Co-operative Cattle Breeding Society in Amritsar District, the Bhabra Co-operative Cattle Breeding Society in Gurdaspur district and the Buffalo Breeding Societies in the Ferozepur district. Buffalo breeding in Ferozepur has been taken up in accordance with the recommendation of the Royal Commission on Agriculture. The fostering of Nili breed of buffaloes which command the foremost position amongst the buffalo breeds in India is the main item on their programme. Ferozepur district is the real home of the Nili breed (a Sutlej Valley breed) which is remarkable for its heavy milking capacity and its finely built body. The buffalo being a stall fed animal, it is easy to manage it without grazing facilities. Buffalo bulls and calves are supplied by this district to the whole of the Punjab, North West Frontier Province, United Provinces, Sindh, Delhi, Bikaner, and Bhawalpur States. Big city dairies in Bombay, Rangoon, Calcutta, Singapur, Malaya and Dutch Protectorates go in for them. Owing to large export and want of fostering care, the breed has been decaying. The custom of slaughtering the male calves the next day of birth prevalent in the district has been sought to be stopped by propaganda by pointing out to the zamindars that they would get a good price if allowed to grow up. Great care is now being taken to prevent it from extinction and to propagate it. Improving the breed of Nili buffaloes, to rear for sale buffalo bulls and cows of improved and surplus stock, and to provide educational assistance to members in buffalo and cow keeping are the main items, on which the societies are now concentrating their attention.

Paragraph No. 44 of the Administration Report of the Registrar for the year ending 31st July 1937 gives a vivid account of the cattle breeding activities of the Department. The extract is given below:—

> "This class continued to expand both in numbers and activity. Cattle Breeding Societies increased from 191 to 222, Sheep Breeding from 7 to 12; three societies were also registered for mule breeding, one each in Ambala, Rawalpindi, and Attock. The Cattle Breeding Societies in Amritsar continued to show active life and receive stimulus and assistance not only from the District Cattle Breeding Association but also from the District Board and from the Central Co-operative Institutions in the district, which subscribed to the cost of a separate Sub-Inspector for the supervision of Cattle Breeding Societies. The District Board and the Cattle Breeding Association, besides providing for prizes at shows, helped by paying the greater part of the freight charges on 50 heifers imported from the Hissar Farm. The practice of stall-feeding of bulls and the charging of covering fees for their services have been extended and progress has also been made both with branding and milk-recording. The neighbouring district of Gurdaspur is now following suit, 5 societies having been registered during the year, all of which have purchased stock from Hissar, the freight on which was met partly by a contribution by the Deputy Commissioner from his discretionary grant and partly by the District Board. In Hissar itself over 100 cows have been purchased from the Farm and it is satisfactory to note that more than half of the total sum given as loans by credit societies for the purchase of cattle has been recovered within the year. The Buffalo Breeding Societies in Ferozepore have increased their number by one and their members are keen and active. Six bulls of the Nili breed have been supplied to outside districts. Sheep breeding has shown the greatest progress in Hissar, and here too the members have the great advantage of having the Farm near at hand for training and advice. The societies now being established, keep their flocks under exactly the same conditions as have been tried and found successful on the Farm. Owing to an opportune rise in the price of wool, some of these societies recouped more than half of their working capital expenditure in the course of the year. The price of the wool has now again fallen but even so, there is an ample margin of profit. A different type of Sheep Breeding Society has been established under the guidence of the Deputy Commissioner, Jhelum, in Pind Dadan Khan Tahsil. This society consists of members who have received leases in a Government rakh on condition of keeping a small flock consisting of 1 ram and 35 sheep. The Mule Breeding Societies should also open up profitable field in suitable areas; in Campbellpur, in addition to the one society registered, 6 more are reported as formed and ready for registration."

Veterinary First Aid.

I now come to describe an item of very interesting and valuable work done by the Punjab Co-operative Department for the prevention of mortality and disease of cattle. The credit of evolving the scheme and working it out successfully in Ferozepur district goes to Mr. Chaudari Sha Mohammad Khan, Assistant Registrar, Ferozepur. Other districts, namely, Amritsar, Hissar and Gurdaspur have adopted this scheme of work. He was kind enough to explain to me the whole scheme with full particulars during my visit to Ferozepur and to send me the files from his office for study and to arrange for my visits to two First Aid Centres at Missriwala and Shahzadi in his district to see how they worked. The idea of the scheme is contained in a note submitted by the aforesaid Assistant Registrar to the Deputy Registrar, Jullundur. He points out that owing to the number of Veterinary hospitals in the district being limited to 15, many people especially those that were far away from these hospitals, could not get the necessary facilities to get treatment of their livestock and that as a result many cattle died and that if a scheme based upon the principle "prevention is better than cure" could be evolved by arranging to open First Aid Centres in suitable centres, it would enable the agriculturists to save their cattle from disease and death and thereby prevent them from unnecessary expenditure and help them from the burden of their indebtedness. After consultation with the Veterinary Department, he formulated a scheme of opening First Aid Centres out of the common good fund of some select credit societies and of training 3 members of each society selected for the purpose to do the work. This scheme was put into execution and found to be a success.

It is difficult to over-estimate the value and importance of any scheme of work which has for its object the prevention of mortality and disease of cattle, especially when we consider the huge mortality rate in India. The Imperial Council of Agricultural Research has computed the loss to India by mortality of cattle at Rs. 50 crores annually and the loss on milk alone at Rs. 37.8 crores, which indirectly affects the human health in general. The Ferozepur scheme must be considered to be a very laudable attempt to tackle this big problem by invoking and fostering the self-help and the self-reliance of the people and by giving them necessary training and furnishing them with the simple medicines and instruments necessary to carry on their work. I was much impressed with the simplicity of the arrangement and the practicability of the scheme.

The Assistant Registrar, Ferozepur, began the work in his district with the aid of the Ferozepur District Board. Being a nominated member of the District Board, he placed before them his scheme and persuaded them to contribute Rs. 2,000. With this amount, he started work in 40 centres in the district. The amount required for each centre was only Rs. 50. The Veterinary Department supplied a chest to each of these 40 centres containing the simple instruments and medicines necessary for first aid work. In each of these centres, men trained by the Veterinary Department for a week on first aid work were put in charge of the work. This scheme was also extended to select societies which had money to spare from their common good fund, Rs. 50 being the amount needed for each centre. At the time of my visit, there were 60 Veterinary First Aid centres in the district.

The training for a week given by the Veterinary Department for first aid is very simple, but quite efficient. Any villager who is a literate (knowledge of English not necessary) can get himself trained and be able to do the work. I give belew the syllabus.

Syllabus.

1. Care and management of stud bulls, cows and calves and stressing the superiority of indigenous breeds.

2. The feeding of stud bulls, cows and calves including motherless calves. Handling and gentling of cattle.

3. Ageing of cattle.

4. General principles of live-stock breeding.

5. Care and management of in-calves before and after calving and rearing of calves.

6. Wounds and their first aid treatment.

7. Castration—A practical knowledge of castration will be insisted upon from every student.

8. Drenching, bandaging, dressing, etc.

9. Common country drugs and their use in Veterinary practice.

10. Some common ailments of cattle and other live-stock and their treatment—Colic, Tympanitis, indigestion, cough, etc.

11. Art of milking to be demonstrated—value of milk recording.

12. Common contagious diseases of cattle, *i.e.* Rinderpest, Haemoragic Septicaemia, Balck Quarta, foot and mouth disease—their diagnosis and control.

13. Repeat 1, 2 and 3 for all animals.

14. The different breeds of live-stock in the Punjab and how to recognise them.

Instruction is given in Urdu, the language known universally throughout the province. Printed pamphlets in Urdu containing instructions regarding the use of instruments and medicines with necessary charts are issued.

As I have mentioned already, the instruments and the medicines supplied to each First Aid Centre are very simple and can be made use of by any ordinary man. The list of instruments is given below :—

List of instruments.

1. Balling Iron—cost Rs. 5-8-0. It facilitates administration of medicines to sick animals and insures safety of owners while handling the animal.

2. Enema Funnuel—Cost Rs. 3-8-0. Most useful for live-stock owners as a first aid for Colic, Tympanitis, etc.

3. Draught bottle for horses and drenching bamboo for cattle—cost 14 annas and 2 annas respectively.

They are articles of daily use. Absence of these brings about drenching Pneumonia by wrong way of drenching the animal.

4. Clinical thermometer—Very handy thing for indication of bodily temperature of the sick which is premonitory sign in nearly all contagious diseases. Early segregation of the affected animals saves the rest and prevents the spread of the disease.

5. Trocar Canula for cattle—Rs. 2-8-0.

By the use of this instrument the lives of hundreds of cattle can be saved every year during the Spring and Autumn months when the cattle suffer from Tympanitis by the use of green forage. In the Tympanitis, the ignorant villager has been accustomed to puncture the stomach of the animal with a sickle with untoward consequences in many cases. The use of Trocar safeguards against this.

6. Wound springs Rs. 7-4-0. Article of daily use for dressing wounds.

7. Burdiso Castrator Rs. 40-0-0. It is painless and bloodless method of castrating the animals. Its operation can be understood and done by an ordinary man.

8. A scissors and irrigator with a tube Rs. 3-8-0. The total cost of instruments excluding the castrator comes to Rs. 36-2-0.

The following is the list of medicines.

1. Alum—Burnt alum is a common household dressing for ulcers and galls and is a good mouth wash in foot and mouth diseases.

2. Aloes—Common purgative drug for horses and a good remedy in the early stages of house Colic.

3. Ammonia Chlor—Commonly used in fevers and coughs for animals.

4. Asafoetida—Common household remedy for Colic and Tympanitis.

5. Aniseed—Used in indigestion and Tympanitis.

6. Ginger—Digestive and carminative used for dyspepsia.

7. Potassium Nite—Commonly used in fevers and coughs.

8. Omum seed—Used for colic and indigestison.

9. Oil of Turpentine—Used for colic in horses and tympanitis in cattle and also for both internal and external use.

10. Chitraita—Good purifier of blood and appetiser.

11. Phenyle—Makes good lotion for dressing wounds and killing maggots in wounds.

12. Mag. Sulph.—Good opening medicine for cattle.

The above cost Rs. 15-0-0 per year.

When I visited the First Aid Centres at Misriwala and Shahzadi, I found them doing excellent work. There were three trained men —members of the credit society—in each unit, so that if one man who was in charge of the work fell ill or went out of the station, there were 2 others to take up his work by turn. Each one of these centres started its work with a contribution of Rs. 50 from the common good fund of the credit society in the village. The animals that were brought to these centres are treated free. For castration a fee of two annas is charged. If the animal suffers from any ordinary ailment which falls within the scope of the first aid work, it is taken up for treatment at once. If it suffers from any complicated disease, the Veterinary Assistant is sent for and he takes up the treatment of the animal. The following figures will show the work done by both the centres :—

	Misriwala.	Shahzadi.
(1) Date of start of work ...	18-3-1936	12-8-1936.
(2) Total number of animals treated upto 9-11-38, the date of my visit ...	936	543
(3) Do. from 1-1-38 to 9-11-38.	316	150
(4) Do. castrated. ...	82	64
(5) Do. cured from 1-1-38 to 9-11-38 ...	308	146
(6) No. dead. ...	8	8

Both these centres maintain registers showing the full particulars of the treatment given to each animal and the result. The total number of animals treated by these First Aid Centres in the Ferozepur District has been mentioned as 8,460 in the Registrar's Administration Report for the year ending 31-7-1937.

Scope of Rule XXII (20)

BY MR. P. K. SRINIVASARAGHAVA ACHARYA, TINDIVANAM.

The scope of this rule is not well understood. It is often misunderstood. A proper understanding of the rule is absolutely necessary, especially where it is realised that civil courts and Registrars of Districts are vested with concurrent jurisdiction for the execution of decrees and awards obtained by societies and that in cases where decrees are obtained by private individuals against persons against whom societies have obtained awards or decrees or where individuals have obtained decrees or awards against societies no relief can be obtained by the decree-holders by any application to the Registrar of the District for execution.

Rule XXII (20) consists of two portions 20 (*a*) and 20 (*b*). The scope of each of the sub-rule is different from that of the other. Sub-rule (*a*) contemplates cases where a court and the Registrar of the District are each of them executing an award or decree obtained against the same judgment-debtor, and 20 (*b*) contemplates only those cases where such applications for execution are made to the Registrar of the District alone. In other words 20 (*a*) applies only to cases where the same judgment-debtor is being proceeded against by societies, or by societies and a private individual, by the private individual necessarily before a court of law and by a society before the Registrar, or by one society before a court of law and by another society before the Registrar. It corresponds in some respects to section 63 of the Code of Civil Procedure. Rule 20 (*b*) corresponds to section 73 and applies only to cases where proceedings are taken before the Registrar of the District and by implication does not apply to any other case.

The difference thus to be found has well to be kept in mind since it is often thought that sub-rule 20 (*b*) applies even to cases where a private individual is executing a decree against a judgment-debtor before the civil court and a society is executing an award against the same individual through the Registrar of the District. This interpretation can be said to be the only correct one when it is seen that demand notices have to be received from more than one decree-holder. Rule XXII (2) contemplates issue of demand notices. The relevant portion is this: ' On receipt of the application, the Registrar of the District shall verify the correctness and genuineness of the particulars set forth in the application with the records, if any, in his

office, and *prepare a demand notice* in writing in duplicate in the form prescribed by the Registrar, setting forth the name of the defaulter, the amount due, and forward it to a sale officer. It is only in proceedings before the Registrar of the District that the issue of demand notices to a sale officer is contemplated and the Code of Civil Procedure does not contemplate the issue of demand notices and much less to a sale offier. Towards the close of the rule it may be noted that the assets are to be distributed by the *sale officer* among all such decree-holders in the manner provided for by section 73 of the Code of Civil Procedure. Where the same judgment-debtor is being proceeded against before a court and the sale officer, the assets are to be realised by the court under the provisions of rule XXII (20-*a*).'

Sub-rule 20(*a*) is confined to cases where the attachment by the sale officer is subsequent to the attachment by a court. It does not and cannot apply to cases where a court directs an attachment and the attachment is effected subsequent to that effected by the sale officer. The language is ' where the sale officer attaches or has attached under these rules, any property not in the custody of any court, *which is already* under attachment made in execution of a decree of any court'. The rule does not say as to what should be done when the sale officer attaches certain property and a court then attaches the property and subsequent to the attachment the property is sold by the sale officer. In the practical working of the rules framed by the Government many difficulties are met with and this is one of them.

In such cases the rules cannot be of any help. It is to section 63 of the Code of Civil Procedure that one should turn for finding out a solution. What section 63 lays down can be evident to any student of law. But for the complication created by the introduction in 57-*b* of the expression 'for the purpose of article 182 of the first schedule to the Indian Limitation Act 1908' the solution would be easy. Section 63 has been held to apply only as between Civil Courts (43 Allahabad 612). Since the language of 57-*b* seems to imply that except for the purposes of article 182 the Registrar should not be considered a civil court there is certainly some difficulty in applying section 63 of the Code of Civil Procedure. Even if that expression is removed there should be an express statement made as to whether the sale officer should be authorised to 'realise' the assets and distribute them when the attachment of property is made by him in the first instance. There is no useful purpose served in having rules which are not comprehensive and leaving them to be administered by sale officers not acquainted with law.

It can no doubt be urged, and that too with much force, that the sale officer is a court, that section 63 does not contemplate cases between civil courts only and that 43 Allahabad 612 may not be binding on us and has to be reconsidered. But as long as there is no ruling of the Madras High Court on that point subordinate courts will have to follow 43 Allahabad 612. In my article published at page 421 of Volume XXVIII of the *Madras Journal of Co-operation* I have attempted to draw the attention of the authorities to the inartistic wording of the rules and of the necessity to make the rules more precise. It has been a cry in the wilderness. The Thirukkattupalli Co-operative Society, Tanjore District, has informed me that it has lost the case that I have referred to at page 424 of Vol. XXVIII of the *Journal*. I make bold to state that it is the vagueness of this rule that was mainly responsible for the failure of the society. The Act and the Rules require reconsideration by persons of the legal profession who are acquainted with the working of them. I hope that the Government will not rest satisfied that it has done its duty towards the societies unless and until the Act and Rules are made perfect.

Co-operative Societies and Value of Securities

BY MR. P. P. SARADHI, B.A., B.L.,
Retired Sub-Judge.

Recently the Mysore Government have been strenuously working to rehabilitate co-operative credit societies. It is stated in the bulletin that the co-operative department has been aiming at consolidation and rectification of societies during the last five years. The registration of 447 societies which had no life in them and were incapable of being revived was cancelled. Management of 63 societies was superceded and sole directors appointed. The defaulters' problem of time menaces the business of any co-operative society. The share-holders indent upon loans and some of them become directors and commitee members, and loans and even overdrafts are freely granted in their case on the security of the share capital. The principle on the other hand must be to attract depositors and from the cash on hand the accommodation as loan has to be granted. At no time would the co-operative society, however, have more than 15 per cent. of day's receipts as floating cash, the rest being covered by investment for interest and safety.

It is wrong on principle to adjust the outstanding debt against the share capital and if accounts show any deficit on that account, the share-holding member must be removed altogether, the share capital being reduced proportionally or fresh capital being called for to make it up. Timely call up notices are the only steps necessary. Suing for the debts must be avoided as it would lead to throwing good money after bad. In an ideal society there would be no chance for default and even one default for the time being would so gnaw the sense of self-respect that he would not repeat it; but such a state being always Utopian the principle resolved upon by the *Mysore State must be very much* appreciated, viz. that the securities should be periodically scrutinised in respect of loans due by members to the Apex Bank.

The difficulty of valuing securities has to be faced not only when the loan is granted but at every time of the scrutiny. If lands, it is more complex, for local taxes and revenue due on them would have to be considered, besides the facilities for their cultivation without interruption. The proposal of the State is to fix at a general meeting the maximum credit the member is entitled to and the maximum credit mortgage document that must be obtained. As in this matter there is likelihood of faction arising among the society members, it is respectfully suggested that the duty may be performed by a *Government* official or a nominee.

The idea of co-operative credit societies to lend money for agricultural purposes is indeed beneficial, but the security in such cases are the lands or the crops. Necessarily the society is also expected to share the cultivators' fortunes and has to depend upon the fluctuating results of the year's labours. If crops to be harvested are relied on for security, they would be assessed at what they would fetch at the usual harvest time, what percentage would be the produce, the labour that is still due on them, the seasonal rains and weather, etc. Private money-lenders may afford to gamble upon the prospects of the repayment and recovery but not banks and co-operative societies. Even private lenders wait till the crops are almost ripe for harvest; so can the co-operative societies. But the cultivators appreciate help more in the initial stages of cultivation.

A cultivator with no collateral security to offer therefore would not be deserving of a loan direct. But what is impossible for an individual cultivator is possible for a body of persons.

Co-operative purchase and store societies: Their case is different; they find markets, ready purchasers for the approaching harvest, and they can afford to lend money at any period. The cultivator would find a properforum in the said bodies, who in turn would find a sources for the co-operative credit societies' investment. Members and shareholders of the co-operative credit societies can also be and would be tempted to be members of the co-operative purchase and store societies.

The troubles of agriculturists have been vividly depicted by Mr. F. A. Willman in the *Journal of Banking* thus: "Rents must be met, farms must contrive to be adequately stocked and very few have any surplus stock. The seed forage and tillage merchants must be paid or they will refuse supplies." The winter is faced with pessimism. The co-operative credit societies have to depend upon the produce finding ready sale and prices improving. Are pure credit co-operative societies expected to take all this trouble? They are not. However, as is stated above, financing agriculture must be done somehow but it must be done by other societies. It is but a suggestion worth trying.

Co-operative Unions & Rural work.

BY MR. K. L. BHANDARI,

Advocate, Coondapur, S. Kanara.

Now that merely personal credit is not very much in favour among right minded persons, it is clear that the co-operative movement has to expand its activities in ways other than credit which it has been hitherto following. Produce pledge loans, marketing, multi-purpose societies, etc. are the much talked of subjects. Government too are out to encourage substantially rural welfare work, and have naturally been inclined to choose the co-operative organisations through which to work their ameliorative schemes. The Ministers of Health, Local Boards, Revenue and Development are evidently keen on giving the country-side a happier appearance. Better production and marketing necessarily involve improvement in cattle, seed and methods of agriculture, sound hygienic surroundings and plentiful supply of good drinking water, a larger and convenient net work of village roads, etc. All this is work and men are wanted to see that the money, to whatever extent it is made available, is spent wisely to the greatest advantage of the villager.

2. The decentralisation of District Board functions by formation of more and more Panchayat Boards seems to be a right step in attracting more and more villagers to consider questions of public utility and common welfare. While such small groups are registered, they can form into a larger association for a Taluka, all work being initiated and commenced from the bottom and not dictated from the top. To help this sort of activity it would seem that the co-operative union might divide its area into small groups, each having a population of 10,000 and having the liberty to select a spokesman who in turn will choose two more colleagues to think out and represent the particular group's problems to the union office which will virtually be the guiding centre of the general development association.

3. With this end in view, one such Union General Body in South Canara has approved of a scheme of the above nature to be worked under its aegis. The activities will comprise solution of grievances relating to the formation of Panchayats, village roads, culverts and dams across streamlets, bunds to supply irrigation water, promotion of khadi, produce pledge godowns and reading rooms. The Deputy Registrar of Co-operative Societies and the Agricultural Demonstrator and the Veterinary Assistant have promised all help and support to the scheme in an abundant measure.

We shall wait and watch with interest the progress of activities in the coming year before persuading other unions to come in line.

Conferences.

THE NINTH ANDHRA PROVINCIAL CO-OPERATIVE CONFERENCE.

The following are the extracts from the welcome address of Dr. P. Gurumurthi, Chairman, Reception Committee, delivered at the Ninth Andhra Provincial Co-operative Couference held at Tapeswaram.

Fundamental Principles.

"The fundamental principle underlying the co-operative movement is aptly expressed in the few words: "Each for All and All for Each." These words transport us into the realms of love and service. To serve man is to worship God. Co-operation is not merely an instrument intended to fashion the financial problems of man, but it is a universal religion based on the tenets of love, service and sacrifice which cement the brotherhood of man".

Rural Reconstruction.

"If we want to reach our goal and free the movement from the official control we must take up the work of village reconstruction in right earnest. We must strive to reorganise the villages and make them self-sufficient. We must drive out disease and dirt from the village. We must bring home to the villagers the main hygienic rules relating to health and preventive medicine. By organising village games and plays we must rouse the enthusiasm of the villagers. The villagers should be made to realise the importance of the boycott of foreign goods. The need for taking up intensive agriculture on the modern scientific lines should be impressed on them. An earnest attempt should be made to consolidate the small holdings scattered over different plots in villages. It is highly necessary to revolutionise the mental attitude of the villager. The fatalistic outlook of the villagers must be exercised. They should be infused with the faith in themselves and in their future. This in short is the work of the co-operators—their primary and preliminary work. Bye-laws should be framed with a view to carry out the above aims.

Village Societies.

Every village in the Andhradesa should be brought within the orbit of the co-operative movement. We must not aim at having a society for each village. In the face of the financial depression and the reduction of interest it will not be possible to start a society for each village. I plead for the amalgamation of the smaller societies into larger ones and for the starting of societies for a group of villages within an area of five miles.

I am of opinion that there should be only one society in each village to look after all the needs of the villagers. The energy, ability and

leadership that is available should not be dissipated in different organisations. The experience of co-operators in Ireland, Germany, Austria, Belgium, Spain and Japan lead us to the same path.

Villagers in India require 50 crores of rupees to meet their agricultural expenses. Only a sum of 2 crores of rupees is distributed through the co-operative societies. There is enough of money in the country available at a cheap rate of interest. The co-operators should think over this matter deeply and try to give relief to the agriculturists in a larger measure than they have been doing at present."

Unlimited Liability.

"I am of firm opinion that unlimited liability should be replaced by limited liability. When the Co-operative Act was on the anvil in 1903 late Mr. G. K. Gokhale protested against the inclusion of the unlimited liability clause in the act. Mr. Gokhale was of the opinion that it was opposed to the traditions of the country and that it would not be possible for the villagers to understand the full implications of unlimited liability. Time has justified the fears of Mr. Gokhale. To escape from the clutches of the unlimited liability many have given up their membership of the societies. To achieve the same object many have transferred their property to others. Under the assurance of unlimited liability, loans were disbursed without due consideration of the financial position of the society or of the member that applied for the loan. Earnest and solvent workers who may not be in need of loans and who want to serve the movement are scared away by the unlimited liability clause. Are not the urban banks with the limited liability working satisfactorily? Unlimited liability checks the progress of the movement as it hangs like Democle's sword over the heads of the Panchayatdars of such societies. *In France and Japan the majority of the societies are based upon limited liability system.* Under the circumstances we must carry on an unremitting agitation for the deletion of this clause.

Adultration of Ghee and stores.

"Coming to adultration itself I have to say that there is no method available to an ordinary man to detect the adultration, if any, before purchasing the ghee or butter. Even the Municipalities, with their expert Health Departments, are not able to state, whether a particular sample of ghee or butter is adultrated or not. They have to send it to Guindy. Therefore it is not possible even for an honest Sowkar or Stores to know that the ghee, they are buying, is adultrated or not. It must be admitted that there are some men who deal honestly even among the sowkars. And these poor men are becoming the victims of an unscrupulous man who sells adultrated stuff. In spite of reasonable care and caution in buying the commodities, it is not possible to know whether a particular stuff is adultrated or not. In one case the Health Officer himself who was present at the time of buying, pronounced that the ghee was good in quality—from the general odour. Yet the sample sent from out of this was found to be adultrated to the extent of 25 per cent. A number of culprits may escape from the clutches of law but no honest and innocent man should suffer from the effects of law.

Prevention of adultration does not lie in prosecution alone. Our main idea should be to see that proper foods which confirm to the standards of purity are supplied to the public without adultration. Health of the people is the main concern of the Government, and the Government should, therefore, set up scientific machinery in every Municipality and see that ghee and butter are tested before they are offered for sale. Quite a lot of such activity is undertaken in other countries viz. Finland, Denmark, U.S.A., France, Luxemburg, London, etc.

I, for one, would not care to obtain any concession or exemption from Government. Foods, when adultrated, effect health and whosoever adultrates, whether it be stores or somebody, should be punished severely. I have no doubt on that point. But the question to be considered is whether any adultration has ever taken place in any co-operative stores. I must emphatically say that the answer to the question is in the negative, and no adultration is ever made in any co-operative stores. It is necessary that the culprit who adultrates should be caught and punished. The stores which innocently buys and distributes should not be victimised.

If the co-operative stores are prosecuted, as they are done now, for alleged adultration of ghee, the only course, however unfortunate may be, would be to compel them not to purchase ghee and distribute it hereafter to its members, as they certainly cannot stand the financial drain by way of fines. The result will be that the people will be at the mercy of the ordinary sowkars to get the supply of ghee and to that extent it will be discouraging the co-operative movement. I do not know whether it is a desirable state of affairs. Could it be that the people would get better stuff from sowkars rather than stores? In conclusion I should state that the Government should take every attempt to place good ghee on the market and if it is then, found that an adultrated ghee is sold by people it is time then for the Government to punish them. Otherwise it will be mere persecution."

The following are the extracts from the opening address of the Hon'ble Mr. V. Ramadas Pantulu, delivered at the Ninth Andhra Provincial Co-operative Conference, held at Tapeswaram, East Godavari District.

"I desire to place before you for your earnest consideration a brief outline of my suggestions for the expansion and reform of the movement.

The essence of my proposals is firstly to bring the entire village, i.e., al. the families inhabiting the village, within the fold of the co-operative movement, or in other words to re-organise the present day village community as a whole on a co-operative basis and secondly to give the benefit of such organisation not only to a few villages but to all the villages in the Andhradesa. The programme will thus be both intensive and extensive in its aim and its concrete features may be thus stated :

(1) We must attempt to cover the whole Andhradesa as early as possible with a net work of co-operative organisations. There are nearly 23,000 villages in the Andhradesa and we have only 4,500 societies to serve the people and few of them comprise even a tangible fraction of the population, while many of the societies are not functioning. No one can say that it is in the least satisfactory. We must have a five year plan to complete the process of bringing every village within the ambit of a live co-operative organisation and every family in the village within its scope.

(2) It is not necessary to strictly adhere to the old ideal of limiting the area of operation of such society to a single village. If we can secure the benefit of a co-operative organisation more rapidly to the whole of the Andhradesa by amalgamating smaller societies into larger ones and organising new societies on a group basis so as to make one society effectively serve villages situated within a radius of three or five miles, we may preferably adopt this course in our future plan of expansion.

(3) Our aim should be to enlist as far as possible all families living in the villages as members of our new societies, at least on the basis of one representative for each family. Not only the poor and needy who require credit but even the cultured, rich and thrifty classes who have their own economic and social needs other than credit to satisfy must be brought into the new village co-operative organisation. There must of course be no element of compulsion or differentiation in status between members in such an institution, for co-operation must retain its essential characteristics of voluntary association of persons on a basis of absolute equality.

(4) In a society thus organised, its executive called the Panchayat will assume a new position and prestige. It will then function as a committee for administering most of the local affairs of the villagers. Its susceptibility to popular influence and the democratic character of the society so organised will be incomparably superior to those of Municipal or Local Boards when the implications of the scheme and the potentialities of the new organisation come to be fully realised.

The scheme outlined above involves radical departure from many of our present cherished notions. In order to organise new societies on this basis and to bring into it the educated, solvent and non-borrowing section of the residents of the village along with others, we must make change in the mutual relations between the members. They should no longer be grouped on the basis of mutual guarantors for each other's debts which is now claimed to be the most outstanding feature of the village credit society. The unlimited contributory liability as it now operates has long outlived its utility. It is an anachronism and a relic of the past, which has no application to the realities of the present day economic organisation of the village or to its future developments. The adoption of unlimited liability involves many legal consequences which will be wholly repugnant to the scheme of future expansion which I have indicated above. To mention just a few, the need to restrict membership to a small area (a single village) in order to ensure personal knowledge among members of one other's business, restriction on transfer of shares, continuance of the liability of past members after resignation or death in order to safeguard the interests of the continuing members and many other abnormal legal safeguards are necessitated by the adoption of this doctrine of unlimited liability. With these restrictions, it is obviously impossible to reorganise our societies on a wider and more comprehensive basis and to bring into them people who are not willing to pledge their assets as joint and several guarantors for the debts of all the members; so long as we retain this feature of the primary credit society, its transformation into a more useful institution which will serve all the inhabitants of the village and cater to almost all of their needs is an absolute impossibility. It is on this more fundamental ground that I wish to see that unlimited liability goes as soon as possible."

Economic Planning and Co-operation.

"Since the inauguration of the Provincial Autonomy, Provincial Governments have been interesting themselves in schemes of rural development and economic rehabilitation of the agriculturists. But the place of co-operation in such schemes and the integral place of co-operation in such planning have in my opinion not received the attention which they deserve. All such economic plans involve in my opinion the following among other objects:—

1. Increase of production and earning power of the masses.
2. Reduction of unemployment among the educated and the uneducated.
3. Ensuring greater self-sufficiency, that is to say, decreasing of the dependence on foreign sources of supply of commodities and services.
4. Proper balance of occupations—rural and urban.
5. Liquidation of illiteracy and overhauling the system of education so as to equip those who pass out of educational institutions for the pursuit of suitable occupations.

Though the Indian cultivator is the mainstay of the economic structure of the country, no serious effort has so far been made for organising him on group basis for the accomplishment of the objects mentioned above. So long as we depend mainly or solely upon his individual effort, not much material progress can be made. Take the simple needs of agriculture to increase production such as supply of fertilizers, use of modern tools or implements, healthy livestock, working capital at low rates of interest, cheap electric power and marketing facilities. I feel no doubt that these needs can be adequately supplied only on the basis of group organisation. I can think of no better form of organisation than co-operation. What we want in Rural India is collective effort without impairing individual initiative which is the essential merit of co-operation. The longer we neglect the organisation of business of the villager on a co-operative basis, the more we delay the advent of prosperity into Rural India."

"In regard to rural development, the main defect I find is the absence of adequate co-ordination between the various departments of the State in regard to activities which touch the lives and surroundings of the rural population. The Royal Commission on Agriculture, presided over by Lord Linlithgow, drew attention to this defect, but practically very little has been done to rectify it. A closer association of the heads of the development departments and co-ordination of their activities is absolutely necessary. We want a Development Commissioner at the top and a trained village guide at the bottom. Something of this sort of organisation is being attempted in the United Provinces. It is worthwhile deputing some of the co-operative workers in the Andhradesa to United Provinces to study how the scheme of development is being worked there."

The following are the extracts from the presidenital address of Mr. V. Jogiah Pantulu, M.L.C., delivered at the Ninth Andra Co-operative Conference held at Tapeswarm.

"In this state of affairs it is highly undesirable to introduce changes in societies where the existing system has been working satisfactorily. This may be tried in societies of villages where the present system was found unsatisfactory or in some societies which may hereafter be formed. In trying this experiment great caution should be observed as the introduction of a very large number of departments differing widely in their scope and operation, in one and the same society, may make the work of the society complicated and unworkable especially in villages where there may not be sufficient human material and intelligence to cope with the work. In the same village in which there is scope, different societies may be started each taking up departments of business of an allied character. The bye-laws of the primary societies as they are now framed permit numerous activities such as, supply of seeds, manure and implements, joint purchase of goods on indent system, etc. Only they do dot allow the combination of the business of trade with banking business."

Finance.

"As you are well aware, the central bank now depends for its funds on deposits from individuals, local bodies and other similar institutions for a period ranging from one to three years. The main business of the bank is said to be, to finance cultivators for their immediate needs, namely, cultivation expenses repayble from the produce of the harvest, but it is often expressed that it is necessary for the central banks and the primary societies to finance agriculturists with intermediate loans for purposes auxilary to agriculture for a period extending to six years. No doubt these intermediate loans ranging from two to six years are very essential and efforts must be made to meet the requirements such as purchase of cattle, country carts, or agriculture impliments. But there are difficulties in the way of central banks to oblige agriculturists by way of intermediate loans. It is not sound banking policy to utilize short time deposits for periods larger than those for which deposits are accepted counting on the prospect of the renewals of the periods of the short term deposits. If this is done, there is a risk of the central bank being landed into difficulties. But such intermediate credits may be made possible if those that wish to borrow gauge their needs for the year, and give a continuing mortgage of their properties to the societies, so that individual credit of each may be fixed and the primary societies apply to the central bank for a cash credit loan of the amount required to be drawn as and when required. Of course, care should be taken to prevent maximum credit being drawn unless it is absolutely required by the agriculturist. The loans fall under three heads *viz.* short term, intermediate and long term loans. The purposes for which loans are given on the first two heads are already stated. Those coming under the third head are generally borrowed for permanent improvements, consolidation of holdings, liquidation of prior debts and the like and the period for discharge allowed with respect to these long term loans range from 6 to 20 years or more. Such as these loans should be provided for by land mortgage banks. This can be done with success only, if land mortgage banks are established in all important taluq head quarters and other important centres. In the matter of issuing loans it must be understood that these banks should, in the first instance, show preference for liquidation of prior debts scaled down in accordance with the Madras Agricultural Debt Relief Act or through Conciliation Boards.

In this connection, I may refer to the recommendation of the Reserve Bank. You may be aware that the Reserve Bank has recommended to limit the period of loans by the primary societies and central banks to 12 or 18 months with respect to both the short and intermediate loans

and confine them for purpose of cultivation of finance including purchases such as cattle, country carts and agricultural implements. I may at once state that this recommendation did not appeal to me, and so far as I am able to ascertain the views of some of our expert co-operators, they seem to hold the same view as I do. It is for you to consider and come to a definite conclusion on the subject."

"The Joint Registrar of Co-operative Societies in a speech delivered last year at Kurnool said that the thanks of the co-operators of this Presidency are due to our Premier for exempting the co-operative movement from the scope of the Agriculturists' Debt Relief Act, though proposals for bringing it under its purview were made in the legislatures and reminded us of our duty to bring the rates of interest now obtaining in the banks and societies to the level fixed by the Debt Relief Act. It therefore behoves us to show that we have not been unmindful of our duty in this respect.

The rates of interest paid and charges on deposits and loans by central banks are on the whole reasonable. They borrow the bulk of their deposits at about $3\frac{1}{2}$ per cent. per annum and lend at rates varying from $4\frac{1}{2}$ to $5\frac{1}{2}$ per cent. per annum. In several banks it is said that the rates were reduced even to $5\frac{1}{2}$ per cent. and a few of them seem to have made this rate applicable even to outstanding loans. The societies lend at $7\frac{1}{2}$ per cent. per annum and at the instance of the co-operative department, the penal interest has been waived for the last about three years. The societies were advised to reduce the rate to $6\frac{1}{4}$ per cent. per annum wherever possible.

In the present money market conditions no further reductions seem to be possible. But there is only one remote chance to carry out this advice. If the central banks agree not to offer more than three per cent. on their deposits, the provincial bank may perhaps reduce its lending rate to central banks to $3\frac{1}{2}$ per cent. in regard to the ordinary loans. In this event money may be made available to the ultimate borrowers at the rate of $6\frac{1}{4}$ per cent. per annum.

While discussing this subject it will not be out of place to state my view as to whether the margin between the borrowing and lending rates of primary societies and central banks is too big. Having regard to the adjusting condition of the money market and deposit rate prevailing, it is considered that the provincial and central banks may safely operate with a margin of one per cent. and the societies may well be advised to keep a margin of $1\frac{1}{2}$ per cent. between their borrowing and lending rates."

Urban Banks.

"I wish to say a word about urban banks. I am of opinion that urban co-operation succeeded much better than rural credit. They are generally well managed, and questions are generally raised as to how these banks can be made more useful and whether it is desirable to extend their activities by giving loans or pledge of articles other than agricultural products, such as gold and silver.

In my opinion so far as urban banks are concerned, it will be in the interests of villages to permit the banks to lend monies on gold and silver. Generally villagers resort to money-lenders for loans on gold and silver jewels and pay high rates of interest on such pledges to money-lenders. If urban banks undertake this business, it will benefit the villagers. Village Co-operative Societies are at present not in a suitable position to undertake this business. I recommend that urban banks may extend their area of operations for this purpose to villages within a distance of 10 miles and create separate class of membership to persons who wish to join the banks, for lending monies on gold and silver. At present in some towns, I am told, there are urban banks which do this business. This, I think, will be an undoubted benefit to villagers and save them from the clutches of money-lenders who lend on gold and silver, and charge heavy rates of interest."

RESOLUTIONS.

The following resolutions were passed at the 9th Andhra Co-operative Conference held at Tapeswaram on the 19th March 1939.

1. (*a*) This conference resolves that every village in the Andhra districts should be brought within the operation of a co-operative society, as far as possible, and that a five year plan be drawn up for the purpose and carried out.

(*b*) The existing societies may, wherever necessary, be reorganised by amalgamating smaller societies into larger ones.

(*c*) New societies be organised for compact groups of villages within a radius of not exceeding 3 or 5 miles, wherever conditions so require.

(*d*) The system of appointing a paid secretary, manager or clerk for each of these larger societies be introduced, and the Government be requested to frame suitable rules for this purpose.

2. (*a*) This conference is of opinion that the unlimited contributory liability of the members of the societies, which now arises only on liquidation, is prejudicial to the further progress of the co-operative movement and that it should be abolished as early as possible.

(*b*) That in future, societies, specially the larger ones for groups of villages, be organised on limited liability basis, providing, if necessary, in suitable cases for reserve liability not exceeding twice the subscribed capital.

3. (*a*) This conference is of opinion that efforts should be made to enlist as members of village societies all the residents of the village on the basis of at least one representative for each family residing in the village, with a view to reorganise on a co-operative basis the village community as we find it to-day.

(*b*) This conference is of opinion that the village credit societies should cater to all the economic and social needs of their members, as far as possible, and discharge all functions which are allied to rural credit and permitted by their bylaws.

(*c*) The system of controlled credit with a view to co-ordinate as many activities as possible through the medium of a single organisation be extended.

4. This conference requests the Government to inaugurate as early as possible plans for liquidation of illiteracy, somewhat on the lines now adopted in Bihar.

5. This conference requests the Government that the person authorised by the Registrar, under section 37 of the Act, to audit primary co-operative societies with a working capital of less than Rs. 50,000, shall be one possessing the qualifications of a Registered Accountant recognised by the Government of India, under the rules framed, under section 144 of the Indian Companies Act; but in the case of primary societies working with a capital of Rs. 50,000/—and more under urban banks, central banks, and special societies, the Government is requested to order for the preparation of a panel of auditors with the qualifications of Registered Accountants recognised as above, from which the above said societies and banks may be authorised to select one for the auditing of their accounts.

6. This conference requests the Government to exempt the co-operative societies from the scope of the proposed bill of taxation on turn over of sales.

7. This conference requests the Government to take early steps to train *rural guides and rural development officers* on the lines of the scheme that is being tried in the United Provinces and to introduce it as an experimental measure in at least two or three districts in the Andhradesa.

8. In view of the rapidly increasing 'in number' of the Co-operative Crop Loan and Sale Societies which do not lend monies on pledge of produce not protected by Fire Insurance, and because the system of fire insurance is at present done by joint stock companies which are opposed to the principle of co-operation, this conference requests the Madras Provincial Co-operative Bank to organise immediately a Fire Insurance Society on co-operative lines and help the furthrence of the movement.

9. This conference requests the Government to organise a Co-operative Land Mortgage Bank for each taluq in the excluded areas (agency tracks) to improve the deplorable plight of the agriculturists in the Government villages.

10. This conference requests the Central Land Mortgage Bank that the amounts paid by the debtor both under principal and interest be credited to his respective accounts as is done in Primary Land Mortgage Banks.

11. This conference is of opinion that cuts in salaries and retrenchment measures effected by the co-operative institutions with regard to their respective establishments is detrimental to the progress of the co-operative movement and requests that cuts in salaries and other economy measures be restored to their previous position.

12. This conference resolves that supervision fund be deleted from the society's as well as the central bank's by-laws and that supervisors' salaries and travelling allowances and other expenditure of the respective unions be spent from the bank's general funds as is done in the case of bank's establishment charges, etc.

13. This conference is of opinion that in the interests of the movement co-operative institutions should provide to their employees adequate safe guards in regard to the tenure of office, pay, promotion, prospects, provident fund and the like and should also embody in their by-laws provision for an appeal to a committee to be duly constituted to deal with appeals filed by the employees against punishments, stopping of promotions and allied matters.

14. This conference authorises the *Executive Committee* of the Andhra Co-operative Union to deal with the remaining resolutions passed by the subjects committee of this conference.

(Sd.) V. VENKATASUBBAYA,
President.

THE U.P. CO-OPERATIVE CONFERENCE.

The 22nd session of the United Provinces Co-operative Conference was held at Bijnor on the 18th of February last. The Hon'ble Mr. K. N. Katju, M.A., LL.D., Minister of Justice and Development, delivered the inaugural address from which the following are extracts.

Referring to the remarkable progress made by the movement during 1937-38 he said:

"Agricultural primary societies have also done well and the organisation of cane supply societies has been maintained. Though the rise in the number of societies is only 651, the increase in membership and working capital is a distinct advance over the last year's figures. An effort has been

made to induce all respectable residents of the village to become members of societies. The number of non-agricultural societies has gone up by 73; membership has increased by 8,000 and the working capital by nearly 9 lakhs. Apart from the total increase in the number of societies the rise in membership and increase in capital show a satisfactory improvement. The average membership in a primary society is now 37 against 31 of the last year and 28 of the year previous. The owned capital is about 63 per cent. of the total amount invested in the movement which now amounts to a little less than 2½ crores."

Envisaging the future.

"The picture that I have before my mind and which I devoutly hope will be realised in the near future is a net-work of multi-purpose co-operative organisations spread all over the Province, in very nook and corner of it, and taking charge of the villager almost from his cradle to the end of his life. The problem of all problems is to assist the villager in the economic sphere by the development of his agriculture and cottage industries. We want co-operative effort in production, in marketing and in finance, and it seems to me that it would be an unwise policy to disintegrate this whole and either to take up one part by itself or to take all in a disjointed manner. The problem must be tackled as a whole and by one organisation with many-sided activities. The multi-purpose society should include all the adults—if not all adults, at least all families—in the village. It should have funds of its own and it should be liberally subsidised by Government on a definite well-settled plan and this organisation should look after every activity in which the villager is vitally interested; it should look after improvement of agriculture by the supply of improved seeds and improved agricultural implements and better farming by the consolidation of holdings and co-operative farming. It will have either by itself or jointly with a neighbouring village a seed store of its own; it will have its credit side in which all members, and particularly those who do not need money, will see to it that the loans advanced are really applied for productive purposes, and what is even more important is that those who have money invest their surplus cash as depositors. The society will take steps for the better marketing of its produce, for the manufacture of gur and sugar by improved methods and for the marketing of the dairy produce, and will also look after the betterment of its own suitable village industries, such as hand-spinning and hand-weaving, and oil-pressing. Members will make adequate arrangements about improved cattle breeding and cattle welfare. Every village will have its own Panchayat Ghar, a substantial structure worthy of the village to whose construction every single able-bodied person in the village would have contributed something, whether in cash or in kind or labour, so that it may be really and truly in the best sense of the word an outward and living embodiment of corporate village life. In the Panchayat Ghar the members of the co-operative society would meet every month and their Panchayat every week for their deliberations. There would be a Kanya Patashala for imparting instruction and dispelling ignorance among the womenfolk of the village without which no real improvement is possible. There will also be a night school for adults so long as that may be necessary. The Panchayat Ghar will be an emporium for the sale and barter of village products. There will be in the compound of the Panchayat Ghar a well, a Phulwari, an Akhara and a Gymnasium and also provision for distribution of medicine for common ailments—that is the vision which I love to contemplate, and then visualise a union of such multi-purpose societies in a compact area comprising 25 to 30 villages, such unions culminating in a district federation of unions. Alongside this there will be co-operative banks, district and central, to finance the primary co-operative organisations in the villages. And these co-operative unions and federations would enable the humble cultivator to market his agricultural produce and finished products to the utmost advantage."

Appeal to the young men.

"We require the ungrudging and unselfish services of a vast body of enlightened non-officials to take deep and abiding interest in the co-operative movement and in the management of co-operative institutions throughout the province. On reading through the proceedings of the past sessions of this conference I have been struck by the fact that while the movement has gripped the soul of many a stalwart who have remained in it through thick and thin, through gloom and sunshine, accession of new strength has not been very marked: Year after year veterans have attended the conference and have sought to guide the movement by their sound advice and rich experience. But one regretfully misses the presence of new recruits to the ranks. I shall not go into the reasons for this state of affairs. It may be that younger men of unbounded energy and self-effacing patriotism were attracted and engrossed in other directions. But with the change of conditions and with greater opportunities for moulding our destinies after our own hearts' desire, I fervently hope that the call of co-operative work, which is indeed in other words constructive work, will find ready response in many a heart and many men and many women will devote their energy to this selfless work. But it is up to us who are already engaged in the work to make our needs known, our appeal heard and the nobility of our cause appreciated and fully known and understood. It is with this view that I plead for wide publicity and wide propaganda on behalf of co-operation. Government propose to do their bit to achieve this purpose. They have already appointed a Special Officer in the Co-operative Department to organise publicity on behalf of co-operation and for the exposition in popular language of co-operative principles. The co-operative doctrine has to be broadcast in the press and on the platform in popular talks and by speeches and lectures."

The following is the summary of the presidential address of Dewan Bahadur Sri K. V. Brahma, C.I.E., M.B.E., delivered at the 22nd session (Bijnor) of the United Provinces Co-operative Conference.

Dewan Bahadur Sri K. V. Brahma, C.I.E., of Nagpur who presided over the conference touched on a number of interesting points in his address. He felt interested in the Moradabad and some other District Banks accepting payments in kind, which was said to have resulted in greater recoveries from societies. He hoped that their example should be followed by others. He did not approve of the idea of entrusting land mortgage business to the proposed Apex Bank as a branch of its activity. From his experience of central banks he thought it necessary that the

land mortgage bank business should be handled by a separate central bank. He complimented the United Provinces on the working of its primary agricultural societies: of 6,427 societies nearly a one third had distributed dividends, a fifth had given rebate to members and a fourth had reduced their lending rates. He eulogised the work of the cane supply societies, ghee societies, and women's societies and expressed himself as follows on the unsuitability of unlimited liability to the conditions of our country.

Unlimited Liability.

"Our experience of working during the last 25 years and specially after the effect of economic depression which is persisting since the last eight or nine years shows that this unlimited liability principle which is our guide in forming credit societies in villages is unsuited to Indian conditions and that the same should be replaced by some other principle. The object of having a society formed on that basis is that every member would exercise a check and supervision over every other member before money is advanced and that the society as an organisation would under no circumstances suffer by any imprudent advance. In actual practice, however, a member seldom acts as a check on another and the members help each other in getting advances and the society becomes a combination of individuals for getting loans on easy terms. When the question of enforcing this liability arises the inequity of setting out a man for another man's debt becomes apparent and all sorts of arguments and methods are used to avoid the calamity. Experts of co-operation tell us that we should always have as many good and solvent men from the villages as members as possible. Last year, advice was given to you that you should do your utmost to get into your credit societies, those who are free from debt, and that one at least of this stamp should be on the Managing Committee of the society. You must have tried to do so in organising your new societies on this advice. I do not know with what result. Experience in my province tells me that this is very difficult, if not impossible. Let us ask question to ourselves. If we are residing in a village would we stake our estate for the sake of another. If not, what is the justification of asking others to do what we would not do ourselves. There are several other ways by which we can protect the society from the effect of imprudent advances. Let us try them and see how we get on. We might for instance lay down that in the event of liquidation the liability of one member for the debts of the society would be limited by the amount that the member owes to the society. In other words the member would have to pay his own debt and pay as much again towards the satisfaction of the debts of the society and if a member is not indebted to the society, to pay to the society a sum of Rs. 100 or so. If we do this, we shall be able to get many good persons to join the society. I am drawing your attention to this at this time as many provinces are overhauling the Co-operative Societies Act, (II of 1912) and suitable provisions should be made in the new Act to enable this being done."

He expressed great surprise that while the rate of interest of deposits in central banks was as low as two or even one and a half per cent. the lending rate in the majority of societies in the province could be in the neighbourhood of 12 to 15 per cent. With little effort and with proper safeguards in the way of a charge on the crop he thought it should be easily possible to provide credit to the villagers at a rate not exceeding 6 per cent.

Co-operation In Japan.

(Summary of Dr. Kagawa's speech at Kengeri.)

On the occasion of the opening of the conference of the South Indian Rural Workers held at Kengeri near Bangalore city on the 11th February last with Sir Mirza Ismail, Dewan of Mysore, in the chair Dr. T. Kagawa of Japan delivered an inspiring address on co-operation in Japan of which the following is the summary as published in the "Madras Mail".

Dr. Kagawa said that his experience of rural reconstruction work in Japan had shown him that three points were fundamental in any such endeavour.

He said that they should inculcate among the masses a love of the soil, a love of neighbours and a love of God.

Love of Soil.

It was his experience that even those farmers who worked hardest and tilled the soil did not love the soil. That was why there was always a tendency among the rural population to drift to the cities. If a love for the soil was created, they would be able to stop that tendency and solve the problem of rural depopulation. They should understand and appreciate that the soil is as much a living thing as a human being.

During his tour in North India, continued Dr. Kagawa, he found that many areas near Agra, Delhi and Muttra had been converted from virgin forests into deserts. In North Dakota (U.S.A.) also he had found a similar state of things. Such a sad metamorphosis of forests into deserts and sand dunes was caused by a lack of appreciation of the economic value of trees to any community.

In that respect what struck Dr. Kagawa most about India was the urgent need for a change in the methods of agriculture. In every part of the country more and more trees should be planted.

They had wide stretches of fields without a tree anywhere. If only parallel rows of trees (aligned north to south so as not to obstruct sun's rays falling on the crops) were planted all along the bunds of fields they would improve the economic position of the agriculturist enormously. He spoke from actual experience of such things in Japan.

The planting of trees in that manner would stop erosion, conserve water, enrich the soil, provide fodder for cattle and farmyard stock, improve agriculture and thus start an economic improvement cycle whose potentiality would be immense.

Japan, for a long time, depended on the cultivation of rice, barley and wheat. It was found that those crops were insufficient. Trees were

planted on a large scale on the mountain slopes all over the country and this resulted in bringing under cultivation 85 per cent. of the available land in Japan, land which had lain barren for centuries!

Goat-breeding.

Another important point in rural reconstruction work was the possibility of rearing goats on a large scale. In Norway almost every agriculturist possessed a large herd of fine goats and the goat's milk was made into various articles of food, the goat milk cheese of Norway being the most famous and quite a nourishing food.

When Japan realised the importance of goat-breeding, it imported some pedigree goats and the stock reared from those goats were now found everywhere in Japan and had resulted in enormous economic improvement.

Dr. Kagawa was astonished to find that in Germany alone there were 1,400,000 goats whose milk was used in a very profitable manner. In Switzerland also goat milk was widely used.

In India Dr. Kagawa found a large number of goats, but they were all ill-nourished and their milk was not good.

When he visited Mahatma Gandhi Dr. Kagawa asked him; "You drink goat's milk. How much milk does a goat yield?" But Mahatma Gandhi shook his head and replied: "Only very little!" (Laughter).

The encouragment of goat-breeding was quite an essential factor, particularly as cows cost a great deal both to buy and to keep. In Japan a good milch goat was sold at about one rupee per head and in one country alone there were 25,000 milch goats. After the introduction of goat's milk as an article of food in one county it was found that the average height of the Japanese boy in that county had increased to a surprising extent.

Acacia Trees.

In India they did not have good grass for feeding goats, but they could plant acacia trees which provided good food for goats. Even in the hottest season acacia trees would flourish well. Goat's milk and its products could also be used as an anti-famine measure. If the monsoon failed, the acacia trees would still survive and they could easily turn acacia leaves into goat's milk!

Dr. Kagawa, however, feared that North India was too hot even for goats! (Laughter).

The wider utilisation of bacteria in various ways was advocated by Dr. Kagawa. He referred to a new form of baking bread now in wide practice in Finland. By using a special kind of yeast and making the bacteria work, the Finnish people baked a bread which could be kept for years. In many Finnish homes Dr. Kagawa had seen the whole of the ceiling and walls of rooms hung with strings of bread to be used over several months.

Bacteria could also be used to displace fertilisers, said Dr. Kagawa. In Denmark bacteria were sold for this purpose by the State. The peasants bought the bacteria, mixed them with water and poured them on the soil. These bacteria multiplied at an enormous rate, manufactured nitrogen from the air and thus fed the plants at a thousandth of the cost of the fertilisers.

All that showed, that what they really wanted was new methods of agriculture.

Irrigation Societies.

Referring to the work of irrigation co-operative societies in Japan, Dr. Kagawa said, how free labour was supplied by the villagers to bring water to their villages and how the irrigation co-operative societies turned out good work in that behalf. Without the active co-operation of villagers themselves it would be absolutely impossible to improve the condition of the villages.

Planting of acorn trees, acacias, cashewnut trees, etc. was quite essential if they were to improve the economics of the farms and make them pay.

The really important thing was that they should use their brains in those directions and not just sit and talk. There was no use sticking to custom and tradition. If the Government told the villagers to adopt a new method, people would not listen; but if the leaders of the people told them to do the same thing, they would do so! (Laughter). Fortunately in Mysore the Government and the leader of the people were almost identical in the person of Sir Mirza.

Co-operation in India.

Dr. Kagawa said he had heard a great deal about the failure of co-operative societies in India. But that was because they had started their co-operative movement from the wrong end, namely, with credit societies. In Japan the movement had started with producers' societies, then went on to marketing societies and concluded with credit societies. In Japan producers' co-operative societies were started in a small way and built up gradually. For example in Hokaido, when a society was started for producers of eggs, the Government gave the members some hens. The members maintained the hens and brought in the eggs which were sold. From the profits earned the members were paid a share and the rest was built up into a fund. Gradually the society accumulated sufficient money to buy its own fowls. Later, a marketing society was started. That was the only sound way to build up co-operative societies.

To start with, credit societies in the first instance, as they had done in India, was exactly the wrong way! (Laughter).

Best Soil for Fruits.

In Mysore he found that they had the best soil in the world for producing the finest fruits. The geological map of Mysore showed that they had the oldest stone formations (achaean) and that, therefore, their soil was the most suited for orchards. Nowhere else in the world did such a soil exist, and with such natural advantages if they did not grow fruits extensively and well, they had to be ashamed of themselves! It all comes round again to the same point, that they should use their brains! They had every opportunity to do so, too!

Character-training also was quite essential if they were to turn their natural advantages to account, to help, improve the villages and make their co-operative movement a success. As in India, it was also the early experience of Japan that unless men were made to fear and love God nothing worth while could be done. Many co-operative societies in Japan had failed because their secretaries misappropriated the societies' money to run away to cities and "have a good time!" But things were quite different in Japan to-day. The importance of moral training and character-building should never be lost sight of.

Nature Study.

Concluding, Dr. Kagawa appealed for encouragement of nature study and a real love for trees, plants, birds and animals. In Mysore they had infinite opportunities in every direction and it was up to the people to take advantage of them.

Reviews.

I

Report on the operations of the Department of Agriculture, Madras Presidency, for the year ending 1937-38.

For us co-operators the activities of the Agricultural Department are of great interest because Agriculture and Co-operation are so vitally interlinked. Moreover, even as ordinary citizens we must be interested in the working of a department which costs the tax-payer Rs. 22 lakhs (net expenditure 18 lakhs and odd) every year.

The report of the department is divided into two volumes. The main volume is a consolidated report of the Director and the second volume is a detailed report of the various officers of the department, such as the Principal of the Agricultural College, the Deputy Directors and the Specialists who work under the department like the Agricultural Chemist and Specialists in Paddy, Cotton, etc.

The work of the Department might be broadly divided under three headings *viz.* (1) Imparting instruction in the Agricultural College, (2) Researches of various kinds and (3) Exhibitions, shows, propaganda, etc The second item, research, is a most useful department of activity adding to the stock of knowledge available and making two blades of grass grow where only one grew before. The research workers specialised in the departments of Chemistry, Botony, Pathology of plants, Live-stock, Agricultural implements and about crops of various kinds such as paddy, cotton, sugarcane, oil seeds, fruits, etc. There is no denying the fact that much good work is being done, but more attempts should be made to enable the average peasant to be benefited to the fullest extent by the works of these specialists. Until that is effectively done and vital contact is established between the Researchers on the one hand and the average peasant on the other, the many lakhs spent by the department cannot be said to be bringing out their full return. In agriculture, above everything else, we are concerned more with the application of science to the realities of the situation than with pursuit of knowledge for its own sake.

S. K. Y.

II

Report on the working of Co-operative Societies in the Central Provinces and Berar for the year ending 30th June 1937.

The present reviewer coming back to the movement after a break of three years finds that the state of affairs in C. P. and Berar continues to be not very different from what it was 3 years ago.

Some of the peculiar features characteristic of the movement in the Province, namely, the large number of big borrowers, the existence of thousands of acres of land in the possession of the District Banks and the

Registrar's balance sheet of the movement as a whole, showing that there are enough assets in the movement as a whole more than to repay the liabilities; these features reappear again. There has been a slight increase in the number of societies. The co-operative training and propaganda has been done, thanks to the contribution of the Central Government.

The problem, as in other provinces, is one of recovery of the over-dues to the Central Banks by the constituent societies. We are glad to be assured by the Registrar that an alround improvement is noticeable and that the movement has emerged "from a long, continuous and unprecedented depression." We are equally glad to be assured by him that the land mortgage banks and the debt conciliation boards together have relieved the indebtedness of the agriculturists to the extent of a little over 5½ crores. The department has grown wiser in the light of the experience and new societies are organised mainly for short term or crop loan credit and much enquiry and scrutiny is bestowed before a proposal is accepted. Big borrowers who absorb more than 12 per cent. of the total borrowing in C.P. and who are responsible for 77 per cent. of the total outstanding in Berar have been the object of the special attention by the department which has been pressing on banks to pursue "the pests of the movement ruthlessly and relentedly, to give them no quarter, to show them no consideration."

The Provincial Bank still continues to perform the function of C.L.M. Bank pending the establishment of a separate one. But sooner the land mortgage bank is established the better.

Non-agricultural societies with limited liability have done well in this province as elsewhere and we agree with the Registrar that there is considerable scope for this class of societies among all kinds of servants, with fixed monthly salary, such as clerks, domestic servants and others.

The Registrar seems to think with the Reserve Bank of India that the starting of multi-purpose societies would improve the situation considerably.

At present we have not much data to go upon and the experiments like all other experiments might be tried cautiously in limited areas where circumstances are congenial.

S. K. Y.

III

The District Educational Guide for Malabar, published by Mr. V.R. Nayanar, B.A., of the Servants of India Society, Calicut.

Mr. Nayanar is to be congratulated on his pioneer attempt to publish an Educational Guide for the District of Malabar. It is not a guide in the ordinary sense of the term like the tourists' guides for the various countries, published by enterprising companies, giving an account of the various things to be seen. It discusses, as it were, the educational problems of Malabar and contains very many interesting original articles. The very first article styled 'Darkness of Illiteracy' deals with statistics about literacy regarding the various provinces of India which is followed by two very interesting articles on 'Education in Ancient India' and the 'Kerala University'.

The Hon'ble Mr. C. J. Varkey recently made an important pronouncement addressing the Teacher-Managers of the district, that naturally finds a place in the collection. There are articles on special subjects like 'Schools for Harijans and for Moplahs' and two very informing articles on the "Wardha Scheme" and the 'Vidya Mandir Scheme' in C.P.; co-education, compulsory education, schools and libraries and many other important subjects are dealt with. Education in Soviet Russia is described in detail. Most of the articles mentioned above are in the language of the District, Malayalam, and hence the book is found to be of great service not only to the few English knowing members of the public and of the teaching profession, but to the vast army of elementary school teachers and the average citizen of Malabar.

We commend this book to all those interested in the progress of education.

S. K. Y.

IV

Report on the working of the Co-operative Societies in Ajmer-Merwara for the year ending 30th June 1937.

We are glad to note that, in this small division, there was all round progress. The number of societies, membership and working capital have all increased. We are also glad to note that, thanks to the funds placed at the disposal of the Government by the Government of India for propaganda and education, training was given to recruits, and refresher course was held for those who are already in service. Much effective propaganda and teaching was done. The total transacations being small, overdues also appear very small. We are glad to note that there are special societies for cattle breeding, storage of fodder, land improvement, housing societies and societies for encouragement of thrift. It is a matter of genuine satisfaction that the number of thrift societies has increased from 24 to 27 and that membership also has gone up from 536 to 650, and that contributions and deposits from the members amount to nearly Rs. 2 lakhs. On the whole the progress made by co-operation in Ajmer-Merwara during the year under review was satisfactory.

S. K. Y.

News and Notes.

We regret very much to note the passing away of Rao Saheb C. P. Ramachandra Rao of Cuddapah and Mr. B. Madava Rao, late Fourth Presidency Magistrate, Madras. Mr. Ramachandra Rao was a prominent lawyer, co-operator and citizen long connected with Cuddapah Urban Bank as president. Mr. Madhava Rao was for some years Deputy Registrar and served at Madras and in South Kanara. He was known for vigour and efficiency. We offer our deepest sympathy to the bereaved families.

* * *

A society has been registered, the object of which is to enable Gazetted Officers of Government in this Province to purchase motor cars or motor cycles. The society will finance its members for the purpose, the loans being repayable in 36 monthly instalments and carrying an interest of 5 per cent. per annum. Rao Bahadur Sri M. Raman, retired Assistant Director of Survey, was elected president and Rao Saheb K. Kailasam Iyer, retired Superintendent, Serum Institute, was elected secretary. Though the whole Province is included in the society's area of operations, its activity for the present will be confined to the city of Madras. The society ought to prove very useful. Its working will be watched with considerable interest.

* * *

On the occasion of the Ninth Andhra Provincial Co-operative Conference held at Tapeswaram in East Godavari District on the 19th of March last (the proceedings of which are published elsewhere) there was an exhibition of khaddar, chemical manures, articles of cement and of tape made of jute and woven in cottages by the Harijan girls of Arthamuru near Tapeswaram.

* * *

On that occasion the Hon'ble Mr. V. Ramadas Pantulu declared open the godowns of the Tapeswaram Loan and Sale Society. The godowns are specially constructed to stock jaggery of which Tapeswaram is a great producing centre. The godowns were constructed at a cost of Rs. 12,000 of which Rs. 2,500 were given as free grant by the District Economic Council and the balance has been taken as loan from Government repayable in 30 annual instalments. The godowns were greatly needed and are expected to promote the co-operative sale of jaggery.

* * *

On the same occasion Mr. B. Venkataratnam Chowdary, president of the Ramachendrapuram Central Bank, laid the foundation stone of the building of the Tapeswaram Co-operative Credit Socety. In doing so Mr. Chowdary observed that it was not objectionable to spend the reserve fund of a society on its building and suggested that the bye laws of societies should be amended so as to permit within suitable limits the investment of the reserve fund in buildings. This is now permitted in the case of stores and other non-credit societies.

Another function that took place at Tapeswaram on the occasion of the Andhra Provincial Co-operative Conference was the conference of Non-Official Co-operative Employees of East Godavari district. Mr. N. Kameswara Rao of the Alamuru Land Mortgage Bank welcomed the delegates and Mr. J. Appalaramamoorthy, worker in charge of the Kondevaram Rural Centre, presided over the conference. He warned the delegates against cultivating notions of class-hatred and class-war of the Marxist type and advised them to stick to the objects of Trade Union organisation of securing for themselves improved conditions of service by concerted action. Dr. P. Gurumoorthy advised the delegates to negotiate with the authorities of the different institutions and not look up to Government for help against the institutions. The conference supported the memorandum submitted to the Hon'ble Mr. V. V. Giri by the deputation of non-official co-operative employees on the 15th of March.

* * *

A cattle breeding society with about 50 members has been started at Ottapidaram in Tinnevelly district.

* * *

In the State of Cochin amlost every village is served by a co-operative society: out of 275 villages 261 have societies. The average working capital per member during the last co-operative year was Rs. 138 of which more than ¼ was owned capital.

* * *

At a meeting of the ryots of Tirukkatupalli and adjoining villages held recently at the Tirukkatupalli High School with Mr. V. Guruswamy Sastri, Headmaster, in the chair, a co-operative society for bee-keepers was organised. The Executive Officer of the Tanjore Central Co-operative Bank explained the usefulness of bee-keeping as a cottage industry.

* * *

The Grain Merchants' Co-operative Bank, Ltd., Bangalore City, which has a paid up share capital of nearly Rs. 1,50,000, earned a net profit of Rs. 7,105 during the half year ending the 31st December 1938. The Directors report with pleasure that the working of the Bank is highly satisfactory.

* * *

A summer school of Rural Reconstruction will be conducted at Conjeevaram by Dr. P. R. Raghuraman, Secretary of the Chingleput District Harijan Sevak Sangh. The subjects to be taught in the school will include spinning, weaving, poultry farming, bee-keeping, etc.

* * *

From the 20th of this month a Village Uplift School is to be run at Rayachoti in Cuddapah district, lasting for 6 weeks. Mr. K. Muthukrishna Naidu, Deputy Registrar of Co-operative Societies, will be in charge of this school. Games and subjects like co-operation, village panchayats, village sanitation, agricultural improvements, scouting, etc. will be taught in the school.

On the occasion of opening the new building of Narsu's Manufacturing Company at Salem, the Hon'ble Mr. V. V. Giri, said that the Planning Committee would go from province to province, examine witnesses and establish expert committees to find out which key industries or large industries should be established in each province and each big state. The All India Planning Commission would then come into existence.

* * *

Mr. K. Muthu Krishna Naidu, Deputy Registrar of Co-operative Societies, said on the occasion of the closing of the Rajampet Rural Uplift School that it had trained 50 students drawn from the taluks of Rajampet, Badvel and Sidhout in a large number of games and also in the making of soap and paper. The function was presided over by Dewan Bahadur T. Bhujunga Rao, Retired District Judge.

* * *

Speaking at the Co-operative Brotherhood annual dinner at the Calcutta University Institute Hall on the 25th of March, the Hon'ble Mr. A. K. Fazlul Huq observed that so far back as 1906 he was Registrar of Co-operative Societies in Bengal and said: "The co operative movement cannot die. It will not die. If it dies it will be the end of the world. I cannot believe that the co-operative movement will not be able to do for the peasantry of this province what it has been able to do in other parts of the country."

* * *

While laying the foundation stone of the Madura Mills Workers' Housing Colony at Tirupurakundram on the 26th of March last, the Hon'ble Mr. Giri observed that there had always been two schools of thought in regard to the housing of workers, one that believed in private initiative and the other that believed in complete State action. As a via media, co-operative institutions taking up the matter was a step in the right direction and this did not stand in the way of private initiative, Municipal enterprise, State undertakings or a combination of all these for obtaining the desired objective.

* * *

Mr. K. S. Venkataramani, well-known in Madras as an author, gave a talk recently to some Congress members of the Bombay Legislature on the need for planning for Rural Reconstruction. He said that the five essentials of such a plan should be education, the establishment of Village Panchayats, the provision of medical relief, the revision of land tenure, and the starting of multi purpose co-operative societies. The Hon'ble Mr. B. G. Kher, Prime Minister, who presided over the meeting, observed that the Congress Governments were aware of the need for action in all these directions and explained what was being done in Bombay to achieve the object.

* * *

We are glad to understand that Mr. K. Rangaswami Naidu, of the Madras Co-operative Department, who is now in England on a study leave, has been exploring the possibilities of marketing Indian raw produce such as groundnut, other oil seeds, hides, skins, etc. through the Co-operative Whole sale Societies of Great Britain, the continental countries and the Dominions. It is said that the Wholesale Societies are quite in favour of Mr. Rangaswamy Naidu's proposal and have promised their hearty co-operation.

* * *

Mr. P. B. Gole, member of the Central Provinces Assembly, who had given notice of a cut motion on the demand for Co-operation, withdrew the motion on an assurance being given by the Hon'ble Mr. D. P. Misra, Minister in charge of Co-operation, that the Government would take all possible measures for the development of the co-operative movement in Berar and assist the 12 co-operative central banks in Berar which were faced with a crisis.

* * *

The Bangalore City Co-operative Bank is one of the biggest people's banks in South India, which had on the 31st December 1938 a paid up share capital of Rs. 3,69,000 and deposits amounting to Rs. 17½ lakhs. During the year 1938 it earned a net profit of nearly Rs. 37,000. The Directors have recommended the payment of a dividend of 7 per cent. on the share capital. We think this is excessive, as the highest rate of interest paid on deposits—those for 10 years—is 4 per cent. A dividend of 5 per cent. should be considered quite adequate. The overdues amounted to more than Rs. 3 lakhs forming 17.2 per cent. of the outstandings. They will do well to follow the example of co-operative banks in Madras and create a bad debts reserve in addition to the ordinary reserve.

* * *

Mr. A. F. W. Dixon, I.C.S., Collector of Salem, presided ovor the first anniversary of the Ammapet Senguntha Mudaliar's Thrift and Better Living Society, which was celebrated a few days ago at Salem. There were games and sports competitions and a Tamil Drama entitled "the evils of drink" was also staged on the occasion. Mr. Dixon observed that the society which was the offshoot of Prohibition was the first of its kind in the Province and had shown good progress on which he congratulated the members. He observed further that the thrift campaign inaugurated in the district after Prohibition has resulted in saving deposits amounting to Rs. 36,000 in various co-operative societies. Most of this amount, he said, had come from very poor people who had very little to save and who had never been accustomed to save.

* * *

A conference of the ryots of Namakkal Taluk was held at Nellipalayam near Namakkal town on the 19th March with Rao Saheb T. M. Chinniah Pillai, president, Salem District Urban Bank, in the chair. Mr. Chinniah Pillai urged the villagers to make use of co operative societies for obtaining credit for productive purposes and for marketing their produce. The Deputy Collector of Namakkal Division exorted the villagers to co-operate with the officials in improving the sanitary and economic conditions of the villages. The Thasildar of Namakkal advised the villagers to settle their disputes by arbitration instead of by recourse to litigation.

Among the other speakers were the Deputy Registrar of Co-operative Societies, the Veterinary Assistant Surgeon of the District and the Agricultural Demonstrator of the Taluq.

* * *

At the 15th anniversary of the Devadhar Malabar Reconstruction Trust, celebrated at Tanur on the 8th March last, Mr. V. R. Nayanar of the Servants of India Society, Secretary of the Trust, gave a brief account of the various activities of the Trust in its 10 centres of work. Special effort was made during the year under report to organise cottage industries and a paper-making institute on the Wardha model was started at Gopalpuram where 24 candidates were given training.

* * *

A deputation of the Madras Provincial Non-official Co-operative Employees' Association, headed by Mr. V Venkatachalam, Secretary of the South India Co-operative Insurance Society, waited on the Hon'ble Mr. V. V. Giri at the Secretariat on the 15th of March last. The Registrar of Co-operative Societies and the Secretary to Government in the Development Department were also present. The deputationists urged that service conditions of employees of non-official co-operative institutions should be included in the terms of reference of the Committee on Co-operation and that a representative of employees should be included in the Committee. They also urged that service conditions should be included in the Co-operative Societies Act and that a Provident Fund, aided by Government grant, should be created to enable weak co-operative institutions to pay standard salaries to co-operative employees. The Minister informed the deputationists that their representations would be examined by the Registrar and that he (Minister) would consult them sometime later.

Health Societies for Villages.

GOVERNMENT DRAFT SCHEME.

The draft of a scheme for running Health Co-operative Societies in villages is published by the Ministry of Public Information. Suggestions and criticisms should reach the Secretary, Education and Public Health Department on or before the 30th April 1939.

The following is the draft scheme:—It is said "Health is Wealth." This is certainly true. Good health enables the villager to devote more time to his agricultural operations so as to increase production and augment his income. Bad health does the reverse. If a ryot and his people at home are in good health, they will be happy, they will also manage their agricultural operations more efficiently and this will result in economic gain. Consequently in so far as the health of the agricultural population tends to increase the efficiency of labour, all activities directed towards keeping up the efficiency of labour will constitute economic activities and will come under the scope of the Co-operative Societies Act.

People's Responsibility

Generally, no qualified doctor thinks of setting up practice in a village, with the result that the villagers have to depend on quacks for treatment of diseases. Sanitation and hygiene are generally poor in villages and when epidemics come, the misery and squalor in villages are appalling. In 40,000 villages in the Presidency, there are no village panchayats and the people in these villages have to suffer for want of proper medical aid. It is no doubt the duty of the State and the local bodies to provide facilities for medical help, but it is not possible for them to do so in all the villages. So the people themselves should come to the aid of the State. They should not look to the State to do everything for them. They should be ready to bear a portion of the burden themselves. Moreover, schemes run by the State cannot continue unless the people themselves associate themselves in their work. Generally they continue to function until the Government finance them, but when the finance is withdrawn, they collapse and Government cannot be financing them for ever. It is necessary, therefore, that the people should shoulder the work and finances of rural medical aid to some extent. The best agency for it is, therefore, a Health Co-operative Society.

Objects of Health Societies.

Like all co-operative societies, the health societies are associations of persons, directly interested in the undertaking and sharing in its management with equal rights and obligations. Their by-laws laying down the duties and responsibilities of the managing committee, general body, etc.,

are similar to those of other co-operative societies. The main objects of those societies are:—

1. The organisation of a medical establishment with a qualified medical officer, compounder, and dispensary; each member paying an annual subscription in cash or in kind of equivalent value towards the expenses.

2. To carry out sanitation and preventive work with the help of organised squads of the young men of the village—such as the filling up of stagnant pools, laying down approach roads, sinking of tube wells, providing bore hole latrines, etc.

The funds required to run such societies will be derived from annual subscriptions from members, grants from Government and District Boards, contributions from out of the Common Good Fund of Central Banks and Societies and fees collected from members for doctor's visits to houses.

It is proposed to start eight societies in the Presidency as an experimental measure, four in the North and four in the South, in the Districts of East and West Godavari, Trichinopoly, Tanjore and Ramnad. One society will be formed for a group of villages; a tentative list showing the places where it is proposed to start health societies is enclosed. Each of the groups chosen comprises about 1,000 to 2,000 families and it may reasonably be expected that at least 500 persons representing 500 families will join the society. Each member will have to pay an annual subscription of Re. 1-8-0 (0-2-0 per month) payable in cash or in kind or in labour. The subscriptions may be increased after societies have functioned for some time. Members will be given medicine at cost prices. Members will receive medical advice at the dispensary free of charge. They should, however, pay a small fee, say, annas four (0-4-0) per call for the services of the doctor at houses. The income from this source will be credited to the funds of the society.

Question of Finance.

The approximate cost—capital and recurring—of a health co-operative society will be as follows:—

Capital expenditure—1. Cost of the dispensary building, Rs. 250; 2. Cost of quarters for the doctor and compounder, Rs. 400; 3. Furniture, Rs. 60; 4. One cycle, Rs. 40; 5. Office equipment, Rs. 50; 6. Initial stock of medicine and surgical instruments, Rs. 200; Total Rs. 1,000.

Recurring expenditure.—1. Doctor's salary at Rs. 50 per month, Rs. 600; 2. Compounder's salary at Rs. 15 per month, Rs. 180; 3. Servant and sweeper at Rs. 5 per month, Rs. 60; 4. Contingencies at Rs. 5 per month Rs. 60; Total Rs. 900.

Income.—1. Annual subscription (at 2 annas per month), Rs. 750; 2. Income from call fees, injection fees, etc., the average per month being taken to be 15 calls and 15 injections (15 x 4 as. plus 15 x 8 as.) Rs. 150; Total Rs. 900.

It may be observed from the above statement that the initial capital expenditure comes to about Rs. 1,000 and unless this sum is found, it is not possible to start a health society. The help of an outside agency, (Government or District Board or Co-operative Banks which can contribute from out of the Common Good Fund) is necessary to meet these non-recurring items as the society should not be left to depend for financial help on private benefactions alone. The Madras Provincial Co-operative Bank, several central Banks, urban banks and co-operative societies have large amounts to the credit of their Common Good Fund and they may be induced to contribute substantial sums to meet the capital expenditure. If, however, the response from the co-operative institutions is not adequate, the help of Government or District Board may be necessary. Out of Rs. 15 lakhs allotted to the Madras Government Rs. 12.25 lakhs have been given to Collectors for rural reconstruction and a sum of Rs. 275 lakhs is available with the Local Government as a Reserve (G. O. No. 1352 Development, dated 26th May 1938). Rural sanitation is one of the purposes for which the Government of India grant for rural development might be spent and as this is the primary object of health societies, they are eligible for subsidies out of rural grant. In the early stages the income of the society may not be sufficient to meet the recurring expenditure and in such cases the local bodies which are spending large sums for running subsidised rural dispensaries, may come forward to meet the deficit, if any. Health societies are institutions run by the people for the benefit of the people and the cost is evenly distributed among the actual beneficiaries. There is vast scope for the successful working of such societies.

Formation of Unions.

After a number of societies are started in an area, a central organization called a "Health Union" will be necessary to co-ordinate the activities of health societies. Every such union will maintain a better qulified medical officer, one Sub-Assistant Surgeon for relieving the doctors in different centres in case of absence on leave, a small hospital with a nurse; a clinic with a laboratory technician, one clerk for keeping accounts and if possible, one organiser and propaganda officer. Its main functions will include: 1. Co-ordination of the activities of health co-operatives; 2. Purchasing of drugs and materials required for dispensaries in bulk at the cheapest price; and 3. Promotion of new societies.

The income of such a Health Union will be derived from out of contributions made by Health Co-operatives affiliated to it and subsidies from Government, Local Bodies and others. The budget of a Health Union will be roughly as follows:—

Expenditure:—1. Chief Medical Officer 100 x 12 Rs. 1,200; 2. One Sub-Assistant Surgeon at Rs. 50, Rs. 600; 3. Office (club, etc.) Rs. 200; 4. Clinical Laboratory, Rs. 200; 5. Hospital, Rs. 400; 6. Travelling allowance, Rs. 200; Total Rs. 2,800.

Income:—1. Contribution from 12 Health Co-operatives at Rs. 150 Rs. 1,800; 2. Income from Clinical Laboratory, Rs. 200; 3. Subsidies from Government, Local bodies and others, Rs. 800; Total Rs. 2,800.

As stated above, the question of starting a health union will arise only after a member of primary societies begin to function in an area. There may not be the need to start Health Unions largely, as there are Local Board dispensaries at almost all Taluk Headquarters.

The centres selected are Chepalle (Ramachandrapuram taluk), Polavaram (Amalapuram taluk) and Kondavaram (Pithapuram taluk), in East Godavari district, Peravali (Tanuku taluk) in West Godavari district, Villuppanur (Srivilliputtur taluk) in Ramnad district; Mayanur (Kulitalai taluk) in Trichinopoly district, Uluvur (Tanjore taluk) and Kuthanur (Nannilam taluk) in Tanjore district.

Circulars.

No. D. Dis. 10489/38.

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE SOCIETIES,
Madras, Dated 21st February 1939.

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

CIRCULAR.

Subject:—Examinations in Banking and allied subjects conducted by the Indian Institute of Bankers—qualification for the staff employed by Co-operative Bank—suggestions of the Reserve Bank of India.

In their statutory report, the Reserve Bank of India have stressed the importance of developing Co-operative Banks on modern banking lines and to this end have suggested the training of existing staff in banking theory and practice. The Indian Institute of Bankers have laid down a comprehensive course of studies in Banking and allied subjects and are holding examinations annually. These courses have been recognised by all the banks in India. The Joint Stock banks usually offer some kind of inducement to their staff to pass these examinations by means of honoraria or some increments in pay and give them preference in the matter of promotions. The Reserve Bank of India have suggested that the Co-operative Banks may with advantage do the same.

2. Only the employees of such banks, as are members of the Institute, are permitted to sit for the examination. In the case of joint stock banks, membership is open to those having a paid up capital of Rs. 1 lakh or over. This limit has been reduced to Rs. 50 thousand for Co-operative banks. The Co-operative Banks with a paid up capital of Rs. 17 lakhs or over are treated on a par with joint stock banks in the matter of contributions payable to the Institute and have to pay Rs. 100 in the first year and Rs. 50 annually thereafter. The smaller Co-operative Banks have, however, to contribute Rs. 10 per year for each employee becoming a member of the Institute subject to a maximum of Rs. 100 per year.

3. The Madras Provincial Co-operative Bank, Ltd., Madras, is already a member of the Institute and has been subscribing towards its funds from the 1937 onwards to enable the members of its staff to sit for the examinations held by the Institute. As many as 10 candidates are preparing for the examinations at present. The Registrar considers that the Co-operative Central Banks may also become members of the Institute and provide facilities to their staff to qualify themselves in Banking and other allied

subjects. It is needless to say that the maintenance of well qualified and efficient staff will be in the interests of the banks themselves. The Registrar therefore commends the Reserve Bank's suggestions for the consideration of all the Central Banks in the Province.

(By Order)

G. CHANDRASEKHARAN,

Manager.

II

CIRCULAR.

Subject:—Unions Supervising Unions—Strengthening of.

The Provincial Co-operative Union has represented to the Registrar that the Central Banks have been retarding the growth and development of unions and even stifling their existence by not providing adequate funds for their requirements. It has been represented also that the Banks would not allow even a sum of Rs. 5 in their budgets towards the affiliation fees due to the Provincial Co-operative Union. I believe the banks will realise that in the strength of the unions lies their strength and it is, therefore, necessary that they should encourage the formation and development of unions in the districts. But tiny unions serve no purpose and they have failed miserably in the past. They are not able to employ a competent staff for their clerical work and some have not enough funds to meet even their contingent expenditure. If the unions are to function effectively, they should have adequate funds at their disposal to meet the expenses towards supervisors, establishment and contingencies. It is, therefore, necessary that they should be fairly big unions with the area of operations extending even up to a taluk, if necessary. I do not mean that all the existing unions should be converted into taluk unions. Existing unions, if they can function effectively with the aid of their own finance supplemented from the resources of the Central Bank, need not be crippled or smashed. But what I visualise is a fairly big union with a proper set of governing body members taking lively interest in their work, meeting very often, regulating the work of the supervisors effectively, attending to correspondence from the Bank and the department promptly and attending to all other matters relating to the affairs of the society affiliated to it. If a union should exist, it should be of real help to the Bank. In that case, the Bank would not also ignore the benefits of local initiative and local knowledge which will be available only through local unions. Without a union, the Bank has to rely upon the reports of its supervisors for information, relating to the societies in the district. This is not always safe. On the other hand, the information furnished by local men will be more authoritative and more substantial than the one furnished by supervisors. I would suggest, therefore, that the Banks would do well to enourage the unions to grow and develop and be of real assistance to them in the disposal of loan applications and other matters relating to the societies affiliated to them.

2. It is necessary, however, that the functions of unions should be definitely laid down in their by-laws. It is noticed that the unions do not control effectively the work of the supervisors, because the banks control their work. It is necessary that the local people should control the work of the supervisors and being men on the spot, they can judge their work better. With a view to enable them to control the work of the supervisors effectively, it is necessary that they should be given some power over the supervisors, such as, the power to fine and suspend them. It has been recognised that there should be decentralisation in supervision. It is desirable, therefore, that the banks do not centralise supervision in their hands but rely upon unions to exercise supervision and for this purpose, trust them and also help them. If still the Banks feel that they cannot rely upon the unions, they may nominate one from the bank to a seat in the governing body and the by-laws of unions may also be suitably amended. All these methods are suggested with a view to improve and develop unions. If a union here or a union there has failed, it does not mean that the whole scheme of supervision through unions should be condemned. The Registrar feels that it is necessary that unions should be developed, if the movement is to be rehabilitated and trusts, therefore, that Central Banks will see their way to do so.

(By order)

G. CHANDRASEKHARAN,

Manager.

III

SRI G. VISWANATHAM CHETTY, B. COM. (EDIN.) F.R.E.S.,

Joint Registrar.

CIRCULAR.

Subject:—Co-operative Societies—Issue of receipts—Obtaining of remitter's signature in counterfoil—Instructions issued.

With a view to prevent possible misappropriation of amount collected from members towards their loans it has been suggested that the amount for which a single office bearer of a society may be authorised to issue receipts should be limited and that receipts for amounts exceeding that limit should be signed by more than one Panchayatdar. The Registrar has carefully considered the suggestion and is of opinion that it is not possible to accept it in view of the practical difficulties that will arise in adopting the suggestion.

2. To secure the object in view, however, it is considered desirable to obtain the signature of the remitter in the counterfoil of the receipt issued to him. This has got the following two advantages.

(a) It will enable the member to see that the amount paid by him is properly and correctly entered in the books of the society; and

(b) It will serve as an acknowledgment of the member for the payment made towards the loan due by him and will give fresh period of limitation to the loan from that date.

3. All Deputy Registrars, Assistant Registrars and Central Banks are requested to instruct societies and see that the signature of the borrower or that of the agent who pays money on his behalf is taken in the counterfoil of the receipt issued to him.

(By order)
G. CHANDRASEKHARAN,
Manager.

Dis. No. 6732/39. *Madras, dated 16th March 1939.*

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

CIRCULAR.

Sub:—Co-operative Societies—Issue of Receipts—Obtaining of remitter's signature in counterfoil—instructions—issued.

Ref:—Joint Registrar's Circular No. Dis. R. 2071/39 dated 11-3-39.

In order to avoid possible misappropriations of amounts collected by the societies from the members towards their loans, it is considered by the Registrar to be desirable to obtain the signature of the remitter in the counterfoil of the receipt issued to him which has the following advantages.

1. It will enable the member to see that the amount paid by him is properly and correctly entered in the books of the society and (2) it will serve as an acknowledgment of the member for the payment made towards the loan due by him and will give fresh period of limitation to the loan from that date.

All the societies are requested to adopt the suggestions of the Registrar and see that the signature of the borrower or that of the agent who pays the money on his behalf is taken in the counterfoil of the receipt issued to him.

(By order)
S. VENKATA RAO,
Head Clerk.

List of Societies Registered in March 1939.

Serial No.	Name of the Society.	District.
1	The Kamuthi Co-operative Sale Society, Limited.	Ramnad
2	The Vridhachalam Board High School Students' Co-operative Stores, Limited ...	South Arcot.
3	The Gudapalli Co-operative Credit Society ...	E. Godavari
4	The Geddada " " ...	"
5	The Mulikipalli " " ...	"
6	The Tantikonda Sree Rama Co-operative Credit Society	"
7	The Sree Sakhinetipalli Co-operative Credit Society	"
8	The Gutala Co-operative Credit Society ...	"
9	The Parulapalem Co-operative Credit Society, Limited.	"
10	The Kullampalayam Co operative Credit Society	Trichinopoly
11	The Velakkanatham " "	"
12	The Vembanur " " ...	"
13	The Avarampatti " " ...	"
14	The Pathiripatti " " ...	"
15	The Koonavelampatti Pudu Subramanya Co-operative Society	Salem
16	The Krishnagiri Co-operative Land Mortgage Bank, Ltd.	"
17	The Thiruvegapara Weavers' Co-operative Sale Society, Ltd.	Malabar
18	The Muthandipalayam Co-operative Society ...	Coimbatore
19	The Pollachi Municipal Superior Employees' Co-operative Society Ltd. ...	"
20	The Pattanam Co-operative Credit Society ...	"
21	The Kanthaneri Kalanikuppam Co-operative Credit Society	North Arcot
22	The Venkatasamudram Co-operative Credit Society	Tanjore
23	The T. Sadam Co-operative Thrift Society, Ltd.	Chittoor
24	The Gootamvaripalle Co-operative Thrift Society Limited	"
25	The Chandragiri Co-operative Loan and Sale Society, Limited	"
26	The Tirupathi Bred and Rosary Makers Co-operative Purchase and Sale Society Limited.	"
27	The Kotavaripalli Co-operative Thrift Society, Limited	"
28	The Punganur Co-operative Thrift Society, Ltd.	"
29	The Tirupathi Dholly Bearers' and Hill Coolies' Co-operative Society, Limited ...	"

List of Societies Cancelled in March 1939.

S. No.	Name of Society.	District.	Date of cancellation.
1	Masagoundanchettipalayam C.S.	Coimbatore	3-3-39
2	Sirumugaipudur Fishermen C S.	do.	7-3-39
3	Corpod C. S.	Chittoor	9-3-39
4	Atmakur Christian C.S.	do.	9-3-39
5	Korapuzha Mogirs C.S.	Malabar	11-3-39
6	The Ponnappur Melpathi C.S.	Tanjore	13-3-39
7	Pothuru Kuzhikad C.S.	Malabar	14-3-39
8	Georgepet Tenants' C.S.	Guntur	14-3-39
9	Sholathiram F.L.C.S.	South Arcot	14-3-39
10	Derebail C.S.	South Kanara	14-3-39
11	Magam C.S.	East Godavari	19-3-39
12	Mudigundan C.S.	Coimbatore	19-3-39
13	Timparkal Saivites Co-operative Better Living Society	North Arcot	21-3-39
14	Neravada C.S.	Kurnool	22-3-39
15	Gopapuram Nimnajati C.S.	Guntur	22-3-39
16	Palagunta C. S.	Chingleput	22-3-39
17	Manellore C.S.	do.	22-3-39
18	Koilkuntla C.S.	Kurnool	22-3-39
19	Kunthur C.S.	Coimbatore	24-3-39
20	Pudupalayam C.S.	Ramnad	25-3-39
21	Udumbiam C.S.	Trichinopoly	25-3-39
22	Kungahahalli C.S.	Coimbatore	25-3-39
23	Puvathakudi C.S.	Tanjore	29-3-39
24	Seri Iyyampet C.S.	North Arcot	30-3-39
25	Pudukottai C.S.	Salem	30-3-39

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