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The Madras Provincial Co-operative Marketing Society, Limited.

582, Pycrofts Road, Triplicane, Madras.

(Registered Under Madras Act VI of 1932.)

Head Office ... 582, Pycrofts Road, Triplicane, Madras.
Fruit Branch ... 38, Bunder Street, G.T., Madras.

President: SRI T. A. RAMALINGAM CHETTIAR, B.A., B.L., M.L.C.

The following are the main objects of the society:

(a) to arrange for the sale of produce of the affiliated societies and other members to the best advantage; (b) to act as agent of members for the disposal of their produce; (c) to co-ordinate the activities of the various non-credit societies by getting them into touch with the market, places of production and the prices prevailing in the Presidency; (d) to serve as an information bureau of raw products available in the Presidency or elsewhere.

Commodities now available in the Head Office: 582, Pycrofts Road, Triplicane.

Hand-pounded raw rice, milled raw rice from Maipad,
Hand-pounded raw rice, milled raw rice and the extra fine
raw rice from Ramachandrapuram, Boiled rice from Chin-
gleput and Tanjore, Rasipuram ghee, Koilpatti Butter,
Honey, Tooth powder, Seekai and graded eggs from
Ongole eggs Marketing Society.

Commodities now available in the Fruit Depot: 38, Bunder Street, G.T., Madras.

Kodur Sathugudi Oranges and Limes.

The Madras Provincial Co-operative Marketing Society, Ltd., was started in 1936. The society tries its best to bring the producer and the consumer in close touch by supplying the quality goods of the producers at a reasonable rate. Nearly half a dozen employees' societies in Madras city and about four students' hostels are purchasing the goods stocked in the society. We appeal to other societies also to avail of this opportunity and extend the benefit to their members.

By eliminating the middlemen, the producers are benefitted considerably. Such of the loan and sale societies which have not become members are requested to admit themselves as members and derive the benefits by sending their goods for sale through the marketing society.

We also appeal to co-operative stores working in the articles available

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THE
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AUGUST 1939.

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The Editorial Committee do not hold themselves responsible for views expressed by contributors. Contributors are requested to write legibly and on one side of the paper. Manuscripts will not be returned unless stamps are sent to cover postage. Matter intended for the issue of any particular month should reach the Committee before the 15th of the previous month.

Editorial Notes.

Central Banks in Berar.

We publish elsewhere a press report on the condition of the co-operative movement in Berar, which is rather distressing. Out of the 12 co-operative central banks in Berar, 11 have closed their doors and suspended payment to their depositors. Among the depositors in these banks, there are pensioners, minors and widows who live on their slender savings, besides local bodies and charitable institutions. Deposits of pensioners amount to Rs. 10 lakhs, of minors to Rs. 6 lakhs, of widows to a similar sum and of local bodies and charitable institutions to about Rs. 5 lakhs. This shows what misery can be inflicted by mismanagement of co-operative institutions on sections of the population who can ill afford to lose their savings in this manner.

Another distressing feature of the movement in Berar is that by the enforcement of the claims against members of primary societies, the central banks have about 54,000 acres of land in their possession, which to-day do not fetch income even sufficient to pay the land revenue thereon. The central banks have to pay annually on the lands in their possession a sum of nearly Rs. 90,000 to Government as land revenue.

We wish to draw attention in this connection to another statement contained in the report that the movement in Berar possesses

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as Reserve Fund a sum of Rs. 70 lakhs which is invested with the Registrar. But as the law and practice of co-operation now stand, it is not possible for these banks to avail themselves of this money even though the movement has collapsed. It must appear strange to people unacquainted with co-operative law that the Berar co-operators should request the Government of C. P. to lend them about Rs. 30 lakhs to rehabilitate the movement, drawing the Rs. 30 lakhs from the Reserve Fund which is in the hands of the Registrar. It will thus be seen that the tentative recommendation of the Committee on Co-operation (Madras) suggesting the pooling of the Reserve Funds for the common benefit of the entire movement is neither unscientific nor impracticable. What is the good of the movement possessing a Reserve Fund of Rs. 70 lakhs, if it is not able to utilise even less than 50 per cent. thereof to save the movement from collapse and prevent misery and distress to minors widows and orphans who have entrusted the banks with their deposits? We hope the co-operators of this province will examine the recommendation of the Committee on Co-operation in the light of the facts mentioned above.

The tale of the movement in Bihar is similar. If a scheme similar to that suggested by the Committee on Co-operation for the writing off of debts and the pooling of the Reserve Fund for the common benefit of the movement had been adopted in Bihar and Berar, the movement there would not have deteriorated to the extent it has.

Protection for Rice.

At the last meeting of the Madras Legislative Council Sir K. V. Reddi Naidu moved a resolution, and the Government accepted it, recommending to the Government of India that before they finally enter into any trade agreement with the Government of Burma, they should give an opportunity to the Government and Legislature of Madras to express their views regarding the desirability of restricting the imports of Burma rice into Madras province, with a view to raise the level of the price of the local rice. Sir K. V. Reddi Naidu pointed out that, compared with wheat and sugarcane, rice was a far more important and valuable crop than they, forming in 1932-33 nearly 52 per cent. of the total value of our agricultural produce against the 9 and 7 per cent. of wheat and sugarcane respectively, and yet the latter had received protection while the former had not, that while in 1913-14 the price of a bag

EDITORIAL NOTES

of rice was between Rs. 9 and Rs. 11, in July 1939 it was only between Rs. 6 and Rs. 8; and that in recent years there was a considerable shrinkage in the area of paddy cultivation owing to the abnormally low prices of rice. He pointed out further that in respect of production, Madras was at a great disadvantage compared with Burma because the sources of irrigation in Burma were natural, whereas in Madras they were artificial entailing a large outlay of capital and that the yield per acre was nearly double in Burma of what it was in Madras, so that the competition was unfair.

In accepting the resolution, the Hon. Mr. Giri stated that it was the desire of the Madras Government to restrict the imports of Burma rice with a view to raise the price level of local rice, that representations had already been made to the Government of India on the subject and that the latter had given an assurance that not only would the representations already made be given due consideration but that further opportunities would be given to the Madras Government to express their views before any conclusion would be arrived at.

The Government of Burma are indeed hardly likely to object to the proposed restriction, as they have already imposed customs duties on the imports of sugar, salt and cigarettes from British India, thereby going against the spirit of the present trade agreement between the two countries and placing India on the same level as foreign countries. A point to be considered no doubt is the interest of the consumer, who, as pointed out by Professor P. J. Thomas, is more numerous than the producer. But as pointed out by Mr. T. A. Ramalingam Chettiar and others, in a predominantly agricultural country like India the distinction between the producer and the consumer has not much force and unless the producer's income was raised he would not be in a position to employ labour. In our province Burma rice is chiefly imported by the West Coast, which does not produce enough rice of its own to meet its requirements. It could very well get its requirements, partly if not wholly, from nearby Tanjore district, but the freight policy of the railway and shipping companies has resulted in Tanjore sending its surplus to Ceylon and in the West Coast getting its supply from Rangoon and Godavari. By an adjustment of this policy it should be possible to divert Tanjore rice to Malabar, especially as Ceylon, on account of its changed attitude towards Indian labour, is not likely to need Tanjore rice hereafter as hitherto. Moreover, the West Coast, which is clamouring for protection for its

coconuts against the imports from Ceylon, cannot well object to the restriction of the import of Burma rice. Mr. Ramalingam Chettiar observed that on account of its cheapness, rice was being consumed in some areas in preference to ragi and cholam. If by the adoption of a protectionist policy in respect of Burma rice, these areas could be made to revert to the use of ragi and cholam, we should all welcome the result from a nutritional point of view.

We believe every co-operator in this province will heartily approve of the following observations made by the Hon. Mr. T. Prakasam when he opened the Central Industrial Museum at Madras just a day previous to the discussion of the above resolution in the Legislative Council. He said :

"First, the people's needs in the matter of food must be met. In a province like Madras with many irrigational sources, it was anomalous that the amount of paddy that was consumed by the people was not produced here but was imported from neighbouring countries to the tune of Rs. 6 crores. The reason why the food that was needed was not produced within the country itself was, the agriculturists did not get a reasonable return for their efforts. It was therefore necessary to ensure to them a fair economic price for paddy and other cereals if they were to produce the food that the people needed. The Government would bring to bear all the resources at its command in making the agriculturist receive a fair return for his labour."

Amendment to Land Mortgage Bank Act.

At the last meeting of the Legislative Assembly, held in the early part of this month, a short but important amendment of the Land Mortgage Banks Act was passed on the motion of the Hon. Mr. V. V. Giri. The amendment consisted in the insertion of a section empowering the Registrar of Co-operative Societies or any officer authorised by him and officials engaged in the relief of indebtedness to compel creditors to give evidence and produce all documents in their possession or power relating to properties proposed to be mortgaged to land mortgage banks. The amendment became necessary because much delay is now caused in the disposal of applications for loans in land mortgage banks on account of the unwillingness of creditors to produce documents in their possession. The section confers on the Registrar and other officers the same powers as are vested in civil courts of enforcing attendance and

examining witnesses, and of punishing any person who wilfully or without reasonable excuse disobeys any summons or requisition. The section also empowers Government to make rules for giving effect to these provisions. The readiness with which the Assembly passed the amending Bill is a further indication of the friendly attitude of the legislature and of the Government towards our land mortgage banks. But this need not cause any misapprehension in the minds of any creditors or others that the powers would be abused by the officers concerned, though such misapprehension has been expressed. We trust the rules to be framed by Government will be sufficiently careful in the matter and in fact meet all objections the real object of which is not to defeat the purpose of the amendment itself.

In this connection we would draw the attention of our readers to the tentative conclusions of the Madras Committee on Co-operation on problems relating to land mortgage banks published elsewhere. (see pp. 100-106). It will be observed in particular that the Committee are in favour of vesting the primary land mortgage banks themselves "with the powers of compelling any private party to produce the documents which have a bearing on the hypotheca and to take copies thereof and to record statements from the persons concerned on pain of penalty." The Bill is more conservative than the Committee's recommendation in that it has vested the powers not in the primary land mortgage banks but in the Registrar and certain other officers.

Central Museum.

Since the time the Congress Ministry took up office, the Hon. Mr. Giri has been indefatigable in his efforts to promote the idea of starting museums-cum-emporiums at the headquarters of each district to exhibit products of cottage and other industries. It is gratifying that the response to his fervent appeal has been fairly encouraging and *ad hoc* committees have been formed to bring these museums into existence. Some districts have already opened these museums. We had occasion to remark that the enthusiasm with which these museums are organised is solely dependent on the heads of the districts. While some have been prompt and enthusiastic, others have been slow in moving. But we have no doubt every district will have its museum. In order to co-ordinate the activities of these museums, the Central Industrial Museum was recently opened at Madras. An imposing ceremony was arranged on the occasion which was attended by a large number of persons interested

in the project. The Prime Minister and other Ministers of Government graced the occasion with their presence. The Hon. Mr. T. Prakasam who performed the ceremony availed himself of the occasion to enunciate the policy of the Government in regard to the development of large scale, medium size and cottage industries. The museum is housed in the spacious buildings hitherto occupied by the Government Press but now placed at the disposal of the Madras Industries Association, and the exhibits so far gathered, though not exhaustive, are impressive. With the organisation of district museums the Central Museum is bound to grow. It is hoped the emporium idea will soon take shape as the museum by itself cannot do much to promote the sale of finished products. In addition, we would suggest the creation of an Industrial Information Bureau which will serve as a clearing house for all information relating to cottage and other industries. We heartily commend this laudable venture to the public and to co-operative institutions in particular as any assistance rendered to the District and Central Museums will be in the interests of the economic future of the Presidency.

An unwanted Rule.

If anyone proposed that a rule should be made under the Co-operative Societies Act in this or any other province in British India that no co-operator, however eminent he be, should be permitted to serve on the managing committee of any co-operative institution for more than three consecutive years, he would be laughed out of countenance. If such a preposterous rule had existed, it would not have been possible for any of our well-known institutions to have developed, nor for the movement to have produced leaders like the late Sir Lallubhai Samaldas in Bombay, and the Hon. Mr. V. Ramadas Pantulu and Mr. T. A. Ramalingam Chettiar in our province, and other well-known co-operators elsewhere. Yet such a rule has been seriously proposed for the model State of Mysore, and it was published in the *Mysore Gazette* some weeks ago to elicit public opinion upon it. In a reasoned article published in this number Mr. Y. Sreenivasaiya, a well-known and thoughtful co-operator of Mysore, has shown how from every point of view the draft rule is uncalled for, harmful and undemocratic. He has conclusively shown that under the existing rules the Registrar has ample power and opportunity to prevent any undesirable person or set of persons from occupying year after year places on the management and shutting out chances of service for others. It is strange that the proposed rule should be thought of for institutions in district headquarters including the cities of Bangalore and Mysore, which are the places where it is least required. We trust the draft rule will be objected to by all the societies in the State that are likely to be affected by it and that it will be dropped.

Committee on Co-operation.

We have published elsewhere the conclusions tentatively arrived at by the Committee on Co-operation during its sittings in July. As it is sitting only a few days in a month owing to various reasons, we are afraid it will take a long time to submit its report to Government. We are sorry that for want of space we have not been able to give the proceedings in detail, but have to content ourselves with giving only the conclusions. When the report is published the reader will see that the discussions were informing and interesting.

The July sittings of the Committee were devoted mainly to a consideration of the problems relating to Land Mortgage Banks. But they were taken up after the Provincial Bank and the Supervising Unions were dealt with. With regard to the Provincial Bank the Committee arrived at the conclusion that the present joint-electorate for the election of individual shareholders to the Board of Management be retained. The case for a separate electorate for the individual share-holders was urged with considerable force by Mr. K. Bhashyam. But it was felt that the joint-electorate had been adopted only very recently by the Bank and enough experience had not been gained to recommend a change. More important is the conclusion that in the interests of the co-operative movement in this province there should be two separate Apex Banks—one for the Andhra Districts and one for the Tamil Districts—both working under the Registrar and having their headquarters in the City of Madras. We should prefer to comment on this subject after the Committee comes to a final decision on it.

With regard to the usefulness or otherwise of Supervising Unions there was very clear difference of opinion in the Committee. In some districts like Coimbatore, the unions have worked very well, but in other districts they have been quite useless and even burdensome. The Committee therefore did very well to leave the question of the retention or abolition of unions in the hands of their respective central banks, which after all are bearing the financial and administrative burden of the unions. There was a time in our province, when one heard the slogan everywhere, 'Finance and Supervisions shall be separate.' Happily we do not hear it now, and the stake of the central banks in the good working of the primary societies is now well recognised. It is not a case of principle but one of 'whatever is best administered is best'.

The Committee adopted quite a number of resolutions regarding Land Mortgage Banks. But there was no sharp difference of opinion on most of them. The proposal to eliminate individual shareholders from the Central Land Mortgage Bank was rightly rejected. We are afraid that we co-operators sometimes allow ourselves to be carried away by theoretical considerations and forget the importance of personnel in the management of institutions. Our land mortgage banks, our central banks and our Provincial Bank are among the

very best in the country. It is not to be supposed that their satisfactory condition is quite independent of the great co-operators who fostered them, or that any set of elected representatives from any affiliated societies would have managed them equally well. In no country in the world has democracy yet reached that level of efficiency, and in our country the democratic spirit yet lags very much behind the democratic form.

In recommending the abolition of the separate Land Mortgage Banks Deputy Registrars and vesting in the District Deputy Registrars some of the work of land mortgage banks, and in certain other matters, the Committee has agreed with the resolutions of co-operators passed at their conferences. Very valuable are the recommendations of the Committee that the loans of the land mortgage banks should be granted to a greater extent than hitherto for permanent improvements of land and that the loans given by them need not be only for 20 or 25 years but may be also for such short terms as 10 or 15 years and that debentures for such short periods may also be floated. Several resolutions recommended an amendment of the law to smoothen the working of the land mortgage system. The Government have already given effect to one or two of them in their recent Bill for the amendment of the Land Mortgage Banks Act, as we have already pointed out elsewhere. We believe other amendments will follow in the wake of the Committee's report.

The Committee considers that a margin of 2 per cent. is sufficient between the debenture rate and the loan rate to the ultimate borrower. This has been the opinion of the majority of co-operators in the Province, though they have not yet succeeded in making the Government accept it. We are glad that the Committee has supported the view of our co-operators. The Committee has also recommended that the Government's rate of interest on loans to agriculturists should not have a margin of more than 2 per cent on the Government's borrowing rate.

The Committee broke new ground when it suggested that the benefits of land mortgage banks should be extended to areas entirely dependent on rain, and that when rains fail in those areas the Government should offer temporary accommodation to the Central Land Mortgage Bank either from the general revenues or from the Famine Relief Fund in order to enable it to meet its interest liabilities to debenture holders. Further, the Committee is of opinion that a five year plan for the expansion of land mortgage banks should be adopted, according to which there will be at least 200 banks in the whole province on the basis of one for each taluk in the delta areas and one for two or three taluks in the dry areas. The representatives of famine areas on the Committee should be congratulated on getting these resolutions accepted by the other members of the Committee.

Land Mortgage Credit and Insurance.

DISMORTGAGING LOANS BY INSURANCE POLICY.

By THE HON'BLE MR. V. RAMADAS PANTULU,

President, South India Co-operative Insurance Society.

The question of linking land mortgage credit with insurance was taken up by the South India Co-operative Insurance Society in the year 1935. The Society's Actuary was duly consulted and tables for premium rates payable on dismortgaging policies constructed by him were approved by the Board of Directors of the Society and by the Registrar of Co-operative Societies, Madras. I shall explain the main features of the scheme. It deserves to be popularised.

Aim of the Scheme.

The co-operative land mortgage banks, in order to enhance their benefits to the agriculturists, may, besides affording them facilities of long term credit for discharge of prior debts and its easy repayment, also adopt measures to protect the borrower's family against the ruinous consequences of undischarged debt, in the event of the premature death of the borrower and help to restore the mortgaged property to the borrower's heir free of encumbrance. The Insurance Society will in such cases step into the shoes of the borrower, discharge his liabilities to the mortgage bank and relieve the family of the burden to the extent of the insurance effected, the sum assured, or the balance of the debt outstanding as the case may be, according to the plan of insurance chosen by the borrower.

Straight Insurance—Risk of sum assured.

The linking of land mortgage credit with insurance may be done in one or two ways. If the lending mortgage corporation persuades its borrowers to take out an insurance policy to cover the death risk, we have the necessary premium tables for the purpose for several plans of life insurance. Any plan of assurance may be chosen. It may be perhaps more advantageous to the borrower to take an endowment policy, without profits, for a period coterminous with the loan or a whole life policy without profits, on single payment or limited number of payments.* Under endowment policy, we have no single premium scheme; a single premium under an endowment policy will be so large as to be practically of no use to

* Vide Table I appended which gives the rates of premium for these two plans.

the borrower from a land mortgage bank and may be left out of consideration.

This is the straight insurance scheme. In this scheme the risk to be covered is the sum assured and not the diminishing debt. The premiums are to be collected by the concerned land mortgage bank along with the instalments of debt, on a system of equated payments and every endeavour should be made to keep the policy in force. In this scheme, as insurance is effected on ordinary lines of life insurance, no other technical details need be discussed. It may, however, be mentioned that if the borrower from the land mortgage bank is himself not of insurable age or is otherwise deemed an unfit life, the policy may be taken out in the name of some one else, in whose life the borrower has an insurable interest under law. It is difficult to work this scheme except to a very limited extent, for few borrowers from a land mortgage bank can afford to pay the normal insurance premium in addition to the equated annual payment of the loan. But every effort should be made to bring home to the borrower from the land mortgage bank the advantages of taking out a policy of life insurance either for the whole or part of the loan, whenever the borrower can afford to do so.

Dismortgaging—Risk of Diminishing Debt.

An alternative scheme is the issue of an assurance policy for dismortgaging, the risk to be covered being not the sum assured but the balance of debt that remains unpaid to the land mortgage bank on the date of the death of the assured. This is called the scheme of dismortgaging by guaranteeing payment of the loan outstanding on the date of death of the borrower, before the expiry of the period for which the loan is taken. Even if the borrower survives the full period of the loan and pays all the premiums, nothing will be payable on the policy, the premiums paid being merely fixed with reference to the diminishing debt which becomes extinguished at the end of the period.* In effecting insurance under this scheme, we may stipulate either (a) for payment of the premium in a single lump sum, undertaking to pay the land mortgage bank the balance of the debt that remains unpaid at the moment of the borrower's death, or (b) for annual payments to cover the same risk.

In both cases the amount of the premium will depend on the age of the insured, the rate of interest charged to the borrower by

* Vide Table II appended which shows how a loan contracted at 6 per cent diminishes under a system of 20 equated annual payments,

the land mortgage bank and the number of instalments, on which obviously depend the amount of annual equated payments and the total debt to be discharged.*

(a) *Single premium*: The sum required to pay the single premium at the beginning of the transaction can be obtained in two ways. The amount of single premium may come out of the loan issued to the borrower or it may be advanced in addition to the loan. The nature of the transaction is the same from the insurance point of view. It merely makes a difference in the amount actually borrowed in cash by the debtor from the land mortgage bank and has no bearing on the insurance transaction, which merely takes into account the balance of the debt risk to be covered.

(b) *Annual premium*: In the alternative, it will be open to the land mortgage bank to receive the premiums annually from the policy-holder and pay to the insurance company annually, instead of making a single premium payment. In the scheme of annual payments, the borrower will have to pay over and above the equated payments for the discharge of the loan an additional sum as insurance premium. An illustration of the scheme is given below:—

A person aged 20 takes a loan of Rs. 1,000 from a primary land mortgage bank at six per cent. For the liquidation of the debt, in twenty years, he is called upon to pay an equated instalment each year amounting to Rs. 87-3-0. Supposing he takes out an insurance policy under the dismortgaging scheme, then in addition to the annual equated payment to be paid to the bank, he has to pay an insurance premium of either Rs. 86-15-0 (in one single instalment) or Rs. 8-2-0 annually. If the borrower dies during the currency of the loan after paying ten annual instalments, the amount of debt still due to be discharged by him at the end of ten years will be Rs. 641-10-9 (Vide Table II). This amount is paid by the insurance society to the land mortgage bank in consideration of the premiums received and the mortgaged property is handed over to the borrower's family, absolved from further liability.

The contract between the insurance society and the land mortgage bank may be varied in respect of the discharge of the outstanding balance. Instead of repaying to the land mortgage bank the entire amount of the outstanding balance due on the date of the death of the borrower, the insurance society may stipulate for the

* Vide Table III for the insurance premiums payable under both these plans.

discharge of the balance in instalments which are yet to run under the original contract with the borrower. But this may necessarily not be to the advantage of the Insurance Society for it now hardly earns even four per cent interest on its funds, while the balance of debt due to the land mortgage bank carries interest at six per cent compounded.

It will be seen from the above illustration that the aggregate amount of payment to be made to the land mortgage bank on a six per cent interest basis, plus the amount of premium payable to the insurance society may work out to a sum representing simple interest on the initial sum borrowed at a rate ranging from 9.5 per cent to 10.5 per cent., varying according to the age of the borrower from 20 to 40 years. The payment of this interest on the sum borrowed for the specified period of the loan will not only extinguish the principal and interest on the debt due to the land mortgage bank but also secure protection to the estate of the mortgagor by reason of the freedom from further payments if the borrower dies during the currency of the loan.

It may be stated that twenty-year endowment risk is taken only on lives not older than forty. In the case of persons between 41 to 45, similar contract of 15 years and in the case of those of 46 to 50 a contract for ten years may be effected. A shorter period of endowment naturally means a higher premium.

As in the case of straight insurance, the borrower under the scheme may also, if ineligible for insurance or is an impaired life, take out the policy in the name of some one in whose life he has an insurable interest. The main idea of the scheme being to provide against the premature death of the earning member in the borrower's family, the person in whose name the policy is taken, if he is not the borrower himself, besides being one in whom the borrower has an insurable interest, must be one on whose savings the family depends for the discharge of the debt.

This insurance like straight insurance is one against death only and *not against default*, the only difference being the size of the risk to be covered. In the first case, it is the sum assured, and in the second case, it is the amount of the debt outstanding.

It must be stated that unlike the case of straight insurance the paramount consideration from the insurance society's point of view in the dismortgaging system is the probable amount of business which it can hope to write in its books in this line. Our Actuary says that there should be 200 persons living and continuing to pay premium for each death amongst entrants at age 18 and a similar proportion at the age of 50 would be 38 living for each one dying. So, it is obvious that unless the land mortgage banks give virtual monopoly of their business to our Insurance Society, it will not be practicable for the Society to work it. As such an offer was not forthcoming, the scheme has not been put into operation.

TABLE I.

Straight Insurance.

Table of rates for Endowment and Whole Life single and limited payments to assure a sum of Rs. 1,000 **without profits.**

Age.	WHOLE LIFE.		Endowment—	
	Single payment.	20 limited annual payments.	20 payments.	
	Rs.	Rs. A.	Rs. A.	
20 ...	357	26 3	46 2	
21 ...	362	26 12	46 5	
22 ...	368	27 6	46 8	
23 ...	374	28 0	46 12	
24 ...	381	28 11	47 0	
25 ...	388	29 6	47 4	
26 ...	396	30 1	47 8	
27 ...	404	30 12	47 13	
28 ...	412	31 8	48 2	
29 ...	420	32 4	48 7	
30 ...	428	33 0	48 13	
31 ...	436	33 13	49 3	
32 ...	444	34 11	49 9	
33 ...	452	35 9	49 15	
34 ...	460	36 7	50 6	
35 ...	469	37 6	50 13	
36 ...	478	38 7	51 4	
37 ...	487	39 10	51 12	
38 ...	496	40 15	52 6	
39 ...	505	42 7	53 1	
40 ...	515	44 3	53 12	
41 ...	525	...	...	
42 ...	535	...	...	
43 ...	545	...	...	
44 ...	556	...	...	
45 ...	567	...	...	

The rates are under revision by the Actuary in view of the more stringent provisions of the new Insurance Law regarding valuation.

TABLE II.

Loans of Rs. 1,000 repayable in 20 years by equated annual payments of Rs. 87-3-0 to include principal and interest at 6 per cent. per annum.

Year.	Interest.	Principal.	Balance outstanding.
	Rs. A. P.	Rs. A. P.	Rs. A. P.
1st Year	60 0 0	27 3 0	972 13 0
2nd "	58 6 0	28 13 0	944 0 0
3rd "	56 10 3	30 8 9	913 7 3
4th "	54 13 0	32 6 0	881 1 3
5th "	52 13 9	34 5 0	846 12 0
6th "	50 13 0	36 6 0	810 6 0
7th "	48 10 0	38 9 0	771 13 0
8th "	46 5 0	40 14 0	730 15 0
9th "	43 13 9	43 5 3	687 9 9
10th "	41 4 0	45 15 0	641 10 9
11th "	38 8 0	48 11 0	592 15 9
12th "	35 9 3	51 9 9	541 6 0
13th "	32 7 9	54 11 3	486 10 9
14th "	29 3 3	57 15 9	428 11 0
15th "	25 11 6	61 7 6	367 3 6
16th "	22 0 6	65 2 6	302 1 0
17th "	18 2 0	69 1 0	233 0 0
18th "	13 15 8	73 3 4	159 12 8
19th "	9 9 4	77 9 8	82 3 0
20th "	5 0 0	82 3 0	Nil.

TABLE III.

Dismortgaging Plan.

Premium rates to assure reimbursement of balance of debt of Rs. 1,000 calculated by equated payments at 6 per cent. spread over 20 years remaining over in the event of death of the policy-holder.

Age at Entry.	Single Payment.	Annual Payment.
	Rs. A.	Rs. A.
20	86 15	8 2
21	89 4	8 4
22	91 12	8 6
23	94 7	8 8
24	97 4	8 10
25	100 4	8 12
26	103 7	8 15
27	106 13	9 2
28	110 6	9 6
29	114 4	9 11
30	118 3	10 1
31	122 7	10 6
32	127 1	10 13
33	132 2	11 5
34	137 11	11 14
35	143 13	12 7
36	150 8	13 1
37	157 13	13 12
38	165 12	14 8
39	174 6	15 5
40	183 11	16 4

The rates are under revision by the Actuary in view of the more stringent provisions of the new Insurance Law regarding valuation.

*Rural Reconstruction and the Multi-purpose Society.

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

Asst. Secretary, Madras Provincial Co-operative Bank, Ltd., Madras.

The problem of "Rural Reconstruction" in all its varied aspects is a very knotty and at the same time a very interesting one, and it is no wonder therefore that it is attracting the serious attention not only of all patriotic Indians in general but of all true co-operators in particular. It is now admitted on all hands that the solution of the problem can no longer be delayed and that the solution lies only in "Co-operation". But opinions have differed as to the mode of tackling the problem—whether it is through a series of different types of co-operative institutions, as is contended for by the more orthodox and conservative section of co-operators, or whether it is only through the remodelled "Multi-purpose Society," as is contended for by the authorities of the Reserve Bank of India (in the Bulletins issued from time to time by their Agricultural Credit Department) and by the more advanced section of co-operators which heartily endorses the views of the Reserve Bank. The writer claims to be a humble follower of the latter theory and ventures to submit that, for the various reasons put forward in this article, the only effective solution of the problem of rural reconstruction lies in the multi-purpose society and in the multi-purpose society alone.

Before proceeding further, it is advisable to dwell briefly on the main and immediate cause which has led to the urgent and serious consideration of the question of rural reconstruction, and which is the bane of all our villages, namely, "Rural Indebtedness". It is now declared beyond any doubt whatever, that the agriculturist—the man on the soil and the mainstay of Rural India—has been for generations deeply immersed in an ocean of debt, and that the aim of all patriotic Indians should be to pull him out of it and put him on his legs again as a freeman to successfully play his legitimate part in rural economy. It is needless to dilate on the various causes which are alleged to have chiefly contributed to his chronic indebtedness. Suffice it to say that we are now daily confronted in all our villages with the tragic spectacle of the co-existence of chronic poverty, chronic indebtedness, chronic ill-health and chronic illiteracy, and the gloomy faces of a landless and desperate class of people. To

* A paper read before "The Cultural Association" Madras, at the premises of the Central Co-operative Institute, Madras.

RURAL RECONSTRUCTION AND THE MULTI-PURPOSE SOCIETY

remedy this miserable state of affairs "Rural Reconstruction" has been resorted to by our thinkers and statesmen as the only sure panacea.

Rural Indebtedness in the Madras Presidency alone has been estimated roughly at two hundred crores of rupees by Mr. W. R. S. Sathianathan in his report on "Agricultural Indebtedness in the Madras Presidency," submitted some time ago to the Government of Madras. As a result of that report, the Government of Madras has in its own way attempted to tackle the problem of rural indebtedness to some extent by the enactment of the Madras Agricultural Debt Relief Act and incidentally by the formation of Debt Conciliation Boards in select district centres in the Madras Presidency; but such measures, being in their very nature palliatives, can never be expected to afford a satisfactory solution of the problem. Besides, it is no use merely trying to free the agriculturist from the burden of his existing debts. The more important point to note and the more important service to render is to prevent him from again running into debt in future. The only way of doing this is to raise his standard of living by increasing production and thereby his earning capacity, by the improvement of his agricultural operations with the aid of refined modern agricultural implements, by good manures and other materials which enrich the soil, by the marketing of all his agricultural products through the agency of co-operative institutions, by providing and encouraging different kinds of cottage industries as subsidiary occupations and above all by the supply through co-operative societies of cheap credit to enable him to maintain himself decently. There is absolutely no doubt that this arduous task of the rehabilitation of the agriculturist is the legitimate function of the multi-purpose society that it can be successfully undertaken only by the multi-purpose society.

"Rural Reconstruction" or "Rural Uplift," by whichever name you may call it, is really a reconstruction or uplift of the mind—a recast of the general outlook of the villager. It aims at a thorough reformation of the entire life of the villager taken as a whole. The term "Rural Reconstruction" is a comprehensive one and includes within its purview the various sub-divisions of rural education, rural sanitation, rural hygiene, rural health, rural social welfare, rural Panchayats, rural recreations, rural morals and so forth. Now, coming to the multi-purpose society itself, it is, as the name clearly implies, a co-operative society having multi or many purposes. It caters to the several needs of the villager and purports to deal with

his whole life in all its varied aspects. In short, it aims at the all round amelioration of the condition of the villager, taking his life as a whole, unlike the ordinary and familiar type of co-operative society which deals only with one side of his life, viz., the financial or credit side. It is well-known that ever since the introduction of the co-operative movement in India nearly forty years ago, both the Co-operative Department as well as the non-official co-operators have confined their attention and activities mainly to the credit side of the villager's life, with the unfortunate result that all the other sides of his life are completely neglected. The evil of such a partial treatment is responsible for gradually undermining the rural economic edifice and landing the villager in a state of utter chaos and despair from which he has not yet been able to recover. The multi-purpose society, however, by catering to all his varied needs, aims at relieving him from such a tragic plight and restoring him to his original position of freedom and self-reliance. The true scope and objects of the multi-purpose society have already been very lucidly pointed out in the Bulletins of the Reserve Bank of India, issued from time to time, and by Mr. M. B. Nanavathi, the learned Dy. Governor of the Reserve Bank of India, who rightly and graphically compared the villager to a coat-pocket containing many holes which must be mended at the same time to make the pocket quite intact as before. Though the idea underlying the multi-purpose society is not a novel one, and is in a way implied in the opening bylaws common to all co-operative societies registered under the Co-operative Societies' Acts, yet the credit of conceiving the idea of such a society in the form in which it is now presented—of giving the right remodelled shape to the ordinary co-operative society and clothing it with a many-sided character and thereby linking the same with the difficult problem of rural reconstruction—that credit goes, in the writer's humble opinion, entirely to the Agricultural Credit Department of the Reserve Bank of India.

The new type of multi-purpose society takes stock of all sides of a villager's life, of all his wants and of all his aspirations and tries to simultaneously and successfully deal with them all, for it is only then that the wide problem of rural reconstruction can be effectively tackled. This view will be made clear and better understood if we turn our attention for a while to the old type of co-operative society with which we are all quite familiar. What has the old type society, which has been in existence for the past

forty years, done for the uplift of the villager? There can be only one answer to the question and that is an emphatic "Little". The only tangible benefit it gave the villager was cheap credit—much cheaper, no doubt than that given by the village money-lender or Marwadi or Mahajan. This cheap credit, however, instead of making the villager gratefully appreciate its value and thereby render him economically better and sounder, unfortunately turned out to be a lure for vice and extravagance, made him more and more indebted and ultimately landed him in disaster. Thus the cheap credit afforded by the society was directly responsible for his increased indebtedness and consequential economic ruin. Quite a different result, however, would have followed if the society had taken care to see to the proper utilisation by the agriculturist of the loan borrowed by him from the society. Then the loan would certainly have been put to profitable uses and would have been really reproductive. It is the purpose for which the loan is utilised by the borrower that determines the reproductivity or otherwise of the loan, for it is only if the loan borrowed is actually used for a productive purpose it can be said to be reproductive; otherwise it will be a sheer waste of the society's funds.

The question may also be looked at from another standpoint. If the co-operative society merely lends moneys and does not care to look after the legitimate use thereof by the borrower, the loan is infructuous both from the point of view of the society as well as of the borrower. Besides this, the inevitable result of such a policy would be that the society ceases to function after the grant of the loan and the borrower does not care to approach the society again until he needs a fresh loan. That surely is not a desirable state of things. Then the co-operative society reduces itself to the position of a glorified money-lender, as aptly described by Mr. Nanavathi, in his address to the Surat District Co-operative Central Bank when he opened the newly constructed buildings of the bank. The function of all the financing co-operative institutions, whether they be central banks or societies, is not only to lend moneys but also to carefully watch the utilisation by the borrowers of the sums so lent, only for the legitimate and reproductive purposes for which they are lent and for which they are ostensibly borrowed. In this connection it may be usefully pointed out that we are now faced with a curious situation—indeed a paradoxical one—in that we see large surpluses of idle funds lying with the central banks without any profitable investment and at the same time we find the agriculturist bitterly

and loudly crying for credit. This unhappy state of things will go on and the societies will continue to remain in their present lethargic condition, until we devise ways and means to establish a close, effective and profitable connection between the central banks and the agriculturist. Here it is that the multi-purpose society comes in to establish the desired connection and thereby benefit both the central bank and the agriculturist. As already stated above, the multi-purpose society has for its object, the simultaneous and an all round amelioration of the condition of the agriculturist—not only his financial or credit side as the ordinary co-operative credit society does but also the social, economic, educative, hygienic, sanitary and other sides of his life as well. By thus catering to all the wants of the agriculturist, the multi-purpose society has a continuous and active life, unlike the ordinary co-operative credit society which has a spasmodic existence dependent on and terminating with the periodic grant of loans.

To illustrate the actual way in which the multi-purpose society attempts to help the agriculturist we may take the usual and concrete case of a loan granted for purchase of manure. The agriculturist applies to the society for a loan to purchase manure. With a view to see the sanctioned loan properly utilised for the purpose mentioned, the society, instead of giving him the loan in cash, itself undertakes to supply the manure required and later on sell his agricultural produce to his best advantage in the market and finally pay him the balance of the sale proceeds after deducting his dues to the society, thus safeguarding the interests both of the society and of the agriculturist. The balance due to the agriculturist may either be paid in cash into his hands or credited to his current account with the society. By this procedure both the society and the agriculturist are benefited. The society enjoys the supreme satisfaction of having seen to the proper utilisation of the loan borrowed for a really productive purpose, while the agriculturist is saved a lot of worry and expense in carrying his produce to the market and the great danger of being deceived and heartlessly exploited by greedy middlemen in selling his produce. In this way, the society may well undertake to buy and supply the agriculturist with all his necessities of life. These constant dealings between the society and the agriculturist establish a close and desirable connection between the two.

So far we have dealt with the potentialities of the multi-purpose society, but there is no doubt whatever that this multi-purpose

society, if it is to work successfully, involves the selection of able, enthusiastic and honest men and should be manned by men of sterling character fully imbued with co-operative spirit who can be trusted to go out to every nook and corner of the countryside and educate the illiterate village folk in the fundamental ethical principles of co-operation and the great benefit of the multi-purpose society. For it is too well-known that the average Indian agriculturist, owing to his lack of education, is very conservative in his general outlook and is very slow in appreciating and adopting any new measures devised for his uplift. Really speaking, the urge and the desire to take advantage of the existence of the multi-purpose society and thereby better himself in life, should have rightly emanated from the agriculturist himself; but bearing in mind his profound ignorance and obstinacy, which are the two chief stumbling blocks to his progress, the central banks have to take up the matter in their hands and tackle the problem. It is needless to say that the central banks also stand to gain by doing so, in as much as they can easily find a safe and at the same time a profitable outlet for their surplus moneys, by way of loans to societies for construction of godowns and warehouses for the storage of the produce of the agriculturist and for grant by societies in their turn of loans to the agriculturist at lower rates of interest on the security of his agricultural produce stored in the godowns and warehouses. This system of controlled finance will not only be of great service to the agriculturist but also serve to solve the problem of unemployment to some extent by affording scope for the employment of cultured, able and honest men as supervisors deputed by the central banks to supervise the working of the multi-purpose societies financed by the central banks.

For a successful working of these multi-purpose societies, however, the selection of the personnel of the borrowers is of paramount importance and unless all the borrowers are truly co-operative-spirited persons, having a *bona fide* and honest intention to promptly repay their loans to the society, the whole structure of the multi-purpose society and the whole scheme of its organisation will surely be shattered and the central bank which is its financing agency will be put to severe loss in consequence. The personnel of the borrower is therefore the primary factor to be considered and really forms the sole subject matter of study for the enthusiastic supervisor. The next important factor for our consideration is the legitimate use of the loan borrowed. The loans, if they are to be recovered, should be strictly short-term loans repayable from out of the year's harvest by

the sale of the produce. In this connection the following remarks of Mr. Nanavathi are to the point. "Recoveries can be made certain and almost automatic if it is understood that fresh short term loans would be available only to those who undertake to market at least a part of their produce, sufficient to repay the loans, through the society. The produce can then be marketed wholesale by the society and after deducting the loans due to it the balance can be either given back in cash to the borrowing member or better still kept to his current account with the society." The above observations clearly show that there should be perfect mutual understanding and mutual devotion between the society and the borrower in their mutual dealings. Above all, as has been already stated, character is the most important factor which should be insisted upon not only in members and pauchayatdars of multi-purpose societies, but also in the directors, members of the staff and supervisors of the central banks financing them. The right man should be selected to work in the right area to make the multi-purpose society a success. The real secret of the multi-purpose society is the multifarious nature of its activities. It profitably combines in itself the joint functions of the three types of co-operative societies, viz., the credit society, the loan and sale society and the marketing society, and this combination of functions facilitates the varied operations of the multi-purpose society and caters to the several needs of the agriculturist. It should therefore be the aim of all true co-operators not only to help the organisation of new multi-purpose societies in every village but also to transform the existing old type societies into multi-purpose societies by clothing them with a multi-purpose character.

There is absolutely no doubt that the multi-purpose society is a real boon to the Indian agriculturist which will make his life cheerful, contented, peaceful and prosperous once again and the Indian villages the centres of everlasting peace, contentment, bloom, joy, happiness and prosperity.

Propaganda by Films.

A PROPOSAL FOR A CO-OPERATIVE FILM PRODUCING CONCERN.

By Mr. O. A. NARAYANASWAMY, B.A., B.L.,

Tanjore.

A well-conceived and well-directed programme of effective propaganda is necessary to ensure the success of any branch of rural uplift activity. The agencies engaged in this work, whether official or non-official, are keenly alive to the need for propaganda and this is being done by means of pamphlets and lectures and latterly through the radio. The film is also a very potent and powerful medium of propaganda but this has not as yet been utilised for the purpose. In the course of his presidential address at the Motion Picture Conference at Bombay Mr. Satyamurthi, M. L. A., (Central) stressed the need for the production of instructional films. The Punjab Government has also recently decided to make use of films for rural uplift propaganda and proposes to go ahead with the manufacture of films for the purpose. In our Province the Government is spending a good lot of money for propaganda in the departments of Agriculture, Co-operation and Public Health. That the film is eminently suited for the purpose cannot be denied. But the films have to be so made as to be really attractive and in consonance with the tastes, customs and manners of the people in each locality. The film industry in our province is yet in its infancy and the film producers now in the field could not be expected to come forward and undertake the production of high class films of instructional value.

The aim should be to produce short films of not more than 15 minutes duration with a good lot of story interest and so designed as to bring out the propagandist's aspect in a telling fashion. It is therefore suggested that a co-operative film producing society may be formed for our province for the production, distribution and exhibition of films of instructional value dealing with various aspects of rural uplift, bringing out the advantages of improved methods of agriculture, of public health or sanitation, of the working of various types of co-operative organisations about various cottage industries and of such topics, economic, social or educational as will be conducive to the betterment of conditions of rural life.

The District Magistrates are the proper licensing authorities under the Public Resorts Act and they can make it a condition of the licence that all the exhibitors should necessarily exhibit such instructional films for at least 15 minutes in a show.

The proposed concern may be known as the Madras Provincial Co-operative Film Production Society with a share capital of a Lakh of Rupees to start with, each share being of the value of Rs. 100. The Government may subscribe about Rs. 50,000 to the share capital of the society and out of the remaining Rs. 50,000 Rs. 25,000 may be taken up by the Provincial Bank, and the District Banks in the Presidency. The remaining Rs. 25,000 may be thrown open to individuals. The Board of Management of the society may consist of the various heads of departments such as the Director of Agriculture, the Director of Public Health, the Registrar of Co-operative Societies, the Director of Veterinary Services, the Director of Industries, and the Director of Public Instruction, ex-officio, besides 5 others to be elected by the Provincial Bank and the Co-operative Central Banks; and 4 more from amongst the individual shareholders of the society.

An officer sufficiently trained in methods of propaganda should be in charge of the society and it should be possible in consultation with expert technical advice to produce a number of short films in the various languages of the Presidency at a reasonable cost. If as suggested above it is made incumbent on every exhibitor of cinema in this Presidency to go in for a short instructional film in each show, there is sure to be a decent return on the cost of production by way of hire from the films. Even as a pure business venture the scheme is sure to yield to good return on the amount invested.

In the initial stages, the society would have to arrange for the production in some established studios at Madras or elsewhere. The society can easily arrange to invite and consider themes on various subjects, have them appraised correctly in accordance with the needs of various parts of the Presidency, make a judicious selection of actors and actresses and then arrange for the production. It is suggested that the Committee on Co-operation and the Madras Provincial Co-operative Bank may consider this proposal in all its aspects and make suitable recommendations to the Government.

An Undesirable Draft Rule for Mysore.

BY MR. Y. SREENIVASAIYA, B. A., LL. B.,

Advocate, Mysore.

"Rule 6 (B.) The management of every society situated at District Headquarters shall vest in a Committee consisting of not less than five and not more than fifteen members elected annually in accordance with the bye-laws of the society and the rules framed by Government for the conduct of elections. Such bye-laws shall make provision to ensure that at the elections so held at least one-third of the members of the Committee or if their number is not a multiple of three then at least the number nearest to one-third shall retire from office, and that the members so to retire from office every year shall be those who have been longest in office since their last elections or appointment; but as between persons who become members of the Committee on the same day those to retire shall be determined by lot. A retiring member shall not be eligible for re-election."

The above draft rule published in the *Mysore Gazette* on 27-4-39, is intended to replace standing Rule 6 (B) which was passed only a year back on 30-3-1938. The existing rule was not passed in the form in which it was originally published in the *Gazette* dated 5-8-1937. It was substantially changed as a result of the public protest and opposition by the annual Co-operative Conference held on 12-10-1937.

A reference to the discussion of the proposition as recorded in the Conference proceedings at pages 13 and 14 shows that the idea of framing a rule to eliminate those who served on the committee for the longest period was not acceptable to most of the delegates. The Deputy Registrar who was present at the Conference gave the following explanation of the intention of the Department in recommending a rule in that form.

"The idea of framing the rule regarding election was to give an opportunity to new members to work in co-operative institutions. As a safeguard against the same committee continuing in office for long periods and at the same time in order to ensure the advantage of experience and continuity of policy, the bye-laws of societies should provide for the compulsory retirement of old members."

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His position therefore was that—

1. New members should be introduced into the committees annually.
2. The same committee should not continue in office for long periods.
3. The advantages of experience and continuity of policy should be ensured.

The Conference then passed a resolution, moved by Mr. E. N. Natesan, opposing the draft rule 6 (B) in the following terms:—

“Draft rule 6 (B) framed and published for information by the Government is not acceptable in its present form, but they request the Government to so frame it as to *exclude the clause dealing with ineligibility on account of longest service*, and also to provide for the introduction of not less than three new members to serve on the committee of management”.

The Government was kind enough to appreciate the point of view of the public and therefore changed the draft rule and passed it on 30-3-1938 in the amended form as in force now.

One of the clauses of the said rule 6 (B) is thus:—

“Such bye-laws shall make provision to ensure that not less than one-third of the total number of members of the committee shall be persons who have not served at any time during the previous years on the committee of management.”

Certain societies got their bye-laws changed accordingly and elections for the current year 1938-39 will be under these rules.

The effect of this new rule therefore remains to be seen when elections take place after the close of the year 1938-39. We have no material as yet, to say that the new rule 6 (B) that is in force since March 1938 has failed in its object.

It is surprising that the Government should introduce again the same draft rule with certain changes which are less liberal that was opposed vehemently in the Conference of 1937 and abandoned by the Government later on.

The draft rule 6 (B) is intended to apply only to societies in the District Headquarters. The reason why it should apply to societies situated in eight towns only in the State is not clear. But of this later on. The Registrars have been giving very good opinion regarding the Urban Societies in the State, amongst which societies situated in the District Headquarters are also included. The present

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Registrar, as well as his predecessor in office, has got the same good opinion about Urban Societies. The predecessor of the present Registrar has said in his report (1935-36) submitted to the Government (*vide* page 17) which is his last report, that :

“The Urban Societies have all along been having a steady and continuous growth, have got well *experienced in self-management*, have offered few occasions or little need for Departmental interference, control or guidance and cause little concern” (85).

In his latest Report, 1937-38 the present Registrar has said (Page 21)

“From the preceding paragraphs, it will be seen that while the *Urban movement* has been *steadily advancing*” etc.

As there is thus no complaint either of a grave or of trivial nature against Urban Co-operative Societies, it looks to be superfluous to frame rules regarding their working.

Nobody can say that it is opposed to the principle of co-operation to allow a person to be on its management for a long time. Sir Horace Plunkett, who knew well enough the principles of co-operation, was the President of the Irish Agricultural Organization Society for a period exceeding 40 years from the date of its inception to the date of his death.

Nobody is anxious that long standing committee members should be undisturbed in their position. Their continuance on the committees or their elimination from them, should depend upon their usefulness or worthlessness respectively. All the members of a committee in office retire each year, and such of them as choose offer themselves for re-election. The present rule presupposes that the share-holders in the societies at District Headquarters exercise their discretion so unwisely that they reelect long standing committee members year after year though they are unworthy. This hypothesis is hard to be believed in the absence of positive proof that in the majority of about 200 and odd societies located in the District Headquarters, long standing committee members are being re-elected year after year regardless of their worth to serve the societies.

Again, the existing Rule 6 (B) allows discretion to the share-holders of the societies in the District Headquarters to eliminate even the seniormost of the committee men, if they like it, by passing a suitable bye-law. If certain societies to which such a rule would be beneficial in the opinion of the Registrar, abstain from passing such a bye-law, it is within the powers of the Registrar to summon

an extra-ordinary General Meeting of the share-holders and inform them of the harm done to their society by their negligence, and bring to their notice the real situation.

Then it is quite certain that some members will agitate the question in their General Meetings. Also, if the seniormost members of the committee do not act in the interest of the society or work against its interest, the Registrar can remove such undesirable elements from the committees, or even suspend the whole committee and appoint a sole director for a period of one or two years, and see that his ideas are carried out. When the Registrar is invested with such very wide powers, why the Government should frame rules to eliminate the senior men as such from the committees of *all* the societies in all the District towns regardless of the effect of such elimination on the institutions cannot be understood. The very numerous rules framed by the Government for the past year and a half which mostly apply to Urban Societies have caused already dissatisfaction if not resentment amongst the Urban Co-operations. The Registrar is very well aware of it and has referred to it in the latest report as follows: (Page 19, para 86).

"There has been agitation against some of these new rules in that, by their promulgation the de-officialization of the movement which is the co-operative ideal, has received further set-back."

It is better that things are let alone, as they are. Under the rules already in force, the situation is as follows:—

The Auditor is appointed directly by the Registrar himself. Hence he is not in any way likely to screen any defect from the view of the Registrar. Therefore if any committee members are sticking to their places to screen from the public view any of their misdeeds, henceforward they will not be able to achieve their object.

It was once a common talk that in certain big centres the same set of persons were elected to the Managing Committees of numerous societies who were therefore practically preventing many persons from serving their societies.

But now Rule 6 (C) which prevents a person from being a member of more than one society of the same kind, removes also his chance of being a Director of more than one society of the same kind. Assuming that any member secures the permission of the Registrar to be a member of more than one society of the same kind, nevertheless he is not entitled to sit on the Managing Committee of more than one of them under Rule 6 (D) without the

special or general sanction of the Registrar. Thus no person can, as a matter of right, stand for election in more than one society of the same kind. These new rules will be put into full force in the ensuing elections after the close of the year 1938-39. Then there will be some material to judge whether the supposed evil expected to be eradicated by draft Rule 6 (B) will have been eliminated or not with the help of the rules now in force.

Government has already assumed power of deciding how many members an Urban Society should have, which person may continue his membership in which society, and which person may serve on the committees of more than one society and on which of them he can. not do so and so on. They may halt for the present to take stock at this stage of the effect of the policy they have followed for the past about a year and a half. Rules are not so soon cancelled as they are passed. It is better that the Rule 6 (B) now in force is continued for a few years more to study whether the effect of it will not be what it was expected to be.

It cannot be denied by the Government that the co-operative movement can succeed only to the extent to which the co-operators are trained in working out their principles and policies themselves on co-operative lines. Those who believe that a strong hand at the top, assisted by loyal assistance and armed with the power derived from rules framed by the Government, can bring about results expected from co-operation, will meet with nothing but disappointment. If only Government should be pleased to direct their attention from their officers' powers towards the people, and try to give them the proper training, and take steps for the spread of the gospel of co-operation, they have far better chance of achieving their object. Rules when they are found to have failed to yield the expected results, have the tendency to multiply themselves, as we have been seeing in the case of co-operation; but multiplicity of rules does not bring about the reformation of the co-operators, which alone is the solution for the betterment of the movement whether in the District Headquarters or rural parts.

One of the gravest accusations against the co-operative movement in Mysore, as elsewhere in India, is that there are not proper men forthcoming to serve it on correct lines. But it is well-known that no arrangement is made to train men for the purpose either by the Government or the societies. There is extreme reluctance both on the part of the Government as well as the co-operators to contribute funds to organize training courses. Consequently

untrained men, entertaining their own views and notions about co-operation, its aims, objects and goal, come into the committees and acquire knowledge about the working of the societies, their methods and policies in the course of their service on the committees. If there are any amongst the co-operators now who know something about co-operative practice and working, they have learnt it mostly in the course of their tenure of office on the committees. It takes many years for one to learn the nature and method of co-operation in this way. But the proposed Rule 6 (B) takes away even this chance of learning by practical experience the art of running a co-operative society. For a person can serve according to the proposed rule for not more than three years. The first year is spent in acquainting himself with the affairs of the institution. During the second year one tries to find out the ways of improvement. It is in the third year he can put his views into practice. By the end of the third year, before he knows the merits or demerits of his experiments, he will be removed compulsorily from his office, if the new rule comes to force. The draft rule, if passed, applies to every kind of society in the Headquarters of a District, whether primary, central, credit, stores, ladies, depressed classes, propagandist or land mortgage, and whether its membership is in thousands or hundreds or even tens. A rule which is made applicable to every kind of society regardless of its condition and nature, simply because it happens to have its registered office in a District Headquarters, is likely to prove mischievous in its effect to many of them, and inflict infinitely more harm to very many societies than the good it may render. It is defeating the purpose of the Rule if the Registrar grants exemption to very many societies under the discretion vested in him.

The draft rule seems to be based on the view that a society could be worked, or should be so organized as to be capable of working, without depending upon personalities. That view when analysed means that if each society is endowed with a complete set of rules, the organization can work out its purpose mechanically, whoever may be the person entrusted with the management of the affairs of the society. But experience is opposed to this view. Co-operation seeks to inculcate the spirit of universal brotherhood amongst people, build up character, and reform man. These purposes could be fulfilled only with the help of men of faith, enthusiasm and knowledge. Rules and the few officers of the Government that could be appointed to enforce them will be unable to do any of these things. What is required is therefore not additional rules or amendments to the existing ones, which are good enough for the purposes, but instruction and training to the co-operators and their committee members.

Rural Uplift School, Rayachoti.

BRIEF REPORT.

A third Rural Uplift School for this District was opened at Rayachoti on 21st April 1939. Financed wholly by the Provincial Co-operative Union, Madras, this was the first School in the District to be inaugurated and run under private auspices. A liberal grant of Rs. 1,000 was sanctioned by the Union and was placed at the disposal of the School authorities to meet the necessary expenditure.

2. Mr. K. Muthukrishna Nayudu, B. A., B. L., Deputy Registrar of Co-operative Societies, Cuddapah, and Mr. N. Subbaramayya, B.A., B.L., President, Co-operative Central Bank, Cuddapah, formed the Committee for the management of the School. The Deputy Registrar was appointed as the Secretary of the School and Mr. Subbaramayya, B.A., B.L., as Treasurer.

3. The object of the Madras Provincial Co-operative Union in undertaking to run the School was two-fold: firstly, to assist the District authorities in raising a band of young men disciplined and trained in the work of Rural Uplift; and secondly, to make use of the candidates so trained to carry on propaganda in the villages in the cause of co-operation which is essentially a facet of the larger movement for Rural Reconstruction. The instruction imparted in the School had therefore a "co-operative bias." The curriculum included additional subjects such as Agriculture, Co-operation, Sanitation, Village Panchayats, Debt Relief, Accounting, etc. The period of training which was limited to a month in the Schools at Jammalamadugu and Rajampet was increased to one and half months.

4. *Recruitment*: The candidates selected were (a) young men from villages who had received general education up to the Eighth Standard, (b) Teachers in the District selected by the Educational and District Board authorities, village officers and members of the Village Panchayats and Rural Co-operative Societies.

5. *Strength*: Sixty candidates were selected by the Selection Committee of whom 10 were Muhammadans, 5 Christians, 3 Harijans and 38 Hindus. They were mainly drawn from two taluks—Cuddapah and Rayachoti. 38 out of the 60 candidates came from rural areas. Owing to a dearth of suitable young men from villages the selectors had to fall back upon village school teachers who formed more than 50 per cent. of the total number selected to undergo training.

Four of the selected candidates could not withstand the strain of the training and had therefore to be discharged. There were thus 56 students on the roll at the end of the session.

6. *Starting of the School*: The School was opened on 21st April 1939 with a procession which went through the main streets in the village singing national songs. The Deputy Registrar of Co-operative Societies, the District Health Officer and other local officials accompanied the procession. After an introductory speech by the Deputy Registrar, the Collector formally opened the School in the presence of a distinguished gathering of officials and non-officials and explained to the candidates the object of the School and the task that lay ahead of them.

7. *Programme*: The first five days were set apart for the Rovers Training course under the direction of Mr. V. S. Ratnasabhapathy,

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Provincial Commissioner, Hindusthan Scout Association, Madras. The programme of work drawn up for the period of 1½ months consisted, as usual, of physical exercises in the morning, followed by lectures on various subjects of rural interest with practical demonstration whenever necessary. In the afternoons, the candidates were given training in useful handicrafts. Tape making, mat weaving, lace making, knitting of net bags and hammocks, carpentry and soap making were some of the industries taught. The products manufactured found a ready market.

8. *Village visits:* The evening hours were spent in visiting selected villages in the vicinity. The pupils marched to the villages carrying with them hundi boxes and placards on co-operation and Health and gave demonstration of non-equipment games in which the villagers were encouraged to participate. To sustain the interest thus created, Sports Clubs were formed then and there. Late in the evening, short discourses on rural subjects like Agriculture, Co-operation, Thrift, Physical regeneration etc. were given and magic lantern slides were exhibited. The pupils then returned to their camps.

Ten villages were visited during the course of training. Nine Sports Clubs were formed of which six competed in inter-village Cheduguda tournaments. A statement is appended showing the villages where Sports Clubs were organised with their respective membership.

When the programme did not include a visit to a village, the students engaged themselves in drill and outdoor games at Royachoti. There were usually camp fire entertainments on these days and they were well attended. The candidates displayed considerable talent in amusing the audience.

9. The School came to a close on the 5th June 1939. Mr. S. A. Venkataraman, M.A., I.C.S., Registrar of Co-operative Societies, Madras, presided over the function, to which distinction was added by the presence of Sir T. Vijayaraghavachariar.

The evening function began with the display of some interesting games and was followed by inter-village tournaments in 100 yards race, three-legged race, sack race, half a mile race, Chedugudu and Tug-of-war.

The Deputy Registrar in a lucid report read at the function reviewed the work of the school.

The function came to a close with the distribution of prizes to the winners. The Collector presented a Rolling Silver Shield for the inter-village Chedugudu Tournament and the Deputy Registrar gave a Silver Cup to the best organiser of Sports Clubs and a mounted Silver Cup to the next camp fire entertainment.

10. An exhibition was run side by side with the School. Agricultural and Health exhibits and local industrial products were on show.

11. The Rural Uplift School trained 56 village guides or 'Grama Sevaks' as they are locally called.

RURAL UPLIFT SCHOOL, ROYACHOTI

RURAL UPLIFT SCHOOL, RAYACHOTI.

Statement showing Villages visited and Sports Clubs started.

Serial Number.	Name of Village.	Date of visiting and formation.	No. of persons.		Strength of the club.	Name of the Club formed.
			Witness.	Participated.		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Abbavaram	27-4-39	90	55	55	Abbavaram Sports Club.
2	Pamedapalli	29-4-39	130	80	80	Pamedapalli do.
3	Narayanareddipalli	4-5-39	100	28	28	Narayanareddipalli Sports Club.
4	Sibyala	8-5-39	400	30	35	Sibyala Grama Devatina Vyayama Sangham
5	Masapet	12-5-39	150	40	40	Masapeta Venkateswara Sports Club.
6	Baudlapalli	17-5-39	80	50	50	Basavadevula Sports Club.
7	Aguva Abbavaram	19-5-39	300	40	40	Panduranga Sports Club.
8	Malleru	24-5-39	350	30	30	Mallur Sports Club.
9	Chennamukkapalli	26-5-39	90	45	45	Chennamukkapalli Bose Team.

The Madras Civil Accounts Office Staff Co-operative Bank, Ltd.

JOINT PURCHASE AND SALES.

The accounts of the Joint Purchase Scheme conducted by the Madras Civil Accounts Office Staff Co-operative Bank, Ltd., Fort St. George, for the co-operative year that ended on 30-6-1939 are published below. The bank has been able to pilot successfully the scheme of Joint Purchase started in 1937. In addition to benefiting the members, it has been able to give aid to other sister institutions. Out of the total purchases of Rs. 9,328-6-0 effected in the year, articles for the value of Rs. 1,111-2-0 were purchased from the Madras Provincial Marketing Society—Fruit department, and for Rs. 1,055-12-5 from the Madras Handloom Weavers' Co-operative Societies.

The bank has been able to sell articles at rates definitely cheaper than the market. The selling of cheap fountain pens at Rs. 0-3-9 a pen when the market rate is ranging between 8 to 12 annas a pen enabled the members to appreciate the scheme and take advantage of the cheap rates available in the textile and other goods. The accounts given below will show clearly the popularity of the scheme, which has been sustained throughout the year.

It is hoped that other co-operative institutions will study the scheme and gradually develop the joint purchase activities and thereby render aid to their members in this direction also.

JOINT PURCHASE ACCOUNT 1-7-38 TO 30-6-39.

Details	Summary.					
	Sales.		Purchases.		Gross Profit.	
	Rs.	A. P.	Rs.	A. P.	Rs.	A. P.
1 Fruits	3,169	13 3	2,929	4 3	240	9 0
2 Cotton Goods	4,225	5 10	4,082	8 3	142	13 7
3 Silk Goods	22	4 3	22	0 0	0	4 3
4 Woollen Goods	148	1 6	141	14 6	6	3 0
5 Hosiery Goods	337	9 11	330	14 0	6	11 11
6 Umbrellas	216	0 0	185	2 6	30	13 6
7 Time Pieces	49	8 0	47	0 0	2	8 0
8 Fountain Pens, Nibs and Screw Pencils.	475	14 6	449	7 0	26	7 6
9 Ink	267	10 10	243	15 6	23	11 4
10 Razor Blades	6	14 0	6	8 0	0	6 0
11 Crackers Etc.	1,000	0 2	889	12 0	110	4 2
12 Miscellaneous Receipts, Sale of Empties etc.	22	7 8	...	...	22	7 8
	9,941	9 11	9,328	6 0	613	3 11

THE MADRAS CIVIL ACCOUNTS OFFICE STAFF CO-OP. BANK, LTD.

Deduct : I. Working expenses :—

(a) Pay of establishment 207 13 2

(b) Contingencies 151 2 7

358 15 9

II. Rebate on Purchases

25 8 0 384 7 9

Net Profit

228 12 2

Or

228 12 0

Add Profits for 1936-37 and 1937-38

228 4 0

Net Credit under " Reserve for Loss on Joint Purchase Scheme".

457 0 0

Comparative Statement showing the sales for
1938-39 and 1939-40.

ERRATA

For '1938-39 and '1939-40' appearing in the headings of the Comparative Statement showing the sales.—Page 95.

Read '1937-38' and '1938-39' respectively.

6 Umbrellas	352 15 6	216 0 0 (-)	136 15 6
7 Time Pieces	...	49 8 0	49 8 0
8 Fountain Pens etc.	...	475 14 6	475 14 6
9 Ink	130 13 0	267 10 10	136 13 10
10 Razor Blades	...	6 14 0	6 14 0
11 Crackers Etc.	1,054 10 7	1,000 0 2 (-)	54 10 5
12 Miscellaneous	20 4 3	22 7 8	2 3 5
	9,723 13 1	9,941 9 11	217 12 10

Reviews.

The Madras Agriculturists Relief Act—a study published by the University of Annamalai, Chidambaram. PP. 113.

This book published as a bulletin of the Department of Economics of the Annamalai University is a very careful study of all the provisions of the various Acts relating to the relief of the indebtedness of a ryot. The department under the able guidance of Dr. B. V. Narayanaswamy Naidu made a careful study of the working of the Act and of its effects on rural folk in some villages in the District of South Arcot. Information as to legislation in foreign countries as to relief of indebtedness is also given. The authors have critically examined the various provisions of the Madras Agriculturists Relief Act and made interesting suggestions. Dealing with the criticism that co-operative societies should not have been exempted from the operation of the Act, the authors slightly state that it was a right move. Co-operative societies are associations of borrowers and not themselves and their object is the advancement of the members and not earning of usurious rates of interest by exploiting the borrowers. While justifying exemption of women, the authors criticise the inclusion of minors and orphans as well. Exemption of usufructuary mortgages also is criticised.

The authors have expressed the view, basing it on their investigations, that the first effect of the Act is a drastic curtailment of credits and the seasonal agricultural operations through the drying up of credit. The authors say, "During the survey of some villages in the Cuddalore Taluk, it has been found that a good number of agriculturists have left their lands fallow on account of their inability to get credit." The following passage from the book which is of general application to all districts in the presidency affords serious matter for consideration by the Government.

"Facts have proved that there is shrinkage of credit supplies by money-lenders.....Investigation in some villages has brought to light cases where professional money-lenders executed promotes with statutory rate of interest but pay the agriculturists only half the sum mentioned in the bonds.....It is doubtful whether pawn-broking comes under the scope of the Act. A number of families have pledged their jewels with sowcars of Kurinjipody for small sums which carry very high rates of interest." It is stated by the authors that even "Co-operative Societies and Banks have restricted Credit."

The authors after reviewing all the provisions, their good and bad effects, express their opinion thus: "The measure is a bold one and unique in its character. But this Act by itself cannot bring about the economic rehabilitation of the agriculturists. Indebtedness is the result of

poverty and in turn aggravates poverty. So the curative methods that are adopted should aim at rooting out poverty. Otherwise debt once wiped out may yet return." After stating so, the authors proceed to state that some of the causes of poverty of an Indian agriculturist are the low yielding capacity, the steep fall in prices and the heavy incidence of land tax and suggest that Government should reduce the tax burden which will be a great boon, raise the commodity prices as in Rumania and Czechoslovakia, devalue the rupees by the central Government and improve the methods of agriculture and thereby increase the productivity of the land. Better irrigation facilities, minor irrigation schemes, formation of land consolidation societies, provision of subsidiary industries for agriculturists and proper marketing societies are suggested by the authors. The primary co-operative society must undertake the above schemes. The rural society must be reconstructed and revitalised by process of rectification and consolidation before it takes up this work of improvement. For some time it is necessary to invest the Government with the power of control and supervision over these societies. The societies should be organised on a multi-purpose basis embracing the whole life of the village, i.e., not only credit but methods to improving the yields of the land, better marketing facilities and purchase of necessities. Every avenue of waste should be checked and production should be developed. The system of controlled credit should be introduced. These various suggestions made by the learned economists, though not new, are matters that should be seriously considered by the Government and by all co-operators, *if the relief given to the agriculturists by the new Act is to be permanent and if debts once wiped out should not accumulate again.*

The Department of Economics of the Annamalai University deserves great praise for the publication. It would be well that the two other sister Universities make similar investigations and their Economic Departments are put to such use, so that Government may be guided by such practical tests carried out on measures introduced by the Government.

V. V.

CO-OPERATIVE MOVEMENT IN CEYLON.

Our neighbouring island of Ceylon, which is very much now in the limelight because of its determination to send out all non-Ceylonese labourers from the island, has made some progress in co-operation. At the end of the year 1937-38 it had 1,051 credit societies with unlimited liability, 58 credit with limited liability, 96 thrift societies, 35 unions and 4 central banks. The working capital amounted to more than 45 lakhs of rupees and the total number of members exceeded 55,000.

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As in India credit is the most outstanding form of the co-operative activity. The moral benefits of running an efficient credit organisation are thus eloquently described by the Registrar.

"Apart from its remarkable efficiency as a battering-ram in attacking poverty, the great educative value of credit specially recommends it as the best method of teaching the fundamentals of co-operation. It stresses honesty, builds up character, develops self-help, inculcates service, discovers leadership and gives a thorough training in business habits and business management."

Thrift societies are organised to supply the necessary compulsion without which the people do not naturally save.

They have also found out that the provision of credit for productive purposes without the corresponding provision and facilities for disposing of the agricultural produce is only a partial solution of the economic problem of the villager. But their marketing activities have not been very successful.

It is a pity that there is not a single consumers' co-operative society in the island.

They have anticipated our Province in the formation of Co-operative Health Societies, and the Tholpuram-moolai Union Co-operative Hospital Ltd. is an example of the successful working of a hospital as a co-operative institution.

Another interesting new type of co-operative society is the Co-operative Boat Service Society Ltd, providing the inhabitants of the Jaffna Islands with a quick and efficient means of communication between their homes and the mainland.

The Co-operative Department is working in close consultation with the Departments of Agriculture, Commerce and Industries and Marketing. Co-operative societies are used as centres of rural uplift work and health leagues, maternity and child welfare centres, volley-ball clubs, reading rooms and libraries. Experiments in joint cultivation, etc. also are organised under the auspices of co-operative societies.

We gladly welcome the idea of the department to spread adult education among the people modelled upon the Folk High School of Denmark. This would impart to the people the necessary education for life with great emphasis upon character which is essential for the successful working of the co-operative movement.

S. K. Y.

ARAB CO-OPERATIVE SOCIETIES IN PALESTINE.

Our readers are aware of the fact that Palestine is divided between two great communities, the Arabs and the Jews, the latter mostly the

REVIEWS

settlers of the Great War and the former the original inhabitants of the country from the time of the Crusades onwards.

Of these two sections of the population the Jews are more intelligent and hence they took to co-operation earlier and the co-operative movement among the Jews has progressed very successfully. It is only in recent times after an investigation by Mr. C. F. Strickland that attempts have been made to spread the co-operative movement among the Arabs and the following table shows the progress of the movement during the last five years, for which information is available.

	30-9-33.	30-9-34.	30-9-35.	30-9-36.	30-9-37.
Number of Societies on register ...	14	32	61	61	121
Total membership ...	263	911	2,422	3,078	5,121
Share capital subscribed L.P.	1,330	5,046	11,365	12,872	19,034
Paid up share capital L.P.	133	546	1,709	2,922	4,595
Total own funds (paid-up share capital plus accumulated reserves) L.P.	194	1,034	3,481	6,330	10,492
Loans made to societies by Barclays' Bank L.P.	3,270	13,595	39,013	49,629	59,456
Loans issued to members by societies L.P.	3,405	14,446	42,329	55,662	69,371

L. P.—Means Palestine Pound (£P) and is equivalent to the Pound Sterling and it is sub-divided into 1,000 parts each called a Mille.

The Registrar in his report gives a brief but vivid account of how such societies are organised, and we in India will do well to take a lesson from him. A village is first chosen as a possible centre and the Registrar and his staff go to the village and explain the beneficial effects of co-operation and the idea is allowed time to soak among the people and germinate in its own way. If people are convinced about the benefits of co-operation and if they feel the need for a society among them they send a petition and the Registrar and his staff come again to explain model by-laws and the implications of the unlimited liability. If people after listening to this are willing to organise the society, it is organised and emphasis is laid on thrift and prompt repayment of loan.

Barclays, the famous bankers of England, have got their net work of organisations throughout the country and whenever a society wants a loan it is advanced by the Bank on the recommendation of the Registrar. Experience has taught them that people respect their obligation to a private bank more than their obligation to Government or to any Government-supported bank and hence this arrangement. We are glad to see that the movement is making rapid progress among the Arabs of the land.

S. K. Y.

Committee on Co-operation.

Conclusions arrived at by the Committee on Co-operation during its sittings from the 6th to the 15th of July 1939.

The Provincial Co-operative Bank.

It was agreed to retain the joint electorate for election of individual shareholders to the Board.

Need for separate Apex Banks for the Telugu and the Tamil districts.

The best interests of the co-operative movement will be served by having separate Apex Banks for the Andhra districts and the Tamil districts, working under the Registrar of Co-operative Societies of the Province and having their headquarters in the City of Madras, with the option for Malabar and South Kanara to determine their own affiliation.

Overdraft Accommodation.

The overdraft accommodation given by the Provincial Bank on co-operative paper should also be included for calculation of fluid resources for outside liabilities.

Central Banks to Decide retention or abolition of Unions.

In view of the difference of opinion, experience and conditions in different parts of the province, the question of retention or abolition of local supervising unions in future should be left to the decisions of the central banks concerned.

Committees of Central Banks.

It was agreed that the question of the number of committees could be left to the central banks concerned for decision.

Land Mortgage Banks.

It was agreed that the land mortgage banking system in this province had been developed on right lines.

Retention of Individual Shareholders in the C. L. M. B.

The proposition that individual shareholders should be eliminated from the Central Banks was put to vote and lost.

The Primary Banks to continue Independent.

The proposition that the primary bank should continue to function as an independent organisation with affiliation to the Central Land Mortgage Bank as at present was put and carried.

COMMITTEE ON CO-OPERATION

Land Mortgage Bank Work.

With a view to avoid delay and secure greater efficiency and co-ordination among co-operative agencies, it is necessary to discontinue the system of having separate Land Mortgage Bank Deputy Registrars and to vest the Land Mortgage Banks' work also in the District Deputy Registrars. For this purpose, the District Deputy Registrars should be relieved substantially of their work by taking away some of their present work and also by increasing the number of District Deputy Registrars wherever the circumstances demand.

Continuance of the Staff of Co-operative Sub-Registrars for Land Mortgage Banks.

It was resolved to recommend to Government that they should continue the present staff at their own cost as heretofore.

Need for Supervisors for Land Mortgage Banks reiterated.

The primary land mortgage banks must have their own supervisors as at present. They have ample work to do in regard to loan applications, investigation and collection.

Legislation for Dispensing with formal assignment of Mortgage by Primary Land Mortgage Banks to Central Land Mortgage Banks.

The expense, trouble and inconvenience caused in mortgage bonds being executed to the primary bank and assigned in batches to the Central Land Mortgage Bank and the formalities connected therewith may be minimised or eliminated by suitable legislation dispensing with actual assignment by the primary banks of every mortgage to the Central Land Mortgage Bank.

Audit of Primary Land Mortgage Banks by Qualified Auditors.

The audit of primary land mortgage banks should be done by qualified auditors of the rank employed for audit of Central Banks and big Urban Banks and not by Inspectors who audit village societies.

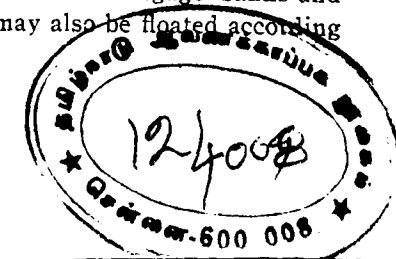
Long-term Finance for Land Improvements.

The Central Land Mortgage Bank should finance on a more intensive scale for permanent improvements to land of a productive nature.

Grant of loans by Land Mortgage Banks for over Seven Years.

It is not necessary to confine the operations of these banks only to 20 or 25 year loans. Loans for periods above seven years may also be given for genuine long-term purposes by the land mortgage banks and debentures for 10, 15, 20 years and so on may also be floated according to requirements.

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Extension of period of Debentures to 25 years and making Debentures irredeemable for not less than 10 years.

In order to provide for extensions being given in fit cases, it is desirable to float debentures for a slightly longer period than the period of the loan. In the case of 20 year loans, debentures for a period of 25 years may be floated. The present system of making the debentures irredeemable for a definite period of not less than ten years certain and with option to the bank to redeem them thereafter is sound.

Co-operative Sub-Registrars to send to the C. L. M. B. all applications for loans exceeding Rs. 5,000.

The Sub-Registrars be empowered to send all loan applications for sums not exceeding Rs. 5,000 after they are sanctioned by the primary banks direct to the Central Land Mortgage Bank.

Need for increasing the number of Sub-Registrars for Land Mortgage Banks.

More Sub-Deputy Registrars have to be appointed in areas where there are a large number of loan applications pending investigation.

Sanction of loans up to Rs. 2,000 by the President of the C. L. M. B.

The President of the Central Land Mortgage Bank be empowered to sanction all loan applications not exceeding Rs. 2,000.

Intimation to Executive Committee of loans sanctioned by the President.

It was resolved that all loans sanctioned by the President be intimated to the Executive Committee at its next meeting.

Need for machinery to compel creditors and others to appear before primary banks and receive payment.

It was decided that there should be some machinery to compel creditors and other persons who may have a claim on the properties sought to be mortgaged to appear before the primary bank and receive payment.

Provision for application to the Courts of Debt Conciliation Boards by debtors for scaling down debts.

It was agreed that suitable provision should be made in the Debt Conciliation and the Agriculturists Relief Acts to enable the debtor to file an application to the court or the Board so that all debts can be scaled down in accordance with the provisions of these Acts, the debtor getting a certificate of discharge on payment of the amount so fixed.

COMMITTEE ON CO-OPERATION

Production by private parties of documents relating to the hypotheca.

It was agreed that the primary land mortgage banks should be vested with powers of compelling any private party to produce documents which have a bearing on the hypotheca and to take copies thereof and to record statements from the persons concerned on pain of penalty.

Production by creditors of documents and discharged vouchers for inspection of primary banks.

It was further agreed that the primary land mortgage banks should be empowered to issue notices to creditors to produce for inspection the original documents together with the prior discharged vouchers cited therein within a specified time to enable the banks to work out the actual figures due as per the provisions of the Agriculturists Relief Act. In such cases legal provision is necessary to declare that in the event of failure by the creditors to furnish the particulars of the amount due under the provisions of the Agriculturists Relief Act or to produce the necessary bonds or copies thereof with endorsements of payment, no interest can be claimed by the creditor after the lapse of one week from the date of receipt of notice given by the bank or by the debtor.

Legislative provision for protection of interests of primary land mortgage banks in the event of failure of production of vouchers by claimants.

It was also agreed that, to obviate difficulties in the securing of vouchers from the claimants as to the discharge or cancellation of their documents mentioned in the encumbrance certificates, legislative provision is necessary to protect the interests of the banks by providing that any encumbrance for which documentary evidence of discharge is not available, a registered notice to the claimants may be caused to be given by the bank and on the non-receipt of reply within a specified time from the receipt of notice, the encumbrances might be deemed to have been discharged or ceased to be effective and acknowledgments of parties of the notices should be recognised as a valid and proper voucher for satisfaction of any kind of encumbrance on the properties offered for mortgage, in a court of law.

Legislative provision for inclusion in encumbrance certificates of encumbrances and charges created by decrees of courts.

It was agreed that legislative provision should be made to communicate to the Sub-Registrar's office all cases of attachment of immovable properties and all cases in which charges are created on immovable properties by decrees of courts and the Sub-Registrar shall include these attachments and charges in the encumbrance certificates.

Civil courts may be made to maintain a correct register of attachments issued by them from time to time and land mortgage banks should

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be permitted to obtain such information as is contained therein, on application. Charges created on land by orders or decrees of civil courts should be got registered as sales effected by them, so that information about them may be made available to the land mortgage banks through the Registration Department.

Provision in the Estates Land Act for supply of information to land mortgage banks by landholders, regarding holdings, rent, etc.

Provision should be made in the Madras Estates Land Act to compel landholders to furnish ryots information which ryotwari pottadars obtain and to furnish land mortgage banks with information, on requisition regarding details of holdings and arrears of rents due on holdings of the applications for loans, who hold lands in the estate.

Two per cent. margin between debenture rate and loan rate to the ultimate borrower.

It was agreed that they could accept the two per cent. margin, between the debenture rate and the loan rate to the ultimate borrower.

Adequacy of nominal shares by borrowers.

The bylaws of primary land mortgage banks should be so amended that a borrower should not be required to buy more than one share compulsorily for each loan, if the bank can otherwise raise the required owned capital.

Continuance of concessions for encumbrance certificates and registration.

It was agreed that the concessions now granted with regard to fees for search applications, encumbrance certificates and registration fees should be continued.

Amendment of the law to make loans for land improvements etc., binding on minor sons.

As legal difficulties seemed to exist in regard to the binding nature of loans for improvements of land or the creation of economic holdings on minors, and the protection given under Section 32 of the Land Mortgage Banks Act did not appear to be adequate, it was agreed that the law should be amended to make such debts binding on the minor sons.

Two per cent. margin in respect of loans issued by Government.

It was agreed that it was desirable that in all cases of loans to agriculturists by Government the margin between the borrowing and the lending rate should not exceed two per cent.

COMMITTEE ON CO-OPERATION

Alienations to take effect only from date of registration.

It was agreed that legislative provision should be made so as to make all alienations of land take effect only from the date of registration, at least in the case of mortgagee in favour of land mortgage banks, if such a general provision is not immediately possible.

Maximum period of usufructuary mortgages limited to 25 years.

It was proposed that existing mortgages of agricultural land in which the mortgagee has enjoyed the fruits of the land for not less than twenty five years shall be deemed to be extinguished.

Financing of dry areas by L.M. Banks and grant of temporary accommodation to C.L.M.B. to meet interest liabilities to debenture-holders during periods of distress.

In view of the fact that in areas dependent exclusively on rain, repayments cannot be made regularly, every special arrangement be made in respect of the financing of the area by the land mortgage banks by Government offering to the Central Land Mortgage Bank temporary accommodation either from the general revenues or from the Famine Relief Fund until Government is able to reimburse itself from its periodical collections so as to enable the Bank to meet interest liabilities to debenture-holders to the extent of its investments in such areas during periods of distress arising from drought, floods or cyclone.

Encouragement of Small Loans in Land Mortgage Banks.

It was agreed that in the opinion of the Committee, smaller loans than Rs. 500 should be encouraged.

Grant of big loans without prejudice to the issue of small loans.

It was agreed to recommend that in granting loans by the land mortgage banks, they would not grant loans above Rs. 5,000 to the prejudice of people applying for loans below Rs. 500 and the Committee trusts that the Registrar as Trustee would be able to watch the working of this principle.

Simultaneous operations by Government and Land Mortgage Banks.

It was agreed that both the Government and the land mortgage banks might operate in the field.

Probation of a borrower in Credit Society negatived.

The proposal of the Reserve Bank that a borrower in a land mortgage bank might serve a period of probation in a primary credit society was unanimously negatived.

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*Need for suitable Amendment of Section 9 of the
Land Mortgage Banks Act.*

The produce of the holding should be made liable as a first charge, subject, of course, to the claim of the State, for advances made through village societies. The land mortgage banks shall normally have charge only upon the land and not upon the produce. It is suggested that a suitable amendment should be made to Section 9 of the Land Mortgage Banks Act to give effect to the resolution.

Five year Plan for expansion of Land Mortgage Banks in the Province.

It was resolved to recommend to the Government that there should be a sort of planning for the whole presidency to be covered with at least 200 banks in the next five years on the basis of one bank for every taluk in the delta areas and one bank for two or three taluks for the dry areas.

Continuance of Government Guarantee.

The Committee felt that the time had not yet come for the movement to dispense with the guarantee given by the Government in respect of the debentures issued by the Central Land Mortgage Bank.

SECOND EDITION.

**The Madras Co-operative Societies
Act VI of 1932.**

**Amendments slips to the Rules brought up to
December 1938 are now ready.**

**Persons requiring them will kindly send
6 pies stamps to cover postage.**

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**The Honorary Joint Secretary,
The Madras Provincial Co-operative Union,
Royapettah, Madras.**

Letters to the Editor.

I

Registrar's circular No. R. C. 8746/36 Ft, dated 17-6-39.

It is gratifying to note that the head of the co-operative department has recognised the difficulty felt in administering Rule XXII-20. It is perfectly true that the scope of sub-rule 20 has not been properly understood. I have tried to draw the attention of co-operators to that fact in my articles published at page 421 of Vol. XXVIII and page 590 of Vol. XXX of the *Madras Journal of Co-operation*. The practical difficulty experienced by the societies has not been perfectly understood till now.

The circular no doubt lays down the correct procedure to be adopted by the sale officer, but one is tempted to ask as to whether the language of the rules admits of the interpretation given to it by the Registrar. Ever since the amendment of section 57-A the unnecessary procedure of attaching hypotheca in execution of awards obtained on mortgages has been omitted. Consequently the doubt as to whether rule XXII (20) applied to cases of mortgage decrees also has vanished. The fact is that when properties subject to mortgage are attached and sold, only the equity of redemption, or in other words the right vested in the mortgagor to redeem the mortgaged properties, passes to the purchaser. The right in the properties which passes to the mortgagee at the time of mortgage is never affected. If this principle is well-kept in mind there can be little difficulty in recognising that sub-rule 20 has no application when one of the decrees in execution of which the properties are brought to sale is a mortgage decree and the other is a simple money decree.

The circular does not contain any instructions as to what the sale officers should do when two awards are executed through the department, one of them an award on a mortgage obtained by one society and the other a simple money decree obtained by another society. The circular seems to contemplate only cases arising out of transactions after the commencement of Act VI of 1932, since it is only under this Act that a person is prevented from being a member of two credit societies. It is evident that in such cases the sale officer should out of the sale proceeds pay off the mortgage decree-holder in the first instance and from the surplus, if any, pay the unsecured creditor.

The Registrar is pleased to lay down the procedure 'in the case of simple money awards held by the societies'. The first portion lays down the procedure to be adopted when the property attached by the sale officer is already under attachment made in execution of a decree of any court. There is nothing in the rule to restrict its application to cases where the previous attachment is by a civil court. The course to be

followed, when the property is under attachment, by courts other than a civil court has not been prescribed.

There is nothing in sub-rule 20 which even remotely suggests that the rule makers wanted to provide for cases where the attachment by the sale officer is prior to that effected by the court. That portion of the circular which lays down the procedure in such cases has—with due respect—no more sanctity than a departmental order issued by the superior to his subordinates. No doubt the sale officer will be found fault with if he does not carry out the instructions, but when the civil court is approached it may very well refuse to interfere, seeing that the rules do not provide for such cases.

The last para lays down the course to be adopted when the sale officer comes to know of the existence of an attachment by the civil court of the property which he had sold without the knowledge of such an attachment. The circular says that the society should be asked to move the civil court to determine as to what amount is due to it and the sale officer should inform the court that the sale proceeds are kept by him subject to the orders of that court. The court should then decide as to what amount is due to the decree-holder executing his decree through court and what amount should be paid to the society. The circular proceeds to say that the amount should be kept by the sale officer and distributed by him according to the orders of the court. It is respectfully pointed out that this procedure is not contemplated by the Code of Civil Procedure and the civil courts may rightly refuse to adopt it.

I venture to suggest that an amendment to section 57-B may be made by deleting therefrom the portion 'for the purposes of article 182 of the first schedule to the Indian Limitation Act'. This will have the effect of attracting the provisions of sections 63 and 73 of the Civil Procedure Code to sales by the sale officers. An amendment to rule XXII by deleting sub-rules 20 (a) and the proviso and substituting therefor the following rule namely 'For the purpose of rateable distribution of assets civil courts shall be considered to be courts of superior jurisdiction'. This will have the effect of giving legal sanctity to the circular of the Registrar under reference.

P. K. SRINIVASARAGHAVACHARYA,
President, Tindivanam Co-operative Urban Bank.

II

PUBLIC SERVANTS' CO-OPERATIVE CREDIT SOCIETIES—
WHETHER THEIR CONTINUANCE NECESSARY.

Co-operative credit societies are sometimes criticised as being another means for increasing indebtedness in the country. This perhaps more aptly applies in the case of societies registered for the class of wage earners such as Public Servants.

These people require consumers' societies more than credit ones. Practical experience tells us that they should not be given any credit facilities in their own interests and in furtherance of thrift and economy generally. The temporary loans issued on the security of Provident Fund contributions repayable within two years, and on the strength of life insurance policies in force will quite do whenever unforeseen credit is necessary. Interest too is not usurious.

Now that further consolidation policy is in the air, I would put it before the Department, with a view to effectively assist these wage-earners to consider whether these societies cannot be converted into "stores" and the money credit entirely eliminated from them especially where large reserves have been built up as in the District headquarters societies.

Consumers' co-operation has made little headway, and the above suggestion, if carried out, will bring more material relief to this class of people than what they at present get.

The Committee on Co-operation might be pleased to consider this subject as well in their various recommendations.

K. L. BHANDARI,
S. Kanara.

III

CO-OPERATIVE SOCIETY MEMBERS—EXEMPTION FROM
REGISTRATION FEES.

In G. O. No. 1,444 dated 2nd June 1939, the Government were pleased to issue a Statutory Notification under Section 30 (2) (b) of the Co-operative Societies Act 6 of 1932, to exempt "Members of Scheduled classes" from the payment of Registration fees, including fees for encumbrance certificates.

Section, 30 (2) (b) reads as follows:—

The Local Government . . . may in the case of "any registered Society or class of Registered Societies" remit

- (a) The Stamp duty with which . . .
- (b) Any fee payable under the law of Registration . . .

Now the point for consideration is, when the law gives the Government powers to remit registration fees only in the case of a "Registered Society or Class of Registered Societies" can they pick up a caste or class of members from several societies and give them the concession? "Scheduled classes" can refer only to a caste or some castes. There are societies separately for them only. These may come under the section; but not some portion of members of several societies.

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Hence it seems pretty clear, that the Notification is not covered by the powers under the Section. The Scheduled classes no doubt deserve the concession, but the law may have to be obeyed.

There is also a nice point here. Even among them there are some well to do persons. The Government will not be justified in helping them, which will result, if they go by castes. It is not easy for the Registration department also to carry out the orders.

In this connection, I wish to bring to the notice of Government similar mistakes, due to careless drafting, in the two similar Notifications published in G. O. Nos. 1,484 dated 10-10-31 and No. 455 dated 22-3-35, giving half-fee concessions to societies. These may also be re-examined now.

There are two clauses (a) and (b) at the foot of these notifications. These are necessary only for "stamp duties," as can be seen from clause 2 (a). There is no question of "any instrument executed by any officer or member of any society etc." in the case of Registration fees.

Since these are Statutory Notifications it is desirable that they are scrutinized with greater care in the office of origin, or referred to legal advisors if this were not possible.

V. S. RAMASWAMI IYER.

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

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

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

E. S. GANAPATHI AIYAR,
President.

Berar Co-operative Banks.

Payment stopped—Sequel to failure of crops.

The co-operative movement in Berar is at present in the doldrums. Out of twelve co-operative central banks in Berar eleven closed their doors and suspended payment of deposits. This has caused a scare amongst the depositors and is bound to have serious repercussions. The central banks had a total working capital of Rs. 1,50,00,000 out of which deposits amounted to Rs. 67,00,000, Rs. 10,00,000 being deposited by pensioners in Berar, Rs. 6,00,000 on behalf of minors, Rs. 6,00,000 by widows, Rs. 5,00,000 by Municipal bodies and other charitable institutions and the remaining from others. These depositors are anxious as to when they will get back their money. No doubt, these banks have loans to the extent of Rs. 87,00,000 due from primary societies, but it is considered that out of this sum only Rs. 35,00,000 are good debts. By enforcing their claims against the members of the primary societies the central banks have come into possession of 54,000 acres of land, but lands in Berar have now become absolutely unremunerative and do not fetch income enough to pay the land revenue. The total land revenue that the banks have to pay on these lands is Rs. 88,000. It is the failure of crops in Berar and the declining land values that have made the banks close their doors and refuse payment of deposits to the depositors.

Government's Proposals.

The Provincial Government have so far taken no steps in the matter. The other day a deputation on behalf of the banks waited on the Governor, Mr. Gandhi and the C. P. Premier who gave a patient hearing to their case. The banks demanded that the Provincial Government should take over their future control and issue debentures for the depositors on the guarantee of the provincial revenues. Their alternative demand was that Government should give them a loan of Rs. 30,00,000 at 3 per cent. for 25 years to enable them to rehabilitate their credit. This amount, they suggested, could be drawn from the reserve fund with the Registrar of Co-operative Societies amounting to nearly Rs. 70,00,000.

Government seem to suggest an alternative scheme. It is understood that Government desire that the total debts of the primary societies should be scaled down according to the capacity of members. The lands taken possession of by the banks, it was proposed should be returned to their original owners and their debts, scaled down according to their capacity, recovered from them by 20 easy instalments. The depositors' money also was to be scaled down in proportion to the scaling down of

the debts of the debtor-societies and legislation for writing off part of the deposits was suggested. Government, it is understood, were prepared to accept responsibility for issuing debentures to the extent of half the amount of the deposits thus scaled down on the guarantee of its provincial revenues; for the remaining half the Co-operative Provincial Bank was to issue debentures without any charge on its assets.

The demand for the publication of the report of the Berar Co-operative Committee appointed by Government was made at a meeting of office-bearers of co-operative central banks and the Berar Co-operative Institute and Assembly members in Berar held here on 30th July last.

The meeting considered the relief proposed by Government as worse than liquidation, unworkable and likely to cause serious repercussions in the co-operative movement in the C.P. and in India generally.

The meeting urged financial accommodation to the central banks in terms of the previous Government *communique*, and as promised in the Assembly. It also suggested a round table conference of Cabinet Members, Berar Co-operators, Assembly members and depositors' representatives during the ensuing Assembly session to discuss the question.

THE INDIAN CO-OPERATIVE REVIEW

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Financing of Scheduled Classes Societies.

The Madras Christian Central Co-operative Bank was till very recently financing the co-operative societies for the scheduled classes working throughout the Province. This bank has since been liquidated. This fact seems to have given rise to a certain amount of uncertainty in the minds of co-operators and others, who are not apparently aware of the arrangements made by the Registrar with regard to the future financing of scheduled classes societies. The Registrar, therefore, desires to state briefly, for the information of the public, the steps already taken by him.

2. Scheduled Classes Societies have been broadly divided into the following categories for purposes of arranging finance for them hereafter. The measures proposed to be adopted in the case of each class are indicated below:—

(i) Societies which are not indebted to the Christian Central Bank:—Arrangements are being made to secure finance for these societies, wherever necessary, from the District Co-operative Central Banks having jurisdiction over them, and the progress in this respect is being watched.

(ii) Societies which are indebted to the Christian Central Bank and whose realisable assets are enough to repay their liabilities to the Bank:—The District Co-operative Central Banks having jurisdiction over these societies have been advised to advance loans up to the extent of their debts to the Christian Central Bank, after an examination of their assets. When this has been done, the societies can commence fresh business with new loans to be obtained from the Central Banks.

(iii) Societies indebted to the Christian Central Bank, which have not enough realisable assets to pay the dues to the bank:—In these cases, a scaling down of the amount of debts due to the Christian Central Bank is necessary and is being done, after an examination of the realisable assets of the societies jointly by the District Central Banks concerned and the liquidator of the Christian Central Bank. The Central Banks have been requested to advance the amount as scaled down and agreed upon; when this is done, the liability of the societies to the Christian Central Bank will be completely discharged. This will enable the societies to start work afresh with the financial help of the District Central Banks.

(iv) New societies for the scheduled classes will be registered in consultation with District Central Banks, which will finance them. Deputy Registrars of Co-operative Societies have been asked to registrar new societies wherever there is a real need and circumstances are favourable for their working.

3. Societies of all descriptions will as hitherto continue to be supervised by the special staff of Inspectors sanctioned by the Government at the rate of one Inspector for every twenty-five societies. The Registrar has been watching the progress made in the transfer of societies to the District Co-operative Central banks in the manner indicated above.

(Sd.) S. A. VENKATARAMAN,
Registrar of Co-operative Societies.

News and Notes.

Prince Jaya Chamarajendra Wodeyar of Mysore, accompanied by his secretary, visited on the 8th July last the Mysore City Co-operative Society and evinced a keen interest in understanding the working of the institution.

We are informed by the Secretary of the Ramachandrapur Co-operative Central Bank that the statement made in an editorial note of this Journal for March 1938 under the heading "Multi-purpose Society for Alamuru" that unlimited liability was enforced in some cases is incorrect and that it was not enforced anywhere in the Bank area. We are sorry for having been misinformed.

It is well-known that the effort for village improvement is better organised in the Punjab than in other provinces. There are district committees there known as Dehat Sudhar Committees which organise competitions and award prizes. It is found that where co-operative societies have taken up the rural improvement work the results are most satisfactory and these societies are often the recipients of prizes.

While presiding over the valedictory meeting for the Refresher Course for Inspectors at Vellore, Khan Bahadur Sheriff Ahmad Ali, Collector of North Arcot, advised the co-operative staff to persuade the rural people to husband their resources and take advantage of thrift societies, and appealed to them to drive home to the minds of the village folk the benefits of abstinence.

The Government of Bombay have sanctioned the formation of District Rural Development Boards in each district that they may act as focussing centres for all rural development activities. The functions of the Boards, it is reported, are to advise and assist officers of the Rural Development Department, prepare schemes for the improvement of rural areas and supervise the work of the Department in each district.

At the Annual General Body Meeting of the Salem Co-operative Building Society held on the 1st July 1939 in the Salem District Urban Bank Rest House Hall under the presidency of Sri T. Krishnaswamy Iyengar, B.A. B.L., the need was stressed for reducing the rate of interest on old loans which works as a great hardship on the old members. It is hoped that the Government will sympathetically consider the matter and give the reduction.

Mr. C. R. Parthasarathy Iyengar had the pleasure of inaugurating the third Rural Uplift School for the Chittoor District which was started on the 26th of June last at Mangapuram in Chandragiri Taluk. The school was

NEWS AND NOTES

of 1½ months' duration and was conducted with the aid of the Madras Provincial Co-operative Union. Mr. Parthasarathy Iyengar observed that the first thing that the Guides should do was to divert the energies of villagers towards the development of corporate life in all the departments of village activity. He exhorted the students to do propaganda in villages in favour of collective farming.

Speaking recently at a public meeting held at Mapakshi, a village about 6 miles from Chittoor, Mr. M. Ananthasayanam Iyengar, M.L.A. (Central) said: "The problem of rural reconstruction is essentially a problem of finding suitable men for the job and the solution therefore lies in the Government compelling each Government servant on retirement to settle in a village of his choice and to lead the village on the right path in rural uplift." He suggested that such settlement should be made a condition of service and also a condition for earning one's pension.

Sri T. Vijayaraghavachariar, Chairman, Committee on Co-operation, and Mr. S. A. Venkataraman, I. C. S., Registrar of Co-operative Societies, visited recently Bommasamudram and Kasiralla villages in Chittoor District, in the course of their tour in connection with the enquiry on co-operation. The villagers of Bommasamudram presented welcome addresses to them wherein they stated that with the advent of Prohibition their condition had improved in every respect and that they were able to lead a happy life and develop co-operative activities in their villages. Further they stated that they had succeeded in opening a park for the village and requested the Registrar of Co-operative Societies to provide them with a radio set.

Addressing recently a meeting of the manufacturers of the bell-metal products at Kalahasti, Mr. S. Neelakantan, Dy. Registrar of Co-operative Societies, Chittoor, advised them to carry on the industry through a co-operative organisation, as the collective co-operative marketing scheme could save the industry from dangers like the underselling of goods in a disastrous competition. A co-operative society was then formed for their benefit, with specific provisions for diverting a portion of the profits for giving medical aid and education to the workers and their children.

A conference of the ryots of Omalur Taluk, Salem District, was held on the 16th of July last at Pannapatty village to consider the furtherance of the Rural Reconstruction scheme already put into force by the Salem District Urban Bank. The conference was presided over by Rao Sahib T. M. Chinnaiya Pillai, President of the Salem District Urban Bank. It was proposed to construct a village hall-cum-reading room. The Salem District Board has agreed to give a stud bull to be kept at that village for improving the cattle breed and a scheme for the consolidation of fragmentary holdings will also be tried.

THE MADRAS JOURNAL OF CO-OPERATION

The co-operative movement in Sweden showed satisfactory growth and expansion during the year 1938. There was an increase in the production of articles by co-operative Forbundet, the Swedish Co-operative whole-sale Society, such as margarine, oil, foot-wear, silk clothing, etc. There was also an increase in the total turnover of the consumers' movement and a substantial increase in the membership of consumers' societies.

The members of co-operative stores societies who always clamour for dividend and would vote for it even at the cost of reserve fund would do well to ponder on the following notes of wisdom from an American paper :—

"The progress of many co-operatives has been retarded and others gone out of existence due to the failure of the directors and members to realise that the value of a co-operative to the community is even more in the existence of a sound well-operated organisation which affords a guarantee of service and fair dealing rather than in the payment of cash dividends. This means making temporary sacrifices in order to build for the future, or in practice building up reserves to meet contingencies and provide for expansion."

Progress of the English Co-operative Insurance Society in 1938.

The Society had a very successful year in 1938, as the following statistics will bear out :

	In 1938.	Excess over 1937.
Premium income ...	£ 9,058,751	£ 643,153
Total income ...	£ 10,269,233	£ 750,689
New business in the ordinary section of the life department.	£ 20,135 policies	
Sums assured ...	£ 3,274,614	
Annual premium ...	£ 166,685	
Premium income from the Industrial Section ...	£ 5,124,455	£ 460,201
The assets of the society ...	£ 30,920,230	£ 3,286,018

We are glad to be informed that a regular study centre has been established at the head quarters of the International Co-operative Alliance in London. It will be open to those deputed by the National Co-operative Organisations, co-operative officials desirous of investigating particular problems, university students and others engaged in research work and so on. All available information is arranged under the following headings and the I.C.A. Secretariat will always be ready to help the students :—

1. The Principles of Co-operation and their application to different types of organisations.
2. The History of Co operation and its development in various parts of the world.

3. The work of the International Co-operative Alliance and its Auxiliaries.
4. The economic problems of Co-operative Development.
5. Inter-Co-operative relations.
6. Co-operative Education and Propaganda.

The problem of depletion of the population of the country and their migration to towns is not peculiar to India. We find it stated that in the U. S. A. about half a century ago 60 per cent. were employed in Agriculture and 40 per cent. were in towns employed in Industry and Business. The percentage of rural population has almost dwindled to 20 per cent. now and students of sociology who have investigated this problem give the following explanation :

"This change, says the report, was due to a variety of causes, underlying all of which have been advances in technology and invention. Such advances have almost invariably displaced farm labour and created industrial employment in the cities. Other causes listed include expansion of commercial and distributive services, as manufacturing and processing took precedence over the cultivation of crops.

The report calls attention to the development of a division of labour in which farmers concentrated on raising food stuffs and fibers while city workers took over many of the other tasks formerly performed on self-sufficient farms. Another cause of the shift noted in the report has been the increase in transportation, communication, and governmental services which have become progressively more necessary with the growth of cities."

A tip to Store members. The following extract taken from an American paper would make members of Store Societies in India think about future lines of expansion :

"In distribution the day of the specialized store is practically a thing of the past. Diversity is the order of the day in all lines of distribution, the reason being that in this manner overhead is kept down to a minimum. The outstanding examples of this modern trend are department stores and drug stores.

There is a lesson in this for co-operators. The more lines any co-operative can conveniently handle, help to increase the volume of business without a corresponding increase in the overhead. Co-operative enterprises lend themselves even more to this diversity than profit concerns, since they have an organised body of consumers whose varied wants can be supplied by their own establishment.

Many, nearly all, of our oil co-operatives are following out this practice of diversifying their commodities and services, as shown by the handling of tyres and auto accessories, and in the offering of various services to

the autoist. All of this makes for increased business at a minimum of expense. Were these oil co-operatives to confine themselves merely to selling gas and oil it is doubtful if they could survive in competition with those private profit concerns that diversify their business."

The problem of housing is co-operatively solved in many western countries. But one peculiarity which differentiates them from House Building Societies in India is that it is Consumers' Societies that take the lead in this matter. In Western countries, starting with the supply of food stuffs, consumers' societies extend their sphere of activity till they aim at bringing within their sphere every amenity of life which their members require. Housing is naturally one of them and the following account of what *K. K. of Finland is giving to-day will be read with interest by our readers:—

"Two important resolutions to be submitted to this year's annual congress of K. K. deal with the housing of persons with low incomes and with the problem of youth and the Co-operative Movement. The resolution dealing with housing draws attention to the present unsatisfactory position in Finland, in that housing is speculative, and supplies the needs of the well-to-do rather than the poorer classes. Moreover, rents are too high, owing to the high cost of building materials. It is proposed that K. K. and its member organisations should endeavour to satisfy the demand for houses for families with low incomes by commencing a general housing campaign throughout the country, K. K. itself to act as a link between the building societies started in various localities, and also to carry on propaganda for better housing conditions. The Consumers' Movement should seek to ensure that the amount of primary and secondary credit should together reach at least 85 per cent. of the value of the property; in particular, the problem of secondary credit should be definitely solved by the provision of such credit from State and Municipal resources. Co-operative organisations should also help to finance building activity as far as possible, but not so as to overlap with the normal arrangements obtaining."

* K.K. stands for Kulutusosuuskuntien, Keskusliitto, which is the Central Union of Progressive Distributive Societies of Finland.

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An Appeal to the Co-operators of the World.

In this fateful period, when humanity is threatened more imminently than at any time during the last 20 years with the outbreak and the holocaust of a world war, the international Co-operative Alliance once more makes an appeal to the 70 million Co-operators within its ranks, and also to the millions of Co-operators organised in other Associations, to exert, now, and with an energy never before achieved, all the force of their own convictions; all the power of their citizenship; all the strength of their Co-operative Organisations; and every ounce of the moral influence of the Co-operative Ideals, to prevent the adversaries of world peace and security from launching upon the world a conflict which would annihilate millions of us, and, in a large measure, destroy civilisation.

The Co-operative Movement, which we represent, knows no frontiers, no limitation of colour, race or creed. Its economic system contains the essential elements of an equitable economy upon which the industry and commerce of the world may be based, and by means of which the resources of nature, together with their exploitation, may be shared according to the needs of every man. That system has been put to the test in nearly every country in the world where there is in existence an ordered economic life. It will suffice, at the moment, to say that by a great cloud of witnesses and a mass of recorded results it has proved its abundant success.

There is no recognition of the differences between political parties or religious creeds in the programme or the activities of the International Co-operative Alliance. It stands for Universal Brotherhood, Justice, Liberty and the Peaceful Association of the whole human family.

Co-operators and Co-operative Associations have now the opportunity to mobilise their demands for the exercise of all the powers of Government in their respective countries in support of the elementary rights of the community and also of our great ideals. It is the responsibility of Co-operators the world over to manifest and to publicly proclaim their support of every measure and means that will contribute to turn the tide of world affairs from the paths of destruction to those of Reason, Understanding and Friendship between the nations.

Co-operators are called upon to undertake these tasks not merely as a means of averting the present crisis, not only as measures of rescue from the horrors that threaten them, but as definite steps towards the realisation of that Equity, Justice and Freedom between the peoples which alone can secure the progress of Humanity and the peace of the World.

Co-operators of the world, arise in your millions, lay aside every mental reservation and prejudice which might weaken your action, relegate the economic interests to the second place, and put your maximum effort into the achievement of the unity of the peoples of every land in the pursuit of the triumph of the right.

Government Order.
GOVERNMENT OF MADRAS.
ABSTRACT.

Co-operative Societies—Acts—Rules—Rules XII and XIV—Maximum rate of dividend on shares in limited liability societies—amendment confirmed.

DEVELOPMENT DEPARTMENT.

G. O. No. P. 1686

Dated 4th July 1934.

Read the following :—

G. O. No. 38, Development, dated 5th January 1939.

ORDER :

In Notification No. 40 dated 5-1-39 published at page 78 of Part I of the Fort St. George Gazette dated 17-1-39 the Government of Madras published under sub-sections (1) and (2) of section 65 of the Madras Co-operative Societies Act, 1932, (Madras Act VI of 1932), amendments to rules XII and XIV of the rules issued under the Act. The Government have considered the representations made to them and are of the view that the draft rules should be confirmed except in so far as they relate to the rate of dividend to be paid on preference shares.

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

APPENDIX.

Notification.

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

AMENDMENT.

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

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

GOVERNMENT ORDER

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

(iii) no other society with shares and limited liability shall pay dividend to its share-holders at a rate exceeding 6½ per cent. per annum on the paid-up value of each share.”

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

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

3. Separate orders will be issued as regards dividend to be paid on preference shares.

(By order of His Excellency the Governor)

V. N. VISWANATHA RAO,

Secretary to Government.

THE CO-OPERATORS' BOOK DEPOT

9, Bakehouse Lane, Fort, Bombay.

NEW BOOKS.

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1 Rural Finance and Co-operation—Strickland ...	4 6 0
2 Co-operation for Economically Undeveloped Countries ...	2 4 0
3 Co-operation At Home and Abroad—Fay (Vol. I) ...	11 4 0
4 Co-operation At Home and Abroad—Fay (Vol. II) ...	13 8 0
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7 Co-operation—an American Way—Daniels ...	10 8 0
8 Co-operative Life and Business—Bunn ...	3 8 0
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26 Problems and Practice of Economic Planning—Burrows ...	7 14 0

THE MADRAS JOURNAL OF CO-OPERATION

List of Societies Registered in July 1939.

Serial No.	Name of Societies.	District.
1	The Kharigam Co-operative Society	Vizagapatam.
2	The Kandikuppa Co-operative Credit Society.	E. Godavary.
3	Sri Ramalingeswara Co-operative Credit Society.	"
4	The Injaram Co-operative Credit Society	"
5	The Pedamautturi Desodharaka Co-operative Society.	Krishna.
6	The Punadipadu Board High School Students' Co-operative Stores, Ltd.	"
7	The Vemavarappadu Co-operative Credit Society.	"
8	The Munagapadu Co-operative Credit Society.	Nellore.
9	The Gandavaram South Co-operative Credit Society.	"
10	The Uppalapadu Co-operative Credit Society.	"
11	The Pothavaru Co-operative Credit Society	"
12	The Cheepinapi Co-operative Credit Society...	"
13	The Mopur Co-operative Credit Society	"
14	The Chennampalle Co-operative Thrift Society, Ltd.	Chittoor.
15	The Kothapalle Co-operative Thrift Society, Ltd.	"
16	The Paradarami Co-operative Thrift Society, Ltd.	"
17	The Porumamilla Co-operative Thrift Society, Ltd.	Cuddapah.
18	The Muddapuram Weavers' Co-operative Sale Society, Ltd.	Bellary.
19	The Anantapur Women's Thrift and Cottage Industries Co-operative Society, Ltd.	Anantapur.
20	The Hoe & Co., Employees' Co-operative Society, Ltd.	Madras.
21	The Machays Gardens Women's Cottage Industries Co-operative Society, Ltd.	"
22	The Chingleput Municipal Menial Employees' Co-operative Society.	Chingleput.
23	The Cuddalore Cottage Industries Co-operative Society, Ltd.	S. Arcot.
24	The Panrutti Board High School Students' Co-operative Stores, Ltd.	"
25	The Takkolam Co-operative Irrigation Society, Ltd.	N. Arcot.
26	The Tirukattupalli Bee Keeping Honey Production and Sale Society, Ltd.	Tanjore.
27	The Andipattakkadu Co-operative Credit Society.	Trichinopoly.
28	The Udayarpalayam Board High School Students' Co-operative Stores, Ltd.	"
29	The Mettur Electricity System Public Servants' Co-operative Society, Ltd.	Salem.
30	The Nallagoundampatty Adi Dravida Co-operative Society.	"

LIST OF SOCIETIES REGISTERED AND CANCELLED

31	The Mettur Dam Fishermen Co-operative Society, Ltd.	Salem.
32	The Meenakshi Co operative Building Society, Ltd.	Madura.
33	The Pungankulam Kallar Co-operative Society.	"
34	The Muduvarpatty Co-operative Credit Society.	"
35	The Kechandipatty Pudur Kallar Co-operative Credit Society.	"
36	The Puliampatti Weavers' Co-operative Sale Society, Ltd.	Ramnad.
37	The Telungupalayam Co-operative Society	Coimbatore.
38	The Dasanaickenpalayam Co-operative Credit Society.	"
39	The Kollegal Co-operative Land Mortgage Bank, Ltd.	"
40	The Ayan Vadamalapuram Co-operative Credit Society.	S. Kanara.
41	The Padnur Co-operative Society	"
42	The Araraseeme Gowda Co-operative Better Living Society, Ltd.	"
43	The Subramanya Co-operative Stores, Ltd.	"

List of Societies Cancelled in June 1939.

S. No.	Name of Society.	District.	Date of cancellation.
1	North Trikarapur C.S.	South Kanara	1-6-39
2	Kothapalle C.S.	Vizagapatam	2-6-39
3	Pykara Thrift and Loan C.S.	Nilgiris	2-6-39
4	Kothakotta Adi-andhra C.S.	Anantapur	3-6-39
5	Rajam C.S.	Vizagapatam	5-6-39
6	Kallamunkur A.D. C.S.	South Kanara	6-6-39
7	Manapalli C.S.	Salem	12-6-39
8	Kanavoipatti Pallars C.S.	"	12-6-39
9	Kalamanaidupet C.S.	Chingleput	12-6-39
10	Gopinathampatti C.S.	Salem	12-6-39
11	Melsishamangalam C.S.	North Arcot	15-6-39
12	Su Navalpakkam C.S.	"	15-6-39
13	Thenmudiyanur Co-operative Credit Society	"	16-6-39
14	Thenkarimbalur Co-operative Credit Society	"	17-6-39
15	Onchiyam C.S.	Malabar	17-6-39
16	Karambai Field Labourers Co-operative Lease Society	Tanjore	20-6-39
17	Kunampatti C.S.	"	22-6-39
18	Kaliyanoor C.S.	Chingleput	24-6-39
19	Chitturpu C.S.	Kistna	24-6-39

Extract.

The following is an extract from the report of the Central Board of Directors of the Reserve Bank of India for the year ending December 1938, regarding the Agricultural Credit Department :—

"The activities of the Agricultural Credit Department continued to receive the careful consideration of the Board during the year. As mentioned in previous reports, the Department is engaged in an intensive study of problems relating to rural finance, the results of its investigations into such problems being published in the form of bulletins from time to time. After the publication of the Statutory Report under section 55 (1) of the Reserve Bank Act, the Department issued in January 1938 a bulletin dealing with recent developments in the co-operative movement in Burma. Bulletins on various other aspects of agricultural finance are in hand and will be issued from time to time. The services of this Department are being utilised to an increasing extent by Provincial Governments and others for consultation and guidance. During the period under review it was called upon to give its opinion on a number of legislative measures affecting rural indebtedness as also on several matters affecting the co-operative movement. The Officer-in-Charge continued to maintain a close touch with the movement and attended various co-operative conferences held in the course of the year. In May a circular letter was issued to all provincial co-operative banks and central land mortgage banks laying down the procedure to be followed by them for obtaining financial accommodation from the Reserve Bank. A memorandum proposing an extension of the present remittance facilities and a reduction in rates was submitted during the year to the Central and Provincial Governments, but pending the approval of this scheme it was decided to continue the existing R. T. R. facilities to co-operative societies.

In April 1938 Mr. K. G. Ambegaokar, I. C. S., Officer-in-Charge of the Department, went on furlough to Europe and America. While there he was asked by the Bank to visit the central banks in various countries so that the experience of those countries might be available to us in our work in India. He was also deputed to Egypt to study the financing of agriculture in that Country."

II

The Hungry Alligator.

Once there was a man who lived alone with his family on a steamy tropical river. He had a great many children. They had thin bodies, long faces and large mouths. They were always hungry. It was more than the man could do to fill them up. He had a wife who cooked and swept. She had a small, tight mouth and hardly ever opened it.

All that the family had to eat was fish. Every day the man went out on the river with his boat and net. The children stood on the Bank

EXTRACTS

and opened their wide mouths wider. Under the sun the river became a copper furnace, and the mosquitoes were terrible.

When his net was full, or as full, as he could get it, the man divided the fish into two piles. Then he paddled over to the side of the river where the reeds were thick and high. In the middle of the reeds was a large alligator making amiable noises. The alligator had been there as long as the man could remember, and his father and grandfather before him. The man believed that the alligator was the guardian of his establishment. If the alligator left, the defenselessness of his home would be incalculable. So incalculable that the man had never calculated it; nor had his father and grandfather before him.

But it had to be admitted the alligator ate a lot of fish, a large proportion of the catch every day. Furthermore, the alligator had no means of keeping track of Sundays.

So the man would feed the alligator one fat fish after another until its amiable noises were hushed by digestive processes, and then he would paddle the rest of the catch back to the hungry children. They would still be on the bank, their mouths wider than ever. His wife would look at the fish with contempt and fry them without a word. The children ate them, bones and all, but seemed to be bottomless. The man could not eat very much because he was so hot and tired. But it made him feel better to hear the family protector over in the reeds crunching happily.

One very hot day, two of the children went in swimming. They swam out towards the reeds. When the man stepped to give the alligator its daily take, the protector did not seem very hungry. True, it consumed the fish, but in a slow, dreamy way. The man was worried. What if it should get sick? When he got home, for once the family had almost enough to eat. Two of the heartiest eaters were missing from the table. Where could they be? The man loved his children, for all the work they gave him, and he was much distressed. To his astonishment, he suddenly heard his wife talking. She said :

"If I were you, I'd get rid of that alligator,"

"But" said the man, deeply shocked, "it is our protector, and that of our fathers and grandfathers before us."

"Fine," said his wife. "It has taken a good share of our food every day for years and years, and now it has taken Annabel and Benjamin."

"This," said the man, removing his hat, "is the most momentous crisis in the history of mankind."

"Crisis, my eye," said his wife. "Give me that club, the one with the spikes on it."

"No," said the man, "I'll do it. But it destroys all my deepest principles and convictions, and those of my father and grandfather before me."

"It's about time," said his wife.

Do you think the man in my story was feeble-minded? Perhaps he was. All the nations of the world put together are behaving in a very similar way. Are all the nations of the world feeble-minded? They are giving a large proportion of their livelihood to a gigantic mechanism which

is more destructive than any alligator. Every now and then it eats some of the nations' children. In 1938 it devoured eighteen million dollars' worth of labour and resources, while children, women, men, died horribly in Spain and China. In 1939, the bill will be perhaps 25 billions and the dead—how many? No one nation, not even the United States, can disarm to-day. Not while the dictators are marching. Indeed it is primarily due to the directors that world armaments have troubled in the last five years.

The more fish the alligator gets, the larger he grows, and the more he demands. He will eat us out of house and home, out of this planet, unless we got together pretty soon to club him into insensibility.—Stuart Chase in the Christian Century.

Co-operative Housing.

Jan Bommer, city councilman in Amsterdam, Netherlands, and executive director of the Dutch Federation of Public Housing Societies, declared that 220,000 homes have been built by and for working class families since the passage of the Dutch Housing Act in 1901 and that 75% of these houses were built by co-operative housing societies.

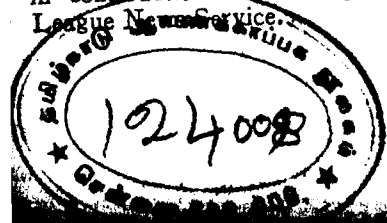
Public co operative housing societies have cut rent costs 20 per cent. and have increased the beauty and utility of the average Dutch working class home. Rents in single family houses average about \$6 per week under co-operative management. "We wouldn't go back to the old system if we had to start again to-day," Mr. Bommer declared: "For the Dutch people our co-operative and public housing societies signify progress in health, economy and morals that cannot be measured in dollars and cents."

Under the Public Housing Act the Dutch Government loans up to 100 per cent. of the actual cost of a house. This loan is made to Municipal Housing Authorities which work with the public or co-operative housing societies in an advisory and regulatory capacity. The housing societies repay the loans over a period of 50 years. When asked if the houses would still be in good condition at the end of 50 years, Mr. Bommer declared, "Our houses are not jerry-built. They are built for the use of the people who live in them and not to make a profit for speculative owners."

Mr. Bommer pointed out that these public co-operative housing societies are not subsidized nor are they given tax exemption. "We do not believe in hidden subsidies," Mr. Bommer declared. "The Dutch government subsidizes only slum clearance projects. All other projects must pay their one way."

The directors of the housing project are chosen from the members themselves who work with the municipal housing authority. The housing societies have advanced the education of the working people and thousands of capable executives have been found among their ranks. The Dutch public-co-operative housing development to date, Mr. Bommer declared, would equal the construction of 3½ million homes here. In the city of Amsterdam 20 per cent. of the population is now housed in public-co-operative housing projects.

Mr. Bommer pointed out that the Dutch system provides centralization in regulation, decentralization in responsibility and individual initiative in construction and management of the housing projects. Co-operative



(Co-operation and Marketing News.)

126 JL
Xm 211, N12

THE South India Co-operative Insurance Society, LIMITED. MADRAS.

(Registered under the Co-operative Societies Act.)

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

GROWTH.

(Successful working over 7 years.)

Year.		Proposals received.	Policies issued.
1932-33	...	8,74,100	6,33,500
1933-34	...	8,96,950	6,66,850
1934-35	...	11,77,100	8,62,350
1935-36	...	14,16,750	10,99,150
1936-37	...	15,92,450	12,04,375
1937-38	...	24,99,175	19,75,225
1938-39	...	33,24,450	25,45,075
		1,17,80,975	89,86,525

This record of progress is a clear indication of the public faith in "Co-operative enterprises in the field of Insurance."

Our Constituents have realised that Co-operative Insurance is the most lucrative investment, because our policies offer low premiums, decent bonus and easy policy terms.

Eminent co-operators remain at the helm of affairs and guide the destinies of this Society, which has therefore made a remarkable progress and is going from strength to strength.

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

Secretary.

The Madras Provincial Co-operative Bank Ltd.

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

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

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

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

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

For rules and terms of business, apply to:—

THE SECRETARY, HEAD OFFICE, OR
ANY OF THE BRANCHES

The Madras Co-operative Central Land Mortgage Bank, Ltd., MOUNT ROAD, MADRAS.

DEBENTURES GUARANTEED BY THE GOVERNMENT OF MADRAS.

The Madras Co-operative Central Land Mortgage Bank, Ltd., issues 20 year debentures fully guaranteed both as to principal and interest by the Government of Madras.

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

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

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

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