The Madras Journal of Co-operation

Vol XXXI

NO 12

June 1940

S45

CONTENTS

72

THE

Madras Journal of Co-operation

VOL. XXXI.] JUNE 1940. [No. 12

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.

Two Important Co-operative Conferences.

Elsewhere we have published the two presidential addresses delivered at the U. P. Co-operative Conference held at Meerut and the District Co-operative Conference of S. Kanara held at Udipi. They are of more than topical interest as the Presidents at both these conferences dealt with some vital questions engaging the attention of the co-operators all over India.

I

At the U.P. Conference the Registrar of U.P., Mr R. L. Chaturvedi, in his address as the President of the Provincial Co-operative Union surveyed briefly the condition of the movement at the present time. He laid great emphasis upon the fact that co-operation stands for peace and condemned the war of aggression indulged in by Germany. Dealing next with repurcussions of the war on economic conditions of the province he showed how though there was a slight rise in the price of agricultural produce, yet its full effects are not available to the producer as a long chain of middlemen exploited him and took away a great portion of the advantage. He also pleaded for introducing social reforms among the masses and for effecting retrenchment in the unnecessary expenditure on festive occasions. He struck a note of warning to the lenders as well and said that temporary boom should not be trusted too much. We are glad to be told that attempts at marketing were successful and cereals and oil seeds were sold to the extent of Rs. 7 lakhs bringing a net profit of Rs. 8.000. Equally welcome is the news of the good work done by ghee societies. They sold ghee worth Rs. 2 lakhs and earned a profit of Rs. 28,000 and distributed Rs. 6,000 as bonus among the producers. The Lucknow Co-operative Milk Union did good work and attempts are being made to start a similar Union in Allahabad. The Registrar's plea for the establishment of a Provincial Co-operative Bank will be endorsed by every one. In reviewing the Registrar's report for the year 1937-38 we drew attention to the need for a Provincial Bank as the financial balancing centre. Some progress has been achieved in the matter of consolidation of holdings and industrial stores seem to be doing well. We are particularly glad to be told that the non-officials of the Province have appointed a Committee to inquire into the present condition of the movement in the Province and have issued a questionnaire. Periodical assessment of the working of the movement is very necessary, and if co-operative committees could not be appointed by Government once in 10 years or oftener the non-officials will do well to have their own committees appointed. The Registrar ended his address with a fervent appeal for more workers to join the movement and to infuse a new life among the agriculturists of the province. It is true that the Government are trying to do their best to ameliorate their condition, and legislative enactments are being passed to lighten their load of debt and to make their position more secure. The Registrar was anxious not to drive away the Mahajan from the movement. He had been all these years playing an important part in the rural economy and he should be roped in as a depositor of money in the co-operative banks and all his rich experience should be made available for the progress of the movement.

II

The U. P. Co-operators deserve to be congratulated on their being able to secure Sir T. Vijayaraghavachariar to preside over their Provincial Conference. His address, printed elsewhere, divides itself into two important sections, one dealing with the general problems of co-operation having an all India applicability and the other dealing with special problems of the Province. As an experienced officer he certified to the good effects that mingling with non-officials has on sundried bureaucrats who happen to be put in charge of the co-operative movement in provinces. The movement, he was glad to note, has weathered the storm and has come out unscathed through an unprecedently severe economic depression; but he was

sorry to note that the movement has not been able to attract the youth of the land, and most of the present leaders are middle aged men and recruiting from among the younger people is not as rapid as one would wish. This is a point he stressed in addressing the Provincial Conference of Madras as well.

The one important point on which he laid much stress was about the starting of the multi-purpose societies in villages which has been recommended by the Reserve Bank of India in their bulletin on the Kodinar Banking Union. It is, in his opinion, similar to the panacea contemplated by the district officers of a by gone generation who said that they would be able to keep peasants happy and contented if all the governmental functions be concentrated in the hands of the Collector, instead of being split up into a number of departments such as Judicial, Forest, Agricultural, Irrigation, Veterinary and so forth. Paucity of human workers, the chances of such institutions falling into the hands of a close oligarchy and the line advocated being against the natural principle of evolution tending to complexity and hetrogeneity, these are arguments against multi-purpose societies. Even in what was considered to be a very simple thing, namely, credit requirements of the villager, progress of time has shown the need for specialised institutions, the ordinary village society for short and intermediate term loans and the land mortgage banks dealing with long term requirements of the villager.

Coming to the movement in the province, he congratulated the co-operators of the U. P. on their being able to effect more satisfactorily recovery of dues from members than in other provinces. He appreciated the good work done by marketing of agricultural produce especially of ghee and sugarcane.

He pleaded for the establishment for a Provincial Bank and for the starting of land mortgage banks. On the contraversial question of limited or unlimited liability of village societies he merely referred to the controversy that is raging on that point in our own province and left it at that. He ended his inspiring address by an appeal for the panchayats of societies taking over the successful administration of sugarcane societies which is being run now by an hierarchy of Government officials.

III

Now we turn to the presidential address of Mr. V. L. Mehta at the South Kanara District Conference. Here is an expert who has three decades of honest co-operative work to his credit talking to fellow workers. Every remark or observation is born out of personal experience and what is more important the economic life of the district and the part that co-operation can play in vitalising rural economics are envisaged against a background of national reconstruction. This background which is very necessary is just hinted at in the last portion of the address.

Mr. Mehta rightly complains that provincial governments in our country have not done as much for the agriculturists as governments in other parts of the world have done.

> "The grant of temporary moratorium, the scaling down of debts, the provision of long term financial accommodation, the supply of cheap credit for the current agriculture, the regulation of currency, the readjustment of foreign exchanges, the control of import and export trade in agricultural commodities, these are some of the lines of action adopted in various countries to meet the situation."

As against this whole hearted support of the agriculturists, we have in our province just amateurish attempts made by Congress Ministry during the short period they were in power.

Dealing with the development of co-operation in the district of South Kanara, Mr. Mehta frankly told his audience that he was not satisfied with the progress achieved and suggested that a detailed survey of the economic condition of the district should be undertaken with a view to strengthen the movement by taking more people into it. It is not as if every man could become a co-operator and be benefitted by the movement. The capitalist whose sole aim is exploitation and the extremely poor man whose income is very much below his every day requirement have both to be left out and co-operation can deal only with the ordinary men and women who are determined to help themselves.

We are not surprised that Mr. Mehta has a partiality for Banking Unions having jurisdiction over smaller areas than a district or at least for branches of the District Bank to be started for such areas. The existing machinery according to Mr. Mehta is somewhat complicated and inelastic whereas the agriculturist wants credit to be given to him by a simple and quick-moving machinery without elaborate formalities. He is for developing local agencies as against controlled credit to be administered by the District Bank. But in order that the local machinery may function effectively as in the

famous Kodinar scheme, credit should be linked both to the supply of the agriculturists' requirements and to the marketing of his produce. Mr. Mehta evidently is not enamoured of the new scheme of Multi-purpose Society nor is he scared away by the implications of unlimited liability. The latter in his opinion has got certain advantages which limited liability with its large guaranteeing funds so difficult to secure in these days of financial strain has not. Mr. Mehta then congratulated the South Canara District for the good work done by its Agriculturists' Co-operative Wholesale Society and pleaded for Government subsidising such institutions and enabling them to engage the services of competent and reliable staff and also for providing them with godown facilities.

Mr. Mehta's remark that researches carried on by the Agricultural Department have not filtered down to the masses, is true not only of that district or even of our province, but has an all-India application, and the "real problem to-day is not so much to acquire new knowledge as to secure that means are provided for the peasant to take advantage of the improved methods and requisites."

With his all-India vision and experience Mr. Mehta drew pointed attention to the upsetting of village economics by the disappearance of cottage industries and pleaded for their revival after a careful survey of requirements and facilities available for such a revival. He also put in a plea for the women of our country taking their legitimate share for the furtherance of the co-operative movement and pointed out that they have their proper place in the running of consumers' societies and in all enterprises for the revival of cottage industries.

As we said at the outset, this inspiring address of a fellow worker will be read with interest by all co-operators and his remarks on some of the present problems of the movement would be much appreciated coming as they do from a person of wide and varied experience and free from local prejudices and partialities.

IV

The resolutions passed at the U.P. Conference were based more or less on the Registrar's speech and the Presidental address. Over and above the usual requests to the Government they emphasised the need for a Provincial Bank. We are also glad to note that a resolution was passed about the Reserve Bank's scheme for financial accommodation for co-operative institutions. In the opinion of the

Conference the scheme is far too stringent and need substantial modification. The Conference also passed a resolution requesting the Registrar to provide greater facilities for propaganda in the country side giving specific recommendations on the matter.

Similarly the resolutions at the South Kanara Conference also attempt to implement the various ideas suggested in the presidential address. There is a resolution to survey the whole District and to draw out a definite plan with a view to bring the benefits of co-operation within the reach of all villages in the district. Similarly a resolution was passed for expanding the activities of co-operative societies and making them really centres for rural uplift. Other resolutions dealt with the need for improving consumers' stores and cottage industries in the District.

Consumers Stores and the Poor People.

It is well known that in England and most of the Western Countries it is the poor people that are the supporters of the Consumers' Stores. It is the under dog that has to pay a heavy price for the bad articles that instinctively feels the need for the store movement, and joins with others similarly circumstanced to start and run it. Whereas in India, even in the few cases where the consumers' stores have proved a success membership is almost confined to the middle classes, more often to the upper section of it. A study of the member list of the T. U. C. S. will bear out the above remark.

Rao Bahadur A. Vedachala Iyer when he was Registrar made an attempt, if our information is correct, to throw open the benefits of Triplicane Stores to the poorer sections of the city population. There were certain technical difficulties and the then management of the T. U. C. S. did not entertain the new proposal with any degree of warmth.

We are glad to note that the present Registrar wants to revive this idea and the T. U. C. S. is again being approached to make its benefits available to the poorer sections of the city population. We are glad to be informed that the present management welcomes this idea and are prepared to modify the by-laws if necessary, to achieve the end in view. We hope in fulness of time this very desirable step will be taken and the benefits of co-operation will be extended not only to the upper middle class of people living in Mylapore and Thyagarayanagar, but to the poorer people in slums and cherries and working in the various mills and similar institutions.

In this connection it is interesting to note that attempts are being made elsewhere also in the province for bringing the consumers' movement within the easy reach of the poor people. In the districts of Coimbatore and Madura attempts are being made to enlist the sympathy of management of mills in order to have co-operative stores started for the benefit of mill hands. In the earlier stages, taking the intellectual and economic condition of mill hands into consideration, the managements themselves may have to run these stores. But it is hoped that in course of time the mill hands themselves will be able to take over the stores and run them for their own benefit with the co-operation of social workers and the sympathy of managements.

Side by side with this, attempts are being made in all important urban centres to start co-operative stores to avoid exploitation by traders. It is hoped that this would be a permanent economic organisation taking root in the soil and not a thing destined to live only during the period of the war and to disappear when normal conditions are restored.

Taking all things into consideration we hope the consumers' movement so for this province is concerned has got a bright future. It has to expand both vertically and horizantally, that is, reach strata of society hitherto untouched by it and also grow in more places than it has done at present.

Glasgow Co-operative Congress.

Amidst the din and roar of battle we are likely to lose sight of the steady and unostentatious work that is being done by co-operators. Papers recently received from England give us a report of the Co-operative Congress held at Glasgow on the 13th of May last. When most of the delegates were starting to attend the Congress news reached them of Hitler's over running of Holland and Belgium and doubts were raised whether the Congress would be held at all. But the authorities decided that the Congress should be held and it was held according to the arranged programme.

The number of delegates attended was quite as satisfactory as during any previous year, but the war made itself felt it in the dropping of exhibition which was hitherto a characteristic feature of the Congress and in the absence of distinguished foreign delegates who used to be present to convey their fraternal greetings to English Co-operators.

As usual the co-operators assembled were given civic welcome by the Municipality of Glasgow. The most important of the resolutions, that about which there was a heated contraversy was about the "peace policy" of the movement. The Central Board had enunciated the peace policy and it was accepted at the Easter conference by the National Co-operative Authority. It was opposed by certain people who took up the slogan of 'stop war'; but this amendment was thrown out by an overwhelming majority.

The eight points framed upon which lasting peace can be built are presented as follows :—

1. The existing competitive system cannot give mankind peace, security and social well-being. The co-operative movement has, therefore, always sought a new social order based on co-operation. The history of the last century, and especially the last 25 years, has shown how essential it is that the ideal of a Co-operative Commonwealth must be made a reality if permanent peace is to be ensured.

2. Freedom and democracy, two vital principles of co-operation, are essential to any world order. The people of all lands must have the rights of free association, free speech, free Press, and freedom of criticism guaranteed as the basis of their citizenship.

3. An effective agreement to outlaw war, which is the only means by which disarmament can be achieved, requires the collaboration of all nations, and to this end peace should be sought at the conferene table as a world responsibility.

4. The experience of the co-operative movement, especially in the economic field, convinces us that exaggerated economic nationalism prejudices the welfare of the whole world. The time is fully ripe for a serious attempt to establish a United States of Europe or some form of federal union between erstwhile competing States.

5. Tariff and other barriers to trade should be immediately reduced with a view to their early abolition. Economic disarmament should be substituted for the present era of economic nationalism. Nations should maintain close collaboration on all problems of trade, employment, production, and distribution. Freedom of trade and freedom of travel should be added to the other basic liberties of a democratic world.

6. Imperial domination is an obstacle to worldpeace, and is completely out of harmony with the trend of human development. The recognition of full Dominion status within the British Common weath points the way to similar freedom for Colonial possessions as soon as these are capable of sustaining Dominion status.

7. Peace terms must not be a mere restoration of the pre-war position, which was one of armed peace, insecurity, recurring crises, and universal fear. Any return to that position would postpone the evil and leave the world open to a still greater conflict in the near future. The co-operative movement desires the fullest assurance that the Government, on the basis of the foregoing principles, will be prepared to enter into negotiations with belligerent countries, and, in consultation with the Neutrals, to end the war and substitute a just peace.

8. Co-operation is the fundamental basis of a just and stable peace, and all our experience strengthens the belief that the principles and practices of co-operation should be applied to every phase of national and international life. Consequently, the extension and development of the co-operative movement, nationally and intenationally, is vital to the establishment of peace and is a guarantee of an eventual World Co-operative Commonwealth.

The co-operators assembled were delighted to hear that one of their colleagues, Mr. A. V. Alexander, was again taken as the First Lord of Admirality in the newly constituted Government with Mr. Churchill as the Premier. Mr. Alexander being unable to be present, sent them a message which ended with these stirring words.

> "To-day's demand on all the co-operators of Great Britain is this. We must defeat the aggressor by our united effort as a free and democractic people, and support the lead which the National Co-operative Authority has given and reiterated."

Mr. W. Gallacher who presided over the Congress delivered a spirited address in which after dealing with the war situation and havoc committed to a highly co-operative country like Finland, he turned his attention to the movement at home and said that the Co-operative movement has not had the treatment it expected and deserved from the National Government.

> "The Government have failed profoundly to realise the supreme value that co-operation—the greatest and most efficient productive and distributive agency in the country—could be to the nation in a time of war and of national emergency. Rather have they turned, as of old, to the capitalists, the profiteers, and that class of people whose private interests conflict with their public duty."

Nor was he satisfied with the 4 per cent. increase in sales and 6 per cent increase in production taking the movement as a whole. He pointed out how retail trade per member per annum had not kept pace with the expansion of membership and the introduction of new services. He was of opinion, that the structure of the movement was becoming looser and not firmer, even though trade and membership was expanding, and pleaded for a more compact structure, closer interrelationship between the retail societies and the great federations, a clear and definite plan of action. He ended his address with these noble words :—

> " Our immediate, our peculiar, and particular task is to conserve this movement of ours that it may emerge from the war financially and numerically stronger than ever before ; with its economic stability and its freedom of action and development unimpaired, and its prestige undimmed and untarnished. So with courage, confidence, and hope in our hearts, let us rededicate ourselves anew to our great cause of regenerating the world. Let us labour, unceasing and untiring, for the dawning of the day when greed and strife, envy and evil shall fall from the human race like an outworn and discarded garment and peace descend like benediction upon the nations and dwell in the hearts of man. And in that day of high achievement, Man shall stand upon the earth as upon a footstand, and thrust his hands among the stars."

Some of the defects in the rules.

By Mr. P. K. Srinivasa Raghava Acharyar, B. A.

President, Co-operative Urban Bank, Tindivanam.

Before the introduction of section 57-A by Act V of 1935, section 28 contemplated on attachment of properties by the sale-officer and then their sale. Section 28 of the Act ran as follows :—

Whenever a decree or order of a Civil Court, a decision or an award of the Registrar or arbitrator or an order of the Registrar or liquidator is obtained by a registered society for the realisation of money, the Registrar or any person subordinate to him empowered by the Registrar in this behalf may, subject to such rules as may be prescribed by the Local Government, recover the amount due under such decree, award or order together with the interest, if any due, thereon and the costs of process *by the attachment and sale* of the property of the person against whom such decree, decision award or decree is obtained. Rules were framed by the Government before the repeal of section 28. They considered no doubt as to what should be done for enforcing the provisions of section 28. Necessarily they had to define who a 'sale officer' was. They defined the term as follows 'Sale officer' means an officer of the co-operative department empowered by the Registrar by general or special order to *attach and sell* the property of defaulters. When the defect in section 28 was found out and it was recognised that there was no necessity to attach the hypotheca in awards or decrees on mortgage documents the legislature substituted section 57-A for section 28. The Registrar was authorised to realise the amount due by the attachment and sale or by the sale without attachment. The amendment therefore removed the necessity for attachment of mortgaged properties.

The rules contemplated execution of decrees, awards or orders by the Registrar of the district through the sale officers. With the introduction of section 57-A the Government ought to have amended the definition of 'sale officer.' That officer is one who is empowered to *attach and sell properties*. It may not be difficult to contend that the action of the sale officers in selling the hypotheca without attachment is illegal and outside their powers. It may be urged that by the definition of 'sale officers,' the rules empower them to act only when they have to attach and then sell. It is only in the case of simple money claims that there is a necessity for attachment. It may be urged with great force that in case of mortgage decrees the sale officers are not empowered to act and sales in execution of mortgage decrees through the department are void. I therefore venture to suggest that the definition of 'sale officer' may be amended as follows 'Sale officer' means an officer of the co-operative department empowered by the Registrar be general or special order to attach and sell or sell without attachment of the property of the defaulters.

Rule XVI (i) is quite inartistic. Rule XV (3) empowers the Registrar, or the arbitrator to require the attendance of all parties concerned and of witnesses and to require the production of all books and documents relating to the matter of the dispute. (I may venture to suggest that instead of the words 'of the' 'in' may very well be substituted). That rule does not contemplate the issue of summons. It is rule XVI (i) that contemplates the issue of summons. The purpose for which summons are to be issued are mentioned therein. It has to be noted that a defendant is summoned to answer the claim or to state his objections to the passing of the award. He is not asked to give evidence or to produce a document. The sub-rule says that the summons shall specify whether his attendance is required for the purpose of giving evidence or to produce a document or for both purposes. It can be argued that in only such cases where a person has to give evidence or produce a document can a summons issue. If so, where is the rule empowering the arbitrator to summon a defendant and what is the legal sanction for the issue of such summons? I would suggest the amendment of the latter part of rule XVI as follows.' It shall require the person summoned to appear before the said officer at a stated time and place and shall specify whether his attendance is required for answering the claim or for the purpose of giving evidence or to produce a document for all or any of these purposes.

In Rule XXII (2) The decreeholder is asked to indicate whether he wishes to proceed in the first instance, against the immovable property mortgaged to the decreeholder or other immovable property to secure the attachment of movable property. It reads as if that he need not ask for the attachment of 'other immovable property and in case of movables he can go no further than make a prayer for securing their attachment. It is better if the rule is amended as follows:—'The decreeholder may indicate whether he wishes to proceed in the first instance, against the immovable property mortgaged to the decreeholder or other property whether immovable or movable belonging to the defaulter.'

Receipts. Rule V (a) 4.

BY MR. P. K. SRINIVASARAGHAVA ACHARYA, B. A.,

President, Co-operative Urban Bank Ltd., Tindivanam.

Rule V gives a list of account and other books which have to be maintained by societies. Sub-rule (a) enumerates *books* to be maintained by credit societies One of the *books* that credit societies have to maintain is Receipt book, containing forms in duplicate one of each set to be issued for money received by the society and the other to serve as counterfoil. ' This rule has been framed by the Government under powers conferred on them by section 65 (*k*). That sub-section is, as many of the portions of the act and rules are, unhappily worded. It reads thus ' The local Government may for the whole or any part of the Presidency of Madras and for any registered society or class of such societies make rules to carry out all or any of the purposes of this Act.

2. In particular and without prejudice to the generality of the foregoing power, such rules may prescribe the accounts and books to be kept by a society and provide for the audit of such accounts and the charges, if any to be made for such audit, and for the periodical publication of a balance sheet showing the assets and liabilities of a society. It has to be noted that the section and the rule make a clear distinction between accounts and books. By the way it is funny to note that when the section says that the rule may provide for the audit of such accounts, it expressly refrains from saying that provision should be made for the audit of books. But for section 37 of the act it can very well be urged by a refractory president or secretary of a society and that too successfully that the books contemplated by the Act and the rules are exempt from audit. An account means a register containing debits and credits and many of the books cannot in that sense be classified as accounts. This is only for showing that the Act and the rules are the result of unskilled draftsmanship unsupported by persons trained in law.

The receipt books and other books have to be maintained by societies. The receipt books should contain forms in duplicate one forms of each set to be issued for money received by the society. The rules are as binding on the societies as the Act itself by virtue of sub-section 4 to section 65. The rule does not make a distinction between monies received towards the liquidation of debts, towards deposits or towards other purposes. When any sum is received the society should issue a receipt from out of the receipt book. The issue of any other kind of receipt is not contemplated. It is a well-known proposition of law that unless the parties insist on the statutory requirements being fulfilled they cannot fix the society with any liability for the sum that was received by the society.

To illustrate the above statement I am giving the facts of a case in which I had to defend a society. There is a society at Kadali, Gingee Taluk, South Arcot. The president of that society received certain sums of money from one of the Members towards part satisfaction of the debt. A receipt was granted by the president to that member but not out of the book prescribed by the rules. That amount was never entered in any of the accounts of the society. The president was succeeded by another. The society blissfully ignorant of the receipt of the money proceeded to realise by execution all the amounts due by the defaulter according to its accounts. The defaulter paid the entire sum under protest. He afterwards unsuccessfully tried to realise through the department the sum he has paid over to the former president. He then filed a suit in the civil court impleading the former president and the society as parties. There was no chance of his recovering any amount from the former president and hence the defaulter had to implead the society also. With the court's permission an additional statement had to be filed after I was engaged. The contention that the suit was barred by virtue of section 51 was overruled on the ground that the order of the Deputy Registrar amounted only to a refusal to interfere. The other contention that there was no receipt from out of the receipt book required to be maintained by the rules found favour with the court and the suit was dismissed. Reference also can be made to the principle underlying the decisions in 31 M. L. W. 271 and 37 M. L. W. 429. The result is that where no proper receipt has been granted, the party that pays money is without remedy if by some mischance the amount is appropriated for his own use by the officer receiving it.

In some societies, I am informed chalans are put in by the parties. This practice is recognised at page 213 of the first Volume of the Madras Co-operative Manual. There it is said 'Some of the urban societies require the payer to present chalans with payments. These chalans or paying-in-slips contain the details of payments made with the signatures of the parties and form a useful record for the auditor to assure himself that all itmes of receipts have found their way into the books of the society'. I do not think that the chalan is a good substitute for the receipt *book* or that it satisfies the statutory requirement to maintain a receipt *book*. Loose counterfoils of chalans though subsequently bound cannot be by any stretch of imagination be deemed to be *books*. There is also another practice prevailing with certain banks where cheques on other societies are issued in lieu of cash. I am personally aware that in such cases certain banks do not issue receipts for the money received. They issue the cheque asked for and the auditors are satisfied with the counterfoil of the cheque thus issued. I feel great difficulty in bringing myself to believe that in such cases the statutory requirements have been satisfied. Cheques are simply orders to pay and cannot and do not form good substitutes for receipts.

It is necessary that the Registrar should consider such and similar questions and bring about a uniformity of practice in all the societies.

Expansion of the Consumers' Co-operation in Mysore.

By Mr. Y. Srinivasaiyya, *Advocate, Mysore.*

War which has the effect of arresting the normal course of foreign trade on the one hand and of stimulating local and national industries on the other, helps to develop co-operative activities. Especially it is the case in the field of consumer co-operation which develops on a larger and wider scale in such times in order to avoid the exploitation of its members and the public, by the industrialists and capitalistic interests. But we in India, especially in Mysore have not yet opened our eyes to the possibilities that lie before the co-operative consumers at this time of War. Consumer co-operation in India is more successful in South India than elsewhere and within the limits of South India, Mysore is proportionately more successful than the neighbouring districts in British India. Can we not with our past experience of a long period of 35 years make use of the present times to build up an edifice of consumer co-operative movement in the Province on a larger and firmer basis?

Is our experience for the past 35 years so poor, that we have no ideas whatsoever as regards its expansion and improvement? Madras Presidency has been more forward in this respect. For, after the declaration of war it has started more than 100 consumer societies and is thinking of forming a wholesale society also. But what is our attitude? We attempt to form a wholesale society a year and a half back but were not successful owing to the feeling of mutual distrust. It was openly said that the wholesale society was an experiment fraught with danger, as it would give opportunities to unscrupulous people to misuse their position for personal ends. When such sentiments are mutually entertained by co-operators of different localities, the prospect of launching into new fields of activities appear to be remote. But a remedy for this defect has to be found. Does it not lie in the direction of popularising the advantages of consumer co-operation by means of propaganda on a large scale to remove from the minds of people the wrong notions they entertain about it? But who is to do it?

We in Mysore Province as elsewhere in India have got certain advantages now. Every official and non-official co-operator is advocating the formation of non credit societies. Co-operative marketing is recommended to the producers—both industrial and agricultural. In pursuance of this new policy Shimoga has formed an Areca sale society liberally patronised by the Government. Again on 19-3-40, a co-operative society for sale of cocoanuts was started in the Chick-kanayakanahalli Taluk. There is in Mysore a society to market rice. We also know that Industrial Societies are struggling hard to live. The position of some of them is precarious. The Weavers' Co-operative Society of Bangalore very well supported both by the Government and the Apex Bank has been collapsing for want of encouragement. The Melkote Weavers' Society has been struggling against heavy odds. The Cobbler Society of Malavalli though more fortunate from the financial standpoint, does a very poor volume of business. The Kolar Anjenava Society has been doing, however, good business in marketing Kamblies and other rough woollen goods.

Consumers therefore should begin to perceive that it is their duty, as co-operators, to help their brothern, working in other fields, of co-operation, and encourage the producers' and marketing co-operative Societies, thereby helping simultaneously both themselves and their brother co-operators.

It used to be said once that co-operation had not failed in Urban areas though it had failed in villages. The mounting overdues and decrees in Urban Societies, however point to a different conclusion. More concentration on the credit, in Urban areas, to the neglect of other activities has not succeeded in improving the economic condition of members of Urban Banks. Unless the urban co-operator is provided with all his domestic requirements both in goods and services at a cheaper rate, it is impossible to improve his financial position. In the majority of cases, the increase in the earnings of a member is not in sufficient proportion to meet the growing needs of his family, as days pass by, with the number of his children and their requirements growing rapidly. This state of affairs forbodes decay of the movement, if the problem is not tackled at once and energetically.

It is un-cooperative to consider that the economic condition of the members is of no concern to the Societies. It is unnecessary to dilate upon the incorrectness of this stand point, as it is known to many people.

The improvement in the domestic economy of a person can be brought about only by the consumer co-operative movement. Of the various sections of co-operative activity, it is the 'consumers co-operation that is the biggest and strongest in the world, since it counts nearly 10 crores of members. Europe, especially England

and Nordic countries such as Sweden are strongest in this respect. It is the consumer co-operative movement that is growing year by year in the world which promises to become a world institution. We have no justification to neglect or ignore it here simply pinning our faith in credit co-operation.

Consumer co-operation as in the other branches of the movement requiries for its success a group of workers who are qualified, earnest and have faith in co-operation and its principles. We have many earnest men, but too many of them feel that they do not owe a duty to work on the accepted principles, but take the role of original thinkers and try their experiments according to the dictates of their personal moods under the name of 'broad commonsense' as they proudly choose to term them. It is not the idea or intention to discredit or redicule originality or independent thinking, that those who discard the very basic principles of co-operation or do not even care to understand or grasp them are not the persons who can make original contribution. It is better that we have the humility of spirit to realise that we are in the elementary stage and that we have to master the elements of co-operation as they are understood by accredited co-operative thinkers and workers and act on those principles to begin with, reserving our original methods for a later stage.

Let us therefore now strive our best to understand the steps we have to take to strengthen the consumer co-operation in the Province and to stimulate enthusiasm for it. It is the standing complaint in India that there are not sufficient number of qualified co-operators to attempt experiments in new fields. Let us venture however to make use of the available men and try to improve their quality instead of waiting for the time when better people will be ready in sufficient number to offer themselves for co-operative service—a time which may never come at all spontaneously. Let us begin to trust and respect our own brother workers and learn to move with one another harmoniously.

Let us not follow any longer the policy of trying, by fair means or fouly to expel from the field of co-operation those whom we dislike for purely personal reasons. It is not in good taste for co-operators to dilate upon the personal shortcomings of fellow workers who may be serving their institutions in their own way. It is better to reform those with whom we are brought together to work than take measures to avoid their association. Earnest and competent workers are now very much needed to build up the movement. Frank recognition of other people's merits and the spirit of subordinating personal preferences to the good of the institution, will help to produce conditions where competent people will undertake co-operative service with pleasure and confidence.

A Sugar Factory on Co-operative Basis for Trichinopoly-cum-Salem Districts.

By Mr. N. V. Swaminathan, B. A.,

Secretary, Kattuputhur plantain and sugarcane growers' Co-operative Sale Society.

The Southern India Sugar Company, Ltd., started recently in Karur Taluk on joint stock basis is working successfully since 1939. This has created an enthusiasm amongst the agriculturists and the cultivation of sugar cane has been going on, on a very large scale in the Taluks of Karur, Kulittalai, and Musiri in Trichinopoly District, Namakkal in Salem District, and Erode in Coimbatore District and just now it is in a stage of over production.

The Southern India Sugar Company is unable to meet the heavy supply from all these places as their crushing capacity is limited to about 150 tons a day. The agriculturists find it very difficult to crush the cane in their villages and convert the same into jaggery as there are not enough of crushers and experienced men. This has resulted in an abnormal reduction in prices and the cane growers practically surrender their produce to the factory authorities irrespective of the price.

When compared with the market price per bag of sugar the price paid for the cane is proportionately very meagre.

It is understood from a reply to a communication addressed to the Southern India Sugar Company by the Kattuputhur Plantain and Sugar Cane Growers' Co-operative Sale Society that the Company is not likely to rely for cane supply from the northern bank of the River Cauvery. They hope to get enough of supply from Coimbatore District and the villages situated on either side of the factory. As such the agriculturists of Musiri and Namakkal Taluks cannot hope to secure a good market at the hands of the above Factory authorities.

The villages situated on the left bank of the River Cauvery can be said to be more fertile than those on the right bank of the River Cauvery. They command good irrigation and drainage facilities. The agriculturists in these two taluks, *viz.*, Namakkal and Musiri are anxious to cultivate sugar cane in their lands and reap the maximum benefit possible. It is only natural, as the sugar cane crop is highly paying provided there is a decent market.

A separate factory with such a capacity as to crush the entire cane produce raised in these taluks may be started at Kattuputhur. This will go a long way to satisfy the needs of the cane growers in Namakkal and Musiri Taluks. Such a factory at Kattuputhur is sure to justify its existence and there will certainly be the required supply of cane.

It should also be suggested, it would be to the best advantage of the ryots of these two taluks if such a factory is started and worked on co-operative basis. For, in a co-operative concern, profiteering and exploitation would be eliminated. The ryots in a large number can become share holders. Thereby, they will both be the owners and the beneficiaries of the Factory. The Central Banks of Trichinopoly and Salem may also be requested to invest their surplus funds in such a concern to the benefit of the general public and more so to the ryots. I am sure the Central Banks above mentioned cannot put their surplus funds to a better useful and more remunerative purpose.

I request, through your valuable columns, the present Registrar of Co-operative Societies, Madras, to take this humble suggestion into consideration and convert it into a accomplished fact during his regime.

Conferences.

CO-OPERATION IN UNITED PROVINCES.

PROGRESS IN NEW DIRECTIONS.

Addressing the 24th meeting of the Provincial Committee of the U.P. Co-operative Union held at Meerut on the occasion of the Co-operative Conference, Mr. R. L. Chaturvedi, Registrar, Co-operative Societies, and President of the Union briefly surveyed the recent developments of the movement in the U. P. and, in particular, drew the attention of the Co-operators to the important repercussions of the war on the Co-operative Movement. The following is the full text of his address:—

"Co-operation stands for peace and harmony all round; it is founded on democracy and believes in well-ordered progress. It discards all violence in whatever shape or form as the crude law of the jungle. As members of a co-operative brother-hood, we cannot but condemn the aggression in progress in Europe which has brought about successive victimisation of weak nations by the strong. Those who persistently threw stones at the League of Nations—that international arbitration society—could not be expected to behave differently. It behoves us as co-operators to explain to people in the country-side the implications of the war and the mighty issues at stake.

"In the economic sphere, the war has created problems which we must take note of in good time. The prices of agricultural commodities have gone up and may rise higher still. The loss to the consumers may not mean a corresponding gain to the producers unless all efforts are bulk sales which will not only secure proper prices to the producer but spare him a number of illegitimate charges. But this alone will not help him much. Unless a check is applied to his expenditure, he will fritter away his earnings on ceremonial expenses or the like. Some form of compulsory deposit or thrift has to be enforced to see that the cultivator does not waste his extra gains. It is time to draw once again his pointed attention to Shastric texts which not only emphasise the simplicity and solemnity of the *sanskars* but condemn all lavish expenditure thereat. It is nothing but slavish worship of custom that demands a bonfire of one's hard-earned all on the occasion. How true indeed that while custom chains only a few, the large majority chain themselves to custom. We have it from the late Sir Bamphlyde Fuller, that the marriage and funeral expenses of an agriculturist involve sums which would convulse the imagination of an English peasant. The mournful observation is a standing invitation to co-operators to wipe off the reproach.

"A well-planned campaign in favour of thrift will carry a wider appeal at a time when the producer can conveniently lay by something. These savings will spare him the necessity of borrowing at rates which

must of necessity rise higher and higher for some time to come. The present occasion is also one which can and ought to be utilised to liquidate old indebtedness or at any rate to reduce its amount. In the case of those comparatively well off, the extra income should be utilised to make permanent improvements on land. The cultivator has a fine opportunity to rehabilitate himself, and he must not miss it.

"So much for the borrower. There are two points for the lender too. Apart from what the cultivator gains in credit on account of his improved status under the new Tenancy Act, the increase in his repaying capacity due to war conditions can only be temporary. This aspect of the question should not be forgotton in advancing him credit. Any credit fixed on the basis of temporary prosperity operates in the long run as a drag on the borrower and the lender alike. Financing banks will do well to bear in mind that the boom does not lead to inflation and subsequent freezing of assets. For a variety of reasons, money will become dear. Banks will have to pay a higher rate of interest on deposits and tighten up their own in advances to societies. Yet another adverse factor is the loss to central banks in their investments in Government paper. Unlike irredeemable and long-term securities, fluctuations in short-term or medium dated paper move within narrow limits and should therefore be preferred for purposes of investment.

"In view of the importance of co-operative marketing, it might interest you to know that we have done of late in this connection. As a result of grants received from Government, we employed last *rabi* additional staff and arranged for the co-operative sale of 2.28 lakhs of mds. of cereals and oilseeds of the approximate value of seven lakhs and earned about Rs. 8,000 as profits. We are undertaking the work on a bigger scale during the current harvest. The scheme as drawn up contemplates marketing of the produce of over 2,000 societies and we have recently employed about 170 supervisors and 15 inspectors out of the Government grant for the purpose. In view of certain difficulties experienced last year in the supply of grain to jails, steps have been taken to prevent a recurrence of the same. Two main points have emerged out of the recent discussions with the Inspector General of Prisons. The local grain purchase committees will be reconstituted so as to include the Assistant Registrar in-charge of the circle. Facilities for storage outside the jail compound will be provided to societies where for one reason or another grain cannot be delivered on the day of arrival.

"In October last, I pleaded for the early formation of a Provincial Co-operative Bank and appealed to you to give a practical proof of your sympathy and support for an institution which you had been longing for two decades to bring into being. The response was quite encouraging and shares to the value of nearly three lakhs were promised on the spot.

We have not yet been able to go ahead with the scheme for sheer budgetary reasons. The need for an apex Bank is not disputed in any quarter. Its formation has been merely postponed; the scheme has in no sense been dropped. It would be disastrous if we launched new schemes and developed those on hand at one end and made no suitable provision for financing them at the other. The intervening period affords an opportunity for banks which have not subscribed to shares to fall in a line with those that generously have. In the absence of a Provincial Co-operative Bank, it will devolve upon central banks to arrange for finances for marketing operations out of their own funds or where this is not feasible, to enter into suitable arrangements with some joint stock bank.

"The *ghee* societies which now number 400 are making good progress. They handled *ghee* worth about two lakhs last year, made a profit of Rs. 28,000 and distributed nearly Rs. 6,000 to members as bonus. Thanks to increased Government grant, the staff has been strengthened and further expansion in activities may be looked for in future. Although co-operative *ghee* enjoys a reputation for purity, we have to see that it is not adulterated by any middleman before it reaches the consumer. It is proposed to get the *ghee* graded and impressed with a distinct co-operative *ghee* brand at every centre before the stock is taken out to the market for sale.

"The equipment of the Lucknow Co-operative Milk Union with an up-to-date plant out of the Government grant of Rs. 20,000 is well known. The Union receives milk from 30 societies through three assembling centres, namely, Bakshi-ka-Talab, Goshainganj and Chinhat. The total quantity of milk handled per day is 35 mds. *i.e*, about 1/10th of the total consumption of milk in the city. The capacity of the plant is 70 mds. and the aim is to raise the supply to this figure through suitable stages. The surplus milk is converted into butter, cream or *ghee*. A preliminary survey is afoot about putting up a similar plant at Allahabad. A known marketing Union has recently been organised at Rampur Garhwan. The activities of this Union cover 25 villages where 10 *gools* are working at selected centres. The daily output comes to 6 mds. This is a promising line and it is proposed to put up a cream separator to convert surplus milk into cream and send it to the Lucknow Co-operative Milk Union for sale.

"Societies for consolidation of holdings now count 150. We have so far consolidated 67,000 *pucca* bighas with a staff which only recently has been raised to one inspector and 16 supervisors. The work is obviously of a difficult nature and progress must necessarily be slow when unanimous consent is a condition precedent to the registration of the society. The progress achieved however was sufficient to demonstrate the value and utility of consolidation and paved the way for the recent enactment of the Consolidation of Holdings Act.

With the enactment of law, it was thought proper to stop consolidation on co-operation lines and employ the staff instead in popularising the provisions of the Act. As however the appointment and training of a sufficient staff of consolidation officers is likely to take time, supervisors have been recently instructed to carry on the work on old lines.

"Of the co-operative industrial stores that have joined the Co-operative Union or are about to, Bara Banki and Sandila deserve special mention. The one as the other produces cloth of fancy designs. Bara Banki sold goods to the tune of five lakhs last year in quick turnovers. It made a profit of Rs. 3,000, but more than that, it has succeeded in much enlarging and extending its custom. East Bengal is its best customer and efforts are afoot to open branches or depots at suitable places therein. Sandila turns out furnishing cloth of attractive make and design. With its projected connection with the Bombay and Calcutta stores, Sandila is expected to command a larger market for those products. It has specialised itself in the manufacture of gauze and jackonet cloth which it supplies to a number of institutions in the U P. and Bihar. It has recently received an order from Kabul. The weavers at Sandila and Bara Banki earn about Rs. 17 p. m. *i.e.*, near about double of what they used to earn before work was developed on co-operative lines. The Co-operative Knitting and Weaving Society at Cawnpore is a new and promising concern. Preliminary work is being done in Almora, Naini Tal and Garhwal to organise sheep rearers' societies in those districts. The Dhangar Co-operative Woollen Factory at Najibabad is expected to receive an order for the supply of 45000, blankets to the Central Government for war purposes.

"When we met last, I made a passing reference to the resolution adopted at the last session of the Provincial Conference to the effect that the Executive Committee should examine the present position of the movement and make suitable recommendations for its development. A comprehensive questoinnaire has been issued since to prominent co-operators, economists and other persons competent to express an opinion on the subject. The Committee will start work as soon as opinions have been collected. This Committee must be distinguished from its like appointed by Government. It is the Co-operators' own committee constituted to take a careful stock of the progress the movement has made and to explore all possible avenues for its development in future.

"The Provincial Co-operative Union has now worked close upon a decade. It has passed through a stiff test and time has justified its formation only too well. Collections from societies affiliated to banks under the Union compare distinctly favourably with those that still remain outside. The percentage of collections to demand has risen from 44.93 in 1934-35 to 67.3 in 1938-39 in the former case as against a mere rise from 33.11 to 42.6 in the other. Similarly while the percentage of over dues (including postponements) to outstandings amounts on 30-6-1939 to 25.2 in the former case the figure is more than double in the other. This demonstrates clearly the superiority of the divorce of supervision from finance. It is time that the remaining healthy banks also fell in a line. As the supereme non-official body in the province, the Union is progressively covering large ground. The federation of all banks into the Union would greatly facilitate, the training of bank accountants or the introduction of suitable commercial practices, on uniform lines. For one thing, the advantage will be that the Union will gain in weight, authority and popularity. For another, the lack of uniformity in the measure of progress achieved with all disappear,

"In October last, I had occasion to invite the attention of members to the need for more workers. I venture to repeat that appeal. Co-operation is essentially a peoples' movement and not merely a department of administration. The ultimate aim obviously is that it must be run, managed and controlled by the people themselves. If the movement is to spread in every nook and corner of the province, a mere increase in staff will not do, We have to associate with the work a correspondingly large number of non-official workers so that schemes, however bright and promising, may not suffer for want of man-power. What is therefore imperatively necessary is the enlistment of a large number of young and selfless workers who are prepared to live and work in an atmosphere of co-operative brotherhood, promoting loyalty to the movement and discipline among its ranks.

"Speaking of the exploitation of the agricultural labourers in his country by the squire and the farmer and pleading for a readjustment in their mutual relations on account of the changed times, the late Mr. Joseph Chamberlain once recited an interesting story which deserves to be quoted. "I remember to have read somewhere", said Mr. Chamberlain, "that when a passenger ship had travelled several hundred miles, a passenger went to the Captain and said, 'Captain, I want a berth.' 'Berth!' said the Captain, 'What have you been doing so long ?' 'I have hitherto been lying on a sick man', said the passenger, 'but of late he is recovering and showing signs of resistance. I must have another berth and at once'." We are faced more or less with a similar situation. The money lender can no longer lie on the sick agriculturist. For a variety of reasons, his age-long exploitation bids fair to come to an end. On the one hand, the Debt Acts on the Statute Book or at the anvil restrict the creditor's powers of recovery; on the other the Tenancy Law raises the debtor's place in the rural heirarchy. The cultivator's old passive despair is disappearing and he feels he is on the threshold of a new life. The money-lender has realised the repercussions only too well and he

is feeling increasingly shy of his old and time-honoured customer. He is in quest of a clientele which can give him better security. The mahajan has a distinct place in the rural economy of the country and it is as much in the interest of the cultivator as in his own that he must continue to finance agriculture. Instead of carrying on his business with individual agriculturists, he must be hoped in as member-depositor of a co-operative society, preferably with a place on the panchayat. Co-operators will give the mahajan the safer berth for business that he needs and see that they do not miss the opportunity of extending and developing the movement."

U. P. CO OPERATIVE CONFERENCE. 23RD SESSION, (MEERUT).

PRESIDENTIAL ADDRESS.

By Sir T. Vijayaraghavachari, K.B.E.

Brother Co-operators,

I am deeply sensible of the honour you have done me in inviting me to take the chair on this occasion. Both as a member of what is now the Federal Public Service Commission and as Vice-Chairman of the Imperial Council of Agricultural Research I have come into intimate contact with the intellectual and agricultural life of the Province and as adviser to the Indian Sugar industry I have continued as a non-official to maintain the contacts which I formed in earlier years. I have come to realise the important place which the United Provinces occupies in the academical, industrial and agricultural life of India. During the last twelve months I have been in what I may describe without exaggeration as day-to-day association with co-operators in a sister Province and I have learnt to appreciate the value of the work which the pioneers and their successors in the field of co-operation have performed. A particularly impressive fact has been to me the reactions which officials and non-officials engaged in a common task have had on each other. I am naturally tempted to dwell on the effects on the official. A District Officer with a reputation as a strong Magistrate and an efficient revenue collector becomes a co-operative official. In the atmosphere of his new work he develops unsuspected qualities of ability to throw off official reserves and reticences and to become what is called a "good mixer". And perhaps I may venture to add that his non-official co-workers discover in him a better fellow than what they thought him to be. To me it has been a valuable experience to have spent the last twelve months amongst co-operators; and I welcome the opportunity you have offered me of meeting the co-operators of the United Provinces.

The co-operative movement in this country has been very much in the public eye in the past twelve months and I am afraid the eyes have been highly critical in their scrutiny. In the long agricultural depression out of which the country has not yet emerged the co-operative societies have been put to a tremendous strain. Many provinces have stood the strain, a few have broken down. If in spite of the discouraging features which have developed during the depression, a province of the former class is able to claim that not one of its district central co-operative banks which finance the primary agricultural credit societies has crashed, while during the same period no fewer than 44 joint stock banks have closed their doors, there is hope for the movement and there is vitality in it.

Another point on which public criticism of the movement has fastened is the alleged deterioration in the character of co-operators. In dealing with this, we must not forget that every movement of a moral or spiritual character and co-operation is as much directed to the improvement of the moral side of its followers as to the improvement of their economic position is apt as time passes to lose the freshness and enthusiasm of its earlier days. The fervent missionary spirit that characterised the pioneers of co-operation in India cannot be expected to last beyond the first generation. It is now over 35 years since co-operation took root in this country and societies which were once counted in hundreds have now swollen into several thousands. Naturally the same average quality cannot be maintained. But what really is a matter for concern is the fact that the young do not seem to be attracted to co-operative work. I was present recently at a conference of co-operators in a sister province. I was forcibly impressed with the fact that practically all the members were men of middle age. It is time we took steps to recruit young men and women.

I think it will be admitted in every province of India, not excluding even the Punjab, that the weakest part of the co-operative structure is the primary village society. Several suggestions, not many of a practical character, have been made as to how to strengthen it. The suggestion that may be said to hold the field is what is known by the rather clumsy name of the multi-purpose society. Bulletin No. 1 of the Agricultural credit department of the Reserve Bank of India, which described the success achieved by the Banking Union at Kodinar in the Baroda State, and stated that the most important factor which contributed to its success was the fact that the societies dealt with not only the credit side of the villager but with every economic need of his, started what I may call the boom in this multi-purpose business. Bulletin No. 2 which recommended its general application intensified it. To put it in the very words of the first pamphlet, "the Indian peasant's whole psychology of life must be changed, and if this is to be done, it is necessary that he should be taken up as a whole man and that all the aspects of his life should be dealt with by the same agency". These words have

a familiar ring and I seem to have heard the same kind of panacea prescribed in other departments. How often have I not heard District Officers of a by-gone generation say that the secret of keeping the peasant happy and contented is to concentrate all the governmental functions in the Collector or Deputy Commissioner instead of splitting them amongst a number of departments, such as the Judicial, the Forest, the Irrigation, the Agricultural, the Veterinary and so forth. If it is a question of changing the peasant's whole psychology of life, can this miracle be performed merely by amalgamating several societies for several functions into one? Is it not the law of life that as more and more varied functions have to be performed, there must be more and more specialised organs? In the very case of Kodinar, we read in the bulletin that the land of the villages was of a good quality and capable of producing profitable crops like sugarcane, and that a number of good years followed the inauguration of the scheme. Assume that we were dealing with a village in the unirrigated tracts of the Madras Deccan or of Rajputana where a crop can be had only once in three or five years, would success have followed even societies formed on the multiple purpose system? After all, in many rural credit societies the bye-laws do provide for the society undertaking functions other than credit. If in practice these have not been taken up, it was because either the natural resources were lacking or the men with the necessary resource, initiative and ability were not there. I recall the criticism I have heard from an enthusiastic co-operator. Let me quote it as nearly as possible in the critic's own words. "There is no special advantage in forming multi-purpose societies for undertaking activities other than credit; because in most of the villages the same set of persons will have to handle the new society and the old credit society. If the members and the committee are sufficiently earnest, there is scope for working out all the objects of the multi-purpose society through the credit society itself". I have been quoting the words of a man who is what I may call the co-operator in the street. Let me now quote an expert, Mr. C. F. Strickland. "A society aiming at a general uniform, not at a specific and limited, object is in danger of becoming cumbrous in mechanism and unintelligible to the simpler members. It then passes into the hands of an educated oligarchy and loses its co-operative quality. Societies which ambitiously try to carry on several activities soon become highly complex and technical and probably end in disaster. Such institutions have been set up in China at the instigation of zealous organisers who do not realise what a peasant can do and what he cannot. Their influence is either negligible or harmful. Societies of similar wide powers are found in Japanese villages, but for the most part they are content to arouse public interest in a new idea and then organise a separate co-operative society to put the idea into action".

I have not the same suspicion or distruct of an "educated oligarchy" as Mr. Strickland has. On the other hand one of the ways of giving a new life and a new orientation to the co-operative movement is, in my opinion, to attract the large number of educated young men now available into the villages to give their assistance to the less educated villagers in working societies. In fact, such a diversion by utilising the generous instincts of youthful minds, might materially remove the difficulties in the way of forming multi-purpose societies of the type advocated by the Reserve Bank. The amalgamation of credit societies in contiguous areas into one large central multi-purpose society might facilitate the same object by providing the finance and the quality of workers required to work an institution which is bound to be more complex than the simple type of rural credit society. But let us not forget that there are limits to the concentration of functions and that actual experience has compelled us in some matters to reverse the policy of concentration and to introduce separation of functions. In the earlier days of the movement we worked on the idea that a village society should satisfy as many of the economic needs of the villager as possible and not only provided him with ampler and cheaper credit, but also attempted to supply him with the equipment required for his husbandry, for subsidiary occupations and domestic needs as well. Experience taught us that all forms of credit could not successfully be dispensed through the village society. We had to start land mortgage banks for giving long-term credit, loan and sale societies for providing credit for movement and marketing of crops, industrial societies for promoting subsidiary occupations and simple things like hand-loom weaving, arts and crafts, field labour and so on. Even in the sphere of agriculture, in order to promote commercial and money crops, we have decentralised and we have now sugarcane growers societies, fruit growers societies, cotton societies, ground-nut societies for bee-keeping, diary products, poultry keeping and so on. There is no doubt that it would be disastrous to amalgamate again the institutions for giving long-term credit with those for dispensing short-term and medium-term credit. It is exceedingly doubtful if many of the other societies just enumerated can be abolished or merged in a single unit with advantage. But on the contrary there are functions which may with benefit to the agriculturist be combined in one village society.

I have dwelt in such long detail on the multi-purpose society, because while we should appreciate the possibilities of employing it under limitations to good purpose, we should not cherish the illusion that it is going to change the farmer's psychology and outlook on life. An intellectual revolution like that is not accomplished by a change in machinery. As the Maclagan Committee pointed out, the theory underlying co-operation is that weak individuals are enabled to improve their individual productive capacity and consequently their material and moral

position, by combining among themselves and bringing into this combination a moral effort and progressively developing realisation of moral obligation. This can only be done by education in the principles of co-operation, and as example is better than precept, the educators must be men of the right quality. In the rapid multiplication of societies which took place in every province between the end of the last war and the beginning of the economic depression, the vital necessity for careful and discriminating selection of members of rural societies was forgotten. As a result things have happened which are a reproach to the movement. This is where department supvision can help, but the working impulse by which the motive power for regeneration can be supplied can come only from our educated youth.

This is perhaps the right place to consider the recommendation made by the Reserve Bank that loans must be strictly limited to cultivation finance and must be repayable at the harvest. As an exception, loans for the replacement of cattle may be repaid in two years, but such cases should not exceed a comparatively small proportion of the societies' business. A strict compliance with this injunction would doubtless have saved many rural societies from collapse during the depression; in fact the advice appears to be based on the majority recommendation of the Burma Committee on co-operation. But a restriction of a loan purely to the financing of cultivation will nullify the essential purpose of the co-operative movement and drive the farmer into the arms of the money-lender even for many of his most ordinary needs. The village sowcar will doubtless welcome the putting into force of this rule. Not that I do not recognise that societies should be run on business principles and that in an ever increasing measure members should be taught to cut down their expenditure on unproductive purposes. But I recognise realities as well. A sound system of rural credit must be based on a recognition of the fact that the agriculturist requires:

(*a*) Short-term loans, repayable at the harvest, for current expenses of cultivation, including purchase of manure or seed wages for farm labour, purchase of fodder for cattle, payment of Kist or unavoidable domestic expenditure;

(*b*) Medium-term loans for purchase of cattle, implements, field carts, or small repairs to the farm or the farm buildings. Such loans to be repayable in two to six years; and

(*c*) Long-term loans for redemption of mortgages on the farm, discharge of other prior debts, sinking of wells or other improvements to the land etc., such loans to cover seven to twenty years.

I think rural societies should disburse short-term and medium-term loans and land mortgage banks long-term loans.

An interesting proposal has been made in Madras in order to reduce overdues in primary agricultural credit societies and to enable them, at least such of them as are found capable of rehabilitation, to enjoy a new lease of ife. It is to pool the statutory reserve funds of all the primary agricultural societies in a district and of the district central bank and constitute them into a trust fund to be administered by the Registrar of co-operative societies. This fund is to be temporary and is to cease to exist on the purpose being fulfilled, which is to write off the bad debts of societies which find that their own bad debt reserves are insufficient to meet them. I have no time to describe the scheme in detail, but it will be sufficient to say that the advocates of the scheme consider that it is a logical and reasonable extension of the co-operative principle of "Each for all and all for each" from individuals to societies, while its opponents stigmatise it as a case of robbing Peter to pay Paul. I must add that the scheme is devised only to deal with the existing overdues and debts in the primary societies and central banks, and is not intended to apply to future loans and to reserves built up after the scheme comes into operation. I must no longer detain you from your labours. I thank you for the patient hearing you have given me.

Supplementary Speech.

SIR T. V. A.

Having dealt with some problems of all-India interest, may I now proceed to make a few remarks on co-operation, in these provinces. I do so with all reserve, because views formed on a study of reports and other published papers may often require correction by a study on the spot.

At the outset I desire to congratulate the United Provinces on the comparatively high percentage of recoveries in Central banks. I understand it is 67.2 per cent. in the banks affiliated to the Provincial Union, and 42.5 per cent. in the small number unaffiliated. A part of the credit for this result is attributed to the experiment which the Moradabad Bank started of accepting repayments in kind, an example which has been copied by the Etawah, Kotdwara and Bijnor Central banks. I am informed that as an encouragement for such repayments the party is offered for his grain a rate slightly higher than ruling in the market, that speculation is studiously avoided, and that the grain thus accumulated is sold off as soon as the giut season comes to a close. Where, as an exceptional case a society resorted to speculation, it burnt its fingers and soon returned to the normal path of orthodoxy. In Madras the proposal has been made that there should be banks which conduct all their transactions in grain, that is receive fixed deposits in grain, lend out in grain, charge interest in grain and receive repayments in grain. The obvious risk in the case of grain banks is the tendency to fluctuations in the rates

of price; added to this are the difficulties of storing grain, looking after it, selling it and correctly crediting the proceeds. The system requires a competent staff and vigilant supervision, but where these can be secured it offers a considerable facility to the agricultural borrower.

If I may venture to say so, the absence of a co-operative apex bank is a serious defect in the co-operative structure of the United Provinces. Borrowing and lending operations are carried on by the district central banks who negotiate with one another direct. In the past with a comparatively stationary movement and credits curtailed owing to the slump, these *ad hoc* arrangement might have worked well. But with the recent striking developments that you have made in your marketing societies, advances for varying periods will needs have to be made, and an automatic machinery for balancing and raising funds is necessary. Such a machinery exists in Bombay and Madras in the Provincial Co-operative banks, institutions of which we in Bombay and Madras feel justly proud. I understand attempts have been made before to start a provincial bank in these provinces. I venture to say that you cannot afford to shelve this question any longer.

Another direction in which you have yet to make marked progress is in the co-operative land mortgage system. I am informed that there are only five such banks in these provinces with a total membership of about 600 and that the advances made come to about Rs. 60,000. As I have said in an earlier part of my address, long-term loans are essential to the farmer to redeem him from the burden of old debts, and it is important that the agency for disbursing long-term credit should be sharply divided from the agency set up for giving short-term and medimum-term credit. In Madras there are 120 land mortgage banks, they have disbursed so far 2½ crores of rupees, and at their head is a provincial land mortgage bank which is entirely distinct from the Provincial co-operative bank which administers short and medium term credit.

I understand that a question which has aroused a sharp difference of opinion in the Committee of Inquiry in Madras has also come up to the front here, that is the question of the continuance of unlimited liability in rural credit societies. One section of opinion is in favour of maintaining it on the ground, amongst others, that it is the only principle which is in harmony with pure principles of co-operation. The opposite section considers that whatever may be its theoretical attractiveness, in practice it deters many persons whose means will make them valuable members of village societies from joining them, with the result that the societies have to look to outside sources for their credit. The Madras Committee decided by a majority to reverse the present practice, make limited liability the rule and unlimited the exception the point being decided in individual cases by the Registrar in conformity with local co-operative opinion. Apparently opinion in the United Provinces is veering round the same way. The decision to my mind really rests on practical considerations. If unlimited liability does really prevent the richer man from throwing his lot in with his poorer fellow, a rigid adherence to the old practice is to be deprecated and a relaxation of it is called for. In this connection it is interesting to note that while the percentage of persons within the co-operative fold is 18.1 in Madras, It is as low as 4.1 in these provinces. A curious fact, for which I have no really adequate explanation, is that opinion, on this point amongst co-operators in Madras differs with the language which the man speaks. Both Tamil and Telugu are sister languages of the Dravidian group but the Telugu man wants limited liability, while the Tamil sticks to the pure word of the Rafeissen creed.

I must not try your patience any further, but I cannot close these remarks without congratulating you on the success which your marketing societies have attained, particularly in the two commodities of Ghee and Sugar-cane. The development of cane societies has been astonishing and in the current season favourable weather conditions and the high rates for cane fixed by the Provincial Government (till they were recently reduced) have put an enormous quantity of money into the pockets of the cane grower. I understand that in the season 1938-39 out of a total quantity of 16 crore of maunds of cane crushed in factories as much as 5 crores were supplied by co-operative cane societies. In the current season, figures are not complete, as crushing is expected to go on till the end of April or even a week later. In four districts of the Meerut division Meerut, Muzaffarnagar, Dehra Dun and Saharanpur over 4 crores and 10 lakhs of maunds of cane have been sold by societies to factories up-to-date (18-4-1940) and about 80 lakhs of rupees have gone to the growers as net profit. This is a gratifying result. If I may utter a word of criticism it is this. Most of the credit goes to the cane department of the Provincial Government with its hierarchy of officers leading down from the Cane Commissioner to the Assistant Commissioner, the Cane Development Officers, the Assistant officers and so on down to the Kamdar. It is not possible to make the panchayats of village societies take a more active part in the scheme ?

———

SOUTH KANARA DISTRICT CO-OPERATIVE CONFERENCE, UDIPI.

28th May 1940.

PRESIDENTIAL ADDRESS BY

SRI V. L. MEHTA.

I am deeply grateful to the organizers of this Conference for their having asked me to preside at it, and thus having given me an opportunity of exchanging views on co-operative problems with the co-operative workers in a district which is, co-operatively one of the most advanced in the province of Madras. Before I accepted this honour, I hesitated considerably, mainly because I felt that owing to my lack of acquaintance with the conditions and requirements of your district, I could be of little help in the consideration of your problems of reorganization and development. The utility of a district conference, at this stage of our co-operative progress, consists, to my mind, principally in the opportunity it provides for the exchange of thoughts and experiences among workers in that district, and on the basis of such exchange, for the formulation of an acceptable well-considered programme of work for the future. From this point of view, I am not sure how far an outsider can be of service, and particularly if the outsider is one like myself who is not able to participate actively in the deliberations because of his ignorance of the language of the region. However, I have agreed to preside for two selfish reasons : the first that I may have the pleasure of seeing this beautiful part of the country and its progressive population, and the second that I may be enabled, for my own benefit, to get an insight into the developments and potentialities of co-operation in your district and get some inspiration from these for the reconstruction of the movement in my own province.

The need for reconstruction has become insistent since the days when agriculturists everywhere were overwhelmed by the great economic depression. Sir Malcolm Darling very recently expressed the view that "in the last 80 years, there has been nothing in agricultural life comparably to this fall in prices.'. The State almost everywhere, has bestirred itself to ease the situation for the primary producer and to extend to him its helping hand. The one notable exception is India, where, until the advent of provincial autonomy, neither the Government of India nor Provincial Governments actively did much for the relief of the situation. The process of adjustment has thus been rendered extremely arduous for the agricultural population and for co-operative institutions intended for their benefit. The grant of a temporary moratorium, the scaling down of debts, the provision of long term financial accommodation, the supply of cheap credit for current agriculture, the regulation of currency, the readjustment of foreign exchanges, the control of the import and export trade in agricultural commodities, these are some of the lines of action adopted in various countries to meet the situation. Keeping in mind the restricted scope of their authority in the realm of fiscal regulation, credit control and exchange policy, Provincial administrators, as they took over from the old irresponsible Governments, had to draw up somewhat hurriedly, schemes for the relief of the peasantry. Wherever introduced, these have undoubtedly served to mitigate distress, but measures aimed at providing immediate alleviation of distress can never be sufficient in themselves. They have to be supplemented by action aimed at preventing the further exploitation of the agricultural classes, and the reorganization of rural economic life on a basis which will enable it to withstand economic blizzards in a more satisfactory manner than in the past. The planning of these measures of reconstruction will naturally have to be on a national or a provincial basis, but this applies more to measures of relief, prevention and protection. The planning for reconstruction has, to a large extent, to be based on the conditions and requirements of a region or a district. For this reason, I welcome the revival, after a lapse of many years, of your District Co-operative Conference as, I believe such a body of workers, interested in and conversant with the day to day work of economic organization of the country-side, can well formulate a plan of economic development for the district.

The development that has taken place so far can well be described as having touched only the fringe, even though, as the Royal Commission on Agriculture in India remarked, this is co-operatively one of the advanced districts in India. But out of a total population of 14,00,000, not more than half a lakh are members of societies. Let us consider the sums required by agriculturists for their current requirements and then see if the sum of Rs. 6 to 8 lakhs that have been disbursed by societies annually by way of loans is adequate. Similarly, let us examine if the relief from the burden of outside debt that has been given by effecting their transfer to co-operative agency such as land mortgage banks is adequate or whether there is sufficient credit provided for works of land improvement. There can be only one answer to all these questions. But the answer conveys no reflection on the ehthusiasm, zeal and energy of those who have built up the existing co-operative structure in your district. Almost everywhere else in India, the position is the same, and confining our attention merely to the question of the credit, we find that co-operation has failed to reach large masses of our population or, having reached them, has often failed effectively to influence their economic life. There are certain inherent difficulties in the way of bringing under the sway of the movement all the rural population in an area. The first among these is the fact that membership is on a voluntary basis and represents the willing association of a number of individuals who resort to this method to improve their economic condition. The second is that all may not be capable of taking advantage of the co-operative method. Just as it would be a mockery way of co-operation if that form of organization were resorted to by groups of

capitalists, it would also be a travesty of it in case an attempt were to be made to bring within its purview those incapable of economic organization but fit only for charity or state relief. Only a detailed survey, such as I hope will be undertaken in a progressive district like this, can yield us information about the number of agriculturists who fall under the various groups. Such information is indispensable for a drive for increasing the strength of the movement and much more so for long-range planning.

The next question that arises is whether the system of co-operative credit, as it has developed in our midst, is suitable for the credit needs of the agricultural population. This is a question that has often been investigated in the past by committees and commissions the last one of which, namely the Madras Co-operative Inquiry Committee, has, I am glad to see, just completed its labours. There are two main aspects from which the question can be examined. Of these, to my mind, the more important is that of the borrower. The dilatoriness and inelasticity that ordinarily attach to our system render it unacceptable to that portion of the agricultural population which may secure credit elsewhere fairly quickly and without the trouble of going through various formalities. Some of the formalities associated with the system are unavoidable, so long as we have not evolved out of our credit societies, village banks which assume responsibility for their operations and can be trusted to discharge that responsibility satisfactorily. There are, however, other formalities that can be minimized, if not eliminated. As societies in villages improve their standard of management, they should be permitted to enjoy wider discretion in the management of their finances, subject to certain prescribed well-defined safeguards. Individual members who have proved their credit-worthiness may enjoy the privilege of operating on accounts which are of the nature of cash credits, the amount of such credits being determined by the current requirements of and the security offered by the members. The system of cash credits, I am glad to observe, has been introduced by the District Central Bank in its dealings with some affiliated societies. I am aware that it is difficult to reconcile a development like what I have suggested with the insistence that we place on the need for devising a system of controlled credit. But the two are not altogether incompatible, provided a sense of financial responsibility is kindled in the minds of those entrusted with the local management, and that sense is kept alive by a system of supervision operating under a local agency, which is itself financially interested in the observance of the safeguards.

It is the need for this local agency that has led the Reserve Bank of India to recommend the formation of banking unions. That recommendation has unfortunately not found favour generally with co-operators in the Province of Madras. Failing banking unions, I would stress the need for district central banks opening branches in all talukas or other centres round which there is a fair number of societies. The branches may be controlled administratively by the office of the district headquarters, but should be utilized for providing local supervision, maintaiing local contracts, and enabling demands for funds to be met locally without delay. Speaking ten years ago at a similar conference held in Salem, I put forward this plea, and I would reiterate it to-day, fortified by the indirect support it has received from the Agricultural Credit Department of the Reserve Bank of India. This suggestion has some bearing on the question of supervision. There is much controversy about the utility of supervising unions, of which I see you have 6 in this district, with 243 societies affiliated to them. In case there are bank ng unions in a district or branches of the financing agencies with which are associated committees representative of affiliated societies, there may be less need for a parallel supervising agency, some of the functions of which overlap those of the financing agency.

Looking at the question from the other aspect, we find that there is absent from the operations of agricultural credit societies that safety and security, that insistence on punctuality and assurance of payment, which alone can make it sound and stable. The sense of moral obligation that is often found lacking, it is true, is dulled by conditions of chronic indebtedness and poverty, as our experience in the post-depression period well bears out. But still it is said to reflect that this sense is no keener among those inside the co-operative fold than among those outside it. The remedy, to my mind, is twofold—apart, of course, from eradicating conditions that breed indebtedness and poverty. The first is making it worth while for an agriculturist to be loyal to his credit society by improving the mechanism somewhat in the manner I have indicated, so as to make the arrangements for finance elastic and simple. The second is to introduce in the mechanism those essential safeguards in which it may be lacking. None among these is so essential as the linking of credit to supply and marketing. This is no novel thesis which the Agricultural Credit Department of the Reserve Bank of India has propounded. Some of us in Bombay at any rate, have urged for over 20 years, if not longer, that to be successful, rural co-operative credit would have to profit by the system evolved by the money-lender while eschewing his exploiting propensities. The grant of loans so far as is possible in kind, and from time to time according to seasonal demands, imposes a wholesome check on the abuse of credit and regulates the volume of credit in accordance with the extent of production to be financed. Similarly, it is equally necessary to ensure that the credit that is obtained by an agriculturist is repaid out of the proceeds of the crops that are harvested. That has now become the recognized method of short term credit for agriculture in several countries. Power is assumed under the law for the creation of a floating or fixed charge on the crop and chattel of the agriculturist. Even though we may manage to do without such legal safeguards in the existing conditions of rural economy in India it will be necessary to prescribe, as a condition of the crop finance which the societies supply, that those financed should sell their produce through the societies or agencies approved by them. The manner

in which the operations of the credit societies, the land mortgage banks—the number of which I notice is three in this district—and the marketing societies should be co-ordinated, was well defined in a scheme submitted to the Registrars' Conference of 1936 by the then Registrar of your Province, Mr. Austin. It is necessary that the scheme he drew up should be worked out, with suitable modifications of course, in this district and I hope, as a result of the deliberations of this Conference, a beginning will be made in the direction.

There are a few aspects of the problem of rural finance that I should like to dwell upon before I pass on to other topics. Has the present type of agricultural credit society outlived its utility and should it make room for the general purposes society with a wider range of objects and functions? Has unlimited liability, which is the form of liability hitherto deemed obligatory under the law for the agricultural credit society no useful purpose to serve and should it give place to limited liability? My answers to both questions are in the negative. I have already expressed my agreement with the view that credit should be linked up with supply and marketing. It may be that a primary society in some fair-sized village or for a central village serving a group of adjacent villages can undertake non-credit activities by itself. That, however, will be the exception rather than the rule. The rule will be for the small primary society to direct its members to the supply depot or sale shop conducted by a federal or central organization—it may be a purchase and sale union, or a supply and marketing society, or a taluka banking union, or a branch of the district bank operating in the local market town. As things are, simple credit operations in small societies lend themselves often to complications beyond the ken or control of the Committees or general bodies of members of societies. Trading operations even on a commission basis, are much more difficult for the average village co-operator to check and control. I would not therefore favour the organization of multi-purpose societies except in villages where first, there is a local market for the supply and sale of goods and where, from the outset, there is a local personnel available for attending to the secretarial duties and for the formation of a committee of management that can understand and check accounts. A multi-purpose society serving a number of villages, granting advances against produce and undertaking operations on a commission basis, may assume limited liability. But I would still adhere to the present form of liability for the ordinary thrift and credit society in a single village. Unlimited liability need not be a bugbear or a burden if it is properly understood and explained. It is suitable for the rural community for various reasons. It dispenses with the need for an ample-sized guarantee fund in the initial stages; it establishes identity of interest among the general body of members, it brings out the personal aspect which is inherent in co-operative credit and it thus facilitates the flow of credit to those worthy of it.

I shall turn again to the question of marketing which, as I remarked earlier, is vitally connected with the subject of credit. Conditions in regard to the marketing of the staple crops differ from district to district and even within a district. Conditions are not uniform for all agriculturists, and I have still to learn about the method of organized marketting which will meet the requirements of the very small producer such as, I believe, you have in a district like South Kanara, with its coastal belt and its hilly parts. It is indeed gratifying that co-operators in this district foresaw the need for organized marketing long before their confreres did in other parts of India. It may be that the societies that were started in the initial stages did not all flourish as had been hoped for. Bnt that has not been exactly a misfortune. That failure has enabled co-operators in the district to appreciate difficulties and to establish the new organizations on sounder lines. The South Kanara Agriculturists' Co-operative Wholesale Society, which is described as one of the leading societies of its type, was organized in the earlier years, but has now extended its operations on a fairly considerable scale, having 4 branches and no less than 17 depots, and effecting sales to the extent of nearly six lakhs of Rupees. I am glad to see further that nearly half a dozen new organizations have come into being for assisting in the sale of the agriculturists' produce. The smaller institutions should facilitate direct contact with the small-scale producer in out-lying areas, while the services of a central institution like the Wholesale Society should be utilized for a building up contacts with the larger markets in which the agricultural products of the district are being consumed.

The main work of these institutions is to classify and grade the produce to ensure proper weighments, to minimize occasions for disputes between buyers and sellers, to eliminate unnecessary charges in the process of sales, to secure prompt payment of sale proceeds, and generally to safeguard the interests of the producers. They are an essential counterpart of the machinery set up under marketing legislation in some provinces, and I believe that even though such legislation is made applicable universally and extended to the sale of all varieties of produce, the need for business organizations such as marketing societies will remain. If these organizations have to be started in larger numbers than at present, it is essential first that they should be placed in a position which will enable them to engage the services of a competent and reliable staff. Secondly, they should be assisted in having suitable godown accommodation to stock the produce pending its sale in case producers wish to wait a while and also to permit the warehousing of the commodities for a fairly prolonged stretch of time either before or after sale. To my mind, expenditure by Government for both these purposes will yield results as favourable as if not more so, than the continued maintenance of a large and growing staff for conducting surveys of marketing conditions. It will be for this conference to recommend to those in charge of the development of co-operation in the district a programme for the construction of

godowns, taking full advantage of the subsidies and loans available under the present orders of Government, and to examine if those orders require modification. The Conference may also well examine whether the movement for organized marketing can be stimulated by the grant of small subsidies towards the expenses of management in the new institutions that will have to be organized for meeting the requirements of agriculturists all over the district.

On an average, the production per acre in our country is so low that no appreciable improvement in the economic condition of the peasantry can be expected merely from measures designed to secure better facilities for credit and marketing. With the growth of our population and the virtual extinction of the subsidiary occupations of agricultural families almost all over the countryside, we have a permanent state of deficit economy. Departments of Agriculture have been working in our midst for well-nigh half a century; but the fact remains that the effect of scientific researches in the matter of improvement of the seed supply or the wider use of manures is scarcely proportionate to the expenditure on the staff of these Departments and on their experimental or research stations. Out of 83·43 million acres under rice, the principal crop of South Kanara, and 38·69 acres under millet, the acres under improved seed were 4·38 million acres and 0·34 million acres respectively. There is, as Sir John Russell has recently observed, "a wide gap between peasant practice and experimental station achievements", and the problem to-day is not so much to acquire new knowledge as to secure that means are provided for the peasant to take advantage of improved methods and requisites. Lack of resources again stands in the way of agriculturists purchasing approved varieties of manures or other requisites, and, as Sir John Russell has remarked, "many of the agriculturists are too poor to be able to undertake any but the simplest changes." In a well-planned rural economy, it should be the concern of the State to ensure that the results of the costly scientific investigations carried on under its auspices are made available to the peasantry, through an agency which is in close contact with the rural population. And I for one can conceive of no agency more suitable for this purpose than the primary co-operative societies in the villages and their federal or central credit and non-credit organizations. As in other matters, this district has, in the past, evinced keen interest in the improvement of agriculture through a co-operative agency. The agricultural and Industrial Society at Udipi, the Mahali Prevention Society for the supply of sprayers and chemicals, and the action taken to check the admixture of sand with tobacco stand out as evidence of the anxiety of co-operators in the district to promote agricultural improvement. Further well planned effort in this direction is, all the same, essential.

Next, I would turn to the other factor that has upset the balance of our rural economy. That is the gradual disappearance of local industries and crafts, the loss of subsidiary occupations, the decline of carting, and the transfer to urban areas of the gains of even the processing of primary products, of all which supplemented the income from agriculture and served as a valuable standby in times of distress. I shall not go into the factors responsible for the decay of industries allied to agriculture beyond stating that if Government had, in the past, concerned themselves with the maintenance of a healthy balance between agriculture and industries and had taken active steps to assist persons engaged in such industries to adjust themselves to the changing conditions of our economic life, the decline of the industries might have been averted. The state may still help in their revival by p o-moting research and giving technical advice, facilitating the supply of raw materials or the marketing of finished goods, adjusting its fiscal policy so as to meet the needs of small-scale producers, and lastly, by encouraging the formation of producers' organizations such as have kept alive small industries, for instance, even in highly industrialized Russia. It is heartening to find that some efforts towards the formation of co-operative societies for cottage workers have already been taken in hand in this district. I find that you have a society to promote bee-keeping and another for providing hand-pounded rice. The carrying out of a survey of the economic resources of the countryside in the district is an essential preliminary to the drawing up of a programme. Such a survey was carried out in South Kanara in 1928, so that you have already in hand material for formulating a comprehensive plan for the reorganization of old village industries or the starting of new ones. This may include the starting of co-operative societies of producers for the supply of raw materials and implements, for the sale of the finished products and for the provision of credit for production and marketing. The manufacture of coir articles, the production of articles from horns, ivory sandalwood, the better exploitation of forest resources, fishing, these are some of the industrial pursuits that—apart from the encouragement of the processing of products such as paddy by hand locally—strike me as worthy of attention. The Preliminary Report on the survey of Cottage Industries I have alluded to contains some valuable suggestions on the lines of organization that may be adopted. Action along these lines is, in my opinion, essential if we are really anxious to place our rural economy on a stable basis.

I have dwelt all the while on rural problems, as these, to my mind, by far transcend in importance the problems of economic organization of the urban population in a district which is so predominantly rural as South Kanara is. There is, however, one aspect of urban problems which has been brought to the attention of co-operators by the publication of the proposals of the Reserve Bank of India for the enactment of banking legislation. This legislation, according to the present proposals, will not be applicable to institutions registered under the Co-operative Societies Act. Nevertheless, it is necessary that such of our central or non-agricultural credit societies as conduct banking operations and fall within the purview of the definition of a

'bank' should re-order their business generally on lines going to be prescribed by the proposed legislation. The acceptance of the definition of a 'bank', the lying down of certain standards for minimum share capital, the maintenance of adequate cash reserves, the investment of a certain proportion of deposit liabilities in Government securities, the regular submission of periodical returns, the speeding up of liquidation proceedings,–these constitute essential safeguards for institutions conducting banking business, even if they may have been registered according to the Co-operative law. In a country where banking on modern lines has not penetrated into the interior, the co-operative people's bank has a great future in providing banking facilities through local agencies which are representative of and responsible to the people and are responsive to their needs. They can hope to perform their service efficiently only if they adhere to recognized canons of banking and accept safeguards such as are defined in the proposed banking legislation. In their memorandum to co-operative central and provincial banks, issued about a year ago, the authorities of the Reserve Bank of India laid down certain financial standards by which they would judge t e credit-worthiness of these institutions. I refer to the matter here because, here too, an attempt was made to define certain basic rules of caution which I agree must govern the operations of any institution that accepts deposits from the public.

Along with many other parts of South India, I observe this District too possesses a certain number of consumers' societies, though my impression is that they have not yet established themselves in popular favour like the store societies in Madras and Bangalore, for instance. That is a form of co-operation which does not thr ve in Bombay or the Punjab, the other two co-operatively advanced provinces. The frugal habits of the population, the will too conform to common standards in the matter of food and other domestic requirements, and the growth of a co-operative conscience among the urban classes seem to make the environments in South India more congenial to the development of this form of co-operation than is the case in Bombay. There are only two points that I have to mention with regard to the further development of consumers' co-operation in South Kanara. Wherever possible, it should, I think, form contacts with producers' organizations for credit, marketing or production, and the stores should draw their supplies, so far as is possible, direct from producers, eliminating middlemen at both ends. This postulates some preliminary organization, and it will be a part of economic planning to suggest the lines on which the links between the organized consumer and the organized producer should be forged. As in other countries, consumers may have their own schemes of production, but I would postulate that the production should be conducted locally, primarily in rural areas, with the intention of meeting the needs of or anized consumers in the district. In the furtherance of this branch of the movement, women, in my view, can play a very important part. In Travancore and a few other parts of India women are to be found among active co-operators. I am happy to find that there are more than half a dozen co operative societies for women in this District. Two are for the promotion of thrift and the rest are intended for encouraging cottage industries Recently, in some provinces and States, special efforts are being made to enlist the sympathies and support of women in the cause of co-operation. Two fields of work seem to be specially marked out for them. The first is, as I have noted, in conducting consumers' societies, because it is women, more than men, who are the best judges of what the household needs in regard to food, clothing and other necessaries of life, and can particularly appreciate the value of wholesome food-stuffs. That may apply principally to the educated middle-class women in towns and cities. At the other end, are the women in rural areas who are engaged in cottage industries or subsidiary occupations. These have become compulsorily unemployed but take to new or old forms of production with great zest and enthusiasm in case remunerative work is provided regularly, as is amply borne out, to cite only two illustrations, by the experience of the All-India Spinners' Association in this district, or of my colleagues of the All-India Village Industries Association who have recently revived the nearly extinct coir-industry in the neighbouring district of North Kanara. These individual women workers, who are hitherto unorganized, can provide the nucleus of a producers' co-operative organization with which the organized women consumers in urban areas can well establish means of regular contact. I would urge that in this as in other matters. South Kanara, with its well-educated urban population, may well take the lead.

I have attempted, in this address, to stress some of the features of our rural economic life that should claim the attention of co-operators in the district. Attempts at handling these problems will be fruitful only in so far as they are along well-considered lines To ascertain what these lines should be, is the task of those who plan the economic life of our country. Pandit Jawaharlal Nehru who has, during the last year and a half, devoted himself to this task with the energy and singleness of purpose that characterize all his public activities, has recently declared that a real planned society must base itself very largely on conscious efforts and good will of the people concerned. In other words, it must, be adds, be a co-operative enterprise, establishing democracy in the economic sphere. That is exactly the ideal for which the co-operative movement stands in this country as elsewhere in the world. In these days, when totalitarianism and authoritarianism seem to be dominant forces in the life of European countries, it will need faith of a high order to adhere to a method the success of which rests on the willing allegiance to it of the various elements in the community. Co-operators adhere to it because they hold that this method alone can ensure social welfare leading on to a new social order based on the solid foundation of distributive justice and establishing a harmony between the interests of the individual and the community. It is my hope and my prayer that after the deliberations

of this Conference are over, co-operators in the district will help by well-directed efforts, in evolving, in the limited sphere to which their activities are confined, organizations that can suitably fit in with the general scheme of national planning and can thus subserve the great purpose of establishing, on a peaceful ordered, co-operative basis, the control of the community over the means of production and distribution.

Resolutions passed at the U.P. Co-operative Conference held at Meerut.

1. This conference requests the Provincial Government to give adequate grants to marketing unions and seed unions for the construction of godowns in *mandis* and villages for storing agricultural produce.

2. With a view to properly carry out and guide the recent policy of the Government about the rapid expansion of the Co-operative movement in the province this conference recommends to Government:—

    (i) To make a substantial increase in the annual grant to the U.P. Co-operative Union.

    (ii) To separate the posts as well as the offices of the Registrar of Co-operative Societies, U.P.. and the Registrar of Joint Stock Companies, U.P.

    (iii) To strengthen on the lines of Madras and the Punjab the Staff of the Co-operative Department for exercising proper supervision and control over the societies.

3. This conference recommends to the Government to appoint one inspector for every 150 societies and one Assistant Registrar for every 1,000 societies.

4. This conference regrets that the Department and the Government have failed to find means to start the Provincial Co-operative Bank and requests the Government to take early steps for its establishment so that it may be possible to expand the movement in all directions.

5. This conference recommends to the Department to prepare detailed proposals as to how workers of the Co-operative Department can be enabled to make the fullest use of the opportunities opened to them by the present passing Consolidation of Holdings Act.

6. That in the opinion of this conference the Department should lay down a variety of methods whereby savings might be encouraged in the rural areas during these times of comparatively high prices.

7. As no lasting and permanent improvement in the condition and breeding of cattle can be possible without proper facilities for treatment of cattle and prevention of serious cattle epidemics, the Conference requests Government to make it obligatory on the district boards of this province to establish and maintain one well-equipped veterinary hospital in each tahsil if not in every pargana.

8. That in the opinion of this conference the scheme framed by the Reserve Bank of India for financial accommodation to Co-operative Institutions does not meet the needs of the present situation and that the conditions laid down are far too stringent and need substantial modifications. This conference authorizes the Executive Committee of the U.P. Co-operative Union to frame a memorandum on the subject for the consideration of the Reserve Bank.

9. That in the opinion of this conference the task of converting ordinary societies into multi-purpose societies be proceeded with due caution.

10. This conference requests the Government of India to order the State managed railway companies to allow special concessions in respect of charges on waggon loads of cattle or goods consigned to or by Co-operative Societies.

11. This conference requests the Registrar to provide greater facilities for propaganda in co-operation in the countryside and makes the following suggestions for the purpose :—

(i) Publicity vans with posters and co-operative records be supplied to all circles of the Assistant Registrars.

(ii) All village societies should be encouraged to build their panchayatdars and a beginning should be made at the headquarters of each supervisor's circle.

(iii) Scouting be introduced in all societies.

(iv) Bhajan mandalies be formed in every supervisors's circle.

(v) Co-operative Dramas be arranged in all societies and for that purpose necessary equipment be provided.

(iv) Qualified honorary workers in villages be given preference in the selection of supervisors.

12. This conference recommends to Government that they may as a matter of regular practice consult the co-operative institutions for underwriting purposes when they have recourse to provincial borrowing.

13. This conference is of opinion that a co-operative society of the educated unemployed (to enable them to start business approved by the Executive Committee of the society) be formed in every district of the province.

14. In view of the fact that taxes levied by municipalities and town area committees on cart loads of sugar cane prove a heavy burden on the cultivator, resolved that the Government be requested to exempt cane from these levies.

15. Resolved that in the opinion of the Conference it is necessary for the success of the co-operative movement that a better planned and

more intensive propaganda be carried on to enlist the sympathies of educated classes.

16. Resolved that in order to promote effectively the idea of thrift it is necessary to organise women's societies on a much larger scale.

17. Resolved that the U.P. Government be requested to give special attention to the development of handloom industry and to give adequate financial help to the Co-operative Department so as to enable it to achieve the mission without the least handicap.

(*b*) Resolved that all the Co-operators be requested to give preferential attention to the improvement of handloom industry as without this the problem of unemployment and mass poverty can hardly be solved.

18. This conference requests the local Government to order municipal boards and other local bodies to deduct loan advances by co-operative societies to its staff members from their pay.

The South Kanara District Co-operative Conference.

Resolutions passed at the South Kanara District Co-operative Conference held at Udipi on 28-5-1940, Mr. V. L. Mehta, Managing Director of the Bombay Provincial Co-operative Bank presiding.

1. This conference recognises that a large number of Villages in this District still remains outside the movement and hence resolves that a definite plan be drawn up of consolidating the existing Societies and of starting new ones, with a view to extend the benefits of co-operative Organisation to all the villages of South Kanara.

2. This Conference considers that agricultural improvements, improvement of Village cattle, Village health and Sanitation, liquidation of illeteracy, and all rural reconstruction activities, should be regarded as part of the legitimate duty of co-operative societies and hence exhorts all societies to tackle these problems with the co-operation of the different development departments.

3. This Conference is of opinion that the time has come to introduce the controlled credit system in select societies in each Union Area.

4. This Conference recognises the very useful services rendered by Co-operative Unions in the past and also recognising their present weak positions, resolves that these non-official agencies ought to be revitalised and strengthened to enable them to further the co-operative movement in all directions in their area.

5. This Conference while emphasising the importance of co-operative propaganda and of spreading a correct knowledge of co-operative ideals and methods of work among the village population, resolved that a trained band of village workers in sufficiently large numbers is essential for the further expansion and proper working of the movement.

6. This Conference considers that the formation and working of the South Kanara Agriculturists' Wholesale Co-operative Society is a step in the right direction and requests the Society to extend the facilities afforded by it to all parts of the District and further resolves that godown facilities, being most essential for the expansion of the work of the Society, steps be taken to evolve and work out a comprehensive scheme for providing godowns in all important rural centres in the district.

7. Consumers co-operation being one important phase of co-operative activity, this Conference welcomes the attempts to start a number of stores in this district. It further suggests that efforts be made to link up this aspect of co-operation with marketing societies and with credit societies as suggested by the Registrar.

8. This Conference considers that the formation and starting of the South Kanara Cottage Industries' Society to be a very important step, which would definitely include even the poorest in the co-operative movement and resolves that adequate steps be taken to strengthen this society and to organise the main village industries in the district through it, such as hand spinning and weaving, coir-work, manufacture and sale of palmyrah jaggery, village tanning, hand pounding of rice, manufacture of handmade paper, basket weaving and bee-keeping.

9. This Conference resolves that immediate steps be taken to introduce grain loans in select societies in order to counteract the great havoc done in village parts by the 'Holi' and 'Kada-dharane' systems.

10. This Conference resolves that the large number of Harijan Societies in the District be revitalised and utilised to solve as far as possible the economic problems of Harijans and their regeneration by providing remunerative labour organising suitable industries for them, affording facilities for their education and inculcating habits of thrift and better living among them.

11. This Conference desires to impress on all co-operative societies and co-operators the need for popularising the South India Co-operative Insurance Society.

Resolutions passed by the Sectional Conference of the Co-operative Non-Official Employees, held at Salem on the 23rd March 1940.

1. This Conference views with concern that despite the long interval that has elapsed since the amendment of Rule ii (U.U.) to provide for rules governing service conditions being incorporated in the bylaws of Co-operative institutions engaging paid staff, no arrangements have so far been done to get byelaws of institutions suitably amended.

This Conference urges the Executive Committee of the Provincial Co-operative Union to call upon all its affiliated societies to provide for the adoption of the suitable byelaws to ensure security of service and to eliminate the grave hardships and handicaps to which employees are subjected in accordance with the mandate of the last Provincial Conference in this behalf.

This Conference further requests the convener of the Central Banks' Conference to be convened in April 1940 to provide for the Conference receiving a deputation on behalf of the Provincial Non-Official Co-operative Employees Association to place before the conference the various hardships to which non-official Co-operative service is subjected to urge their removal.

2. This Conference commends to all Co-operative Institutions the example and spirit of the authorities of the Tinnevelly Co-operative Central Bank as voiced forth in the letter of the Vice-President of the Bank to the Journal of Co-operation published in the January 1940 issue of the said Journal and emphasises that the spirit behind the letter breathes of the very core of the co-operative principles as find expression in the movement in all advanced countries.

3. This Conference is of the emphatic opinion that retrenchments in the staff, reduction in salaries and grades effected in the various co-operative institutions have been largely unjustified. Retrenchments have in some cases been effected to provide for increased expenditure in other directions, replacement of employees with long service and no serious attempts have been undertaken to augment to resources with the result that every policy inaugurated, every concession given, have had the effect of imposing additional burden and decreasing the strength and emoluments of the staff. The Conference therefore urges on all Co-operative Institutions the need for restoring the cuts and original grades and to put an end to the policy of retrenchment that is pursued as an end by itself.

4. This Conference finds that the emoluments provided for the non-official Co-operative employees is very meagre and in no way commensurate with the high strain and intensity of the work entrusted to the employees. This Conference therefore urges that all co-operative institutions should pay adequate and reasonable living wage to the employees, pay adequate travelling allowance in addition to salary to all employees engaged in field work, provide for payment of annual bonus of at least a month's salary, provide for decent grades with annual increments to be drawn automatically for every year of service by all employees and provide for payment of gratuity to employees on retirement at the rate of one month's salary for every one year of service.

5. This Conference urges on all non-credit societies particularly stores and loan and sale societies to maintain adequate number of spare hands, provide for the grant of leave to employees whenever applied for

so that no employees be made to work for more than eight hours per day, and provide for one and a half days of rest every week, in view of the strain and nerve-racking duties that employees in such institutions are required to undertake.

6. This Conference urges that Provincialisation of the entire non-official co-operative service as per the scheme appended is absolutely essential as much for the safeguarding of bread and butter of the employees, as for healthy development of the movement. This Conference, therefore, urges that the scheme can be given effect to and that proper representations be made on this behalf to the Provincial Co-operative Union, the Central Banks' Conference and the Registrar of Co-operative Societies.

7. This Conference views with alarm the system of territorial allotment of the societies among departmental inspectors which in effect makes way for an undiluted officialisation of the movement and the subordination of the non-official co-operative employees to one of being a mere appendage to the official machinery obviously tending to the replacement of non-official co-operative employees by men official. This step, the Conference feels, is the very negation of co-operation and is fraught with serious consequences for the non-official co-operative employees and urges that the scheme be definitely given up.

8. This Conference is of the emphatic view that the power now exercised by the Department of certifying co-operative employees as being fit for inspection and of cancelling certificate is detrimental to the interest of the employees and of the movement and urges that such powers be withdrawn.

9. This Conference urges that the various co-operative institutions in the province to recognise the various District Associations as the sole exponents of the non-official co-operative employees and that full and adequate facilities be given to the co-operative employees to organise themselves into District Associations permit them to hold meetings and Conferences of employees in their buildings and permit the employees to attend Conferences and Committee Meetings.

10. This Conference urges upon all the Co-operative Institutions to pay extra allowance to employees to compensate the abnormal increase in prices of articles of consumption owing to War.

11. Resolved to request that the Central Land Mortgage Bank should undertake the Provincialisation of the Supervisors and clerks of Land Mortgage Banks and provide for employees' provident fund and leave as obtaining now for its employees. The Central Land Mortgage Bank's Executive Committee shall be the Provincial Board for the purpose with right to levy contributions towards pay of supervisors, fix scale of pay for employees, effect transfers and entertain and dismiss

visors and clerks. Primary Land Mortgage Banks employing super-rs and clerks shall have the right to fine, to suspend for a period not ceeding 30 days, sanction casual leave etc. in fact all such powers as y be delegated the Central Land Mortgage Banks' Executive Committee. In case provincialisation is effected for all co-operative services is service also may be amalgamated with it.

12. Whereas Co-operative Credit Institutions are required to maintain a high level of efficiency, furnish statistical information and returns to the department that cannot be strictly debitable to co-operative business income per se and are subject to frequent and searching inspections not strictly incidental to co-operative banking business and whereas expansion on new lines of business are restricted owing to lack of funds for maintaining adequate staff with fair living wages and with a view to ensure efficiency. This conference is of the emphatic opinion that the Government should come forward to augment the resources of co-operative institution by grants from out of the general revenues of Government to ensure their efficient working. Such grant of subsidies should not be used as plea for making inroads in the autonomy of the Co-operative Institutions.

13. This Conference requests the Co-operative Institutions to give preference to the sons of their employees in filling up vacancies.

14. Resolved to request the Central Banks to ear-mark a portion of their Common Good Fund every year for providing educational facilities, medical relief to the employees and their families.

15. Resolved to request the Government to select Inspectors for the Madras Co-operative service from among non-official co-operative employees.

16. Resolved that the President of the Provincial Association be authorised to communicate the resolutions of this Conference and to take proper action.

NON-OFFICIAL CO-OPERATIVE SERVICE.

SCHEME FOR PROVINCIALISATION.

As adopted by the sectional Conference of the Non-Government Co-operative Employees held at Salem on 23-3-40 vide Resolution No. 6, dated 23-3-40.

The Non-Official co-operative service will consist of four catogories:—

1. Central Bank Service.
2. Urban Bank Service.
3. Land Mortgage Bank Service.
4. Stores service.
5. Provincial service.

In each service, there shall be two grades of employees an upper grade, in which will be included secretaries, Managers Executive officers, Accountants and other jobs of an administrative nature and a lower grade consisting of clerks (including typists, shroffs) supervisors and others.

No one above thirty years of age shall be recruited for the lower grade; and no one above 40 shall be recruited for the upper grade *Directly.* In filing vacancies in higher grade, the claims of employees in the same institutions or those in the district or province should be considered before any direct recruitment is sought to be made for the said vacancies. An employee should be retired on the completion of his 60th year.

II

The controlling authorities for the service shall consist of (i) A provincial authority and (ii) the Employing authority (that is to say, the concerned Co-operative institutions).

There shall be one provincial authority for the whole service. It shall consist of seven members; five members shall be elected by the component groups, *viz.*, Central Banks Urban Banks, Land Mortgage Banks, stores and provincial societies at the rate of one each. The term of elected members shall be three years. The method of postal voting may be adopted. The provincial Association of co-operative employees shall nominate the other two members after due consultation with the district association. Detailed rules for the guidance of the provincial authority may be formed later, if the scheme is approved. The Registrar may be empowered to frame the rules. The Expenses of the provincial authority shall be met by a levy on the concerned co-operative institutions.

III

The powers and functions of the Provincial authority shall be:—

(i) To prepare a list of suitable employees from among whom alone the employing authorities have to choose their staff.

(ii) To fix scales of pay for both the grades of staff in consultation with the employing authority. Minimum pay for the lower grade shall be Rs. 30.

(iii) To transfer employees from one institution to another in the same service or from one service to another at the request of the employee or the employer.

(iv) To act as an appellate authority in respect of the following:—

(*a*) Memorials of employees about promotion, stoppage of increments.

(*b*) Retrenchment and cut in salaries, if made by the employing authorities.

(*c*) Suspension in excess of 30 days and reduction, reversion and dismissals of the employing authority.

(*d*) Any other matter prejudiciousially affecting any employees.

(v) To frame rules of conduct and discipline for the service.

(vi) The decisions of the provincial authority shall be final and shall not be called in question before any court and the authorities. They shall be enforceable as if they were awards of the Registrar under the Act.

IV

The powers and functions of employing authorities shall be:—

(i) To select their employees from the approved list prepared by the provincial authority.

(ii) To grant increments and promotions to their employees.

(iii) To punish their employees by suspension up to 30 days, reduction, reversion and dismissals and stoppage of increments.

(iv) To grant leave subject to Rules (Sec. VII *infra.*)

A right of appeal to the provincial authorities on punishments meted out under rule IV shall lie to an employee.

(v) In selecting the candidates for the approved list, the Provincial authority shall fix the minimum general and technical qualifications for each grade of staff. No certain shall be granted from general qualifications, the employees of the lower grade may be given three years time to qualify themselves. Exemptions may be granted as a special case by the Provincial authority in respect of those with experience and ability. Employees of the upper grade should possess the requisite qualifications before being appointed. This however shall not apply to any of the existing employee permanent or temporary of over one year's service.

(vi) With regard to suspension, reduction reversion or dismissal etc., the rules of procedure obtaining in Government or Municipalities may be adopted. Leave also should be in accordance with the rules laid down by the Government (as per fundamental rules).

(vii) The Provident fund rules that are followed in the Madras Provincial Co-operative Bank may be followed by the employing authorities. The provident funds rules shall be got registered under the Provident Fund Act. Provident contribution by employee and employer shall be each 1/12th of the each month.

(viii) Close consultation shall be provided between associations of employees and the authorities in all matters connected with rules governing their service, conditions and any changes sought to be made in the rules.

The Provincial authority should be empowered to determine the requisite staff necessary for different types of institutions.

(x) There should be a special levy on co-operative institutions to be paid to the Provincial authority for granting subventions to co-operative societies which cannot be expected to maintain a proper staff owing to their poor resources. Government also should grant besides for this purpose to the Provincial authority in view of the fact is the proper morale of the employees is necessary for the proper development of the nation building work of the co-operation, for which the Government is already spending nearly 12 lakhs each year.

(xi) The above scheme and the rules framed thereunder shall be incorporated in the rules framed by the Government under the co-operative societies' Act, so that they may have legal and binding effect on all Co-operative societies.

Reviews.

I

Gnana Kiranamulu or The rays of knowlege (publication No. 1) of Sahakara Sahityamala Rajahmundry by Sri K. Suryanarayana Co-operative Supervisor.

Price As 2.

This is an interesting book written in simple idiomatic Telugu. By means of proverbs, the author hopes to teach the principles of co-operation to the people at large. He has taken suitable examples and applied them to co-operative movement which will carry good impressions in the minds of readers. Generally common people can understand a subject more by means of suitable proverbs than by lectures or essays. This book is well recommended to rural libraries and people.

II

Report on the Working of the Co-operative Societies in the Pudukottai State for the fasli 1348 (July 1938 to June 1939.)

There is nothing very outstanding in this report. The number of societies fell from 119 to 112 as the registration of 7 societies was cancelled. Of these 112, 1 is Central Bank, 95 are Agricultural Credit Societies, and 14 Non-Agricultural Credit Societies *i.e.* 6 Credit Societies, 2 Weavers' Unions, 2 Stores, 1 Co operative Press and 2 societies for the supply of books and stationery to the students and 1 medical store.

Out of over Rs. 1,29,000 due to the Central Bank from the primary societies the Bank was able to realise only about Rs. 22,000 leaving more than 1 lakh or 83 per cent. as overdue. Similarly taking Agricultural Credit Societies, out of Rs. 3.25 lakhs due to them from members, they were able to realise only Rs. 1 lakh leaving over 68 per cent. as uncollected.

Against this gloomy background we have a bright picture of Non-agricultural Credit Societies, the Pudukottah Town Bank being the largest of them, doing well. We are glad to note that societies for the supply of books and stationery to students did well, and also the Co-operative Press. It earned a net profit Rs. 2 000 as in the previous year. We are sorry to hear that the State Co-operative Institute which existed only in name was disregistered during the current year. We echo the sentiment of the Government that the Co-operative Movement is one of the channels into which members of the Legislative Council and other persons of influence might divert their spare energies to the practical benefit of their fellow citizens. "With a few creditable exceptions they do not appear to have done so."

S. K. Y.

III

Report on the working of the Co-operative Societies in Ajmer-Merwara for the year ending 30th June 1939.

In this administrative division the general condition during the year under review continued as during the two previous years to be very unsatisfactory. Famine condition prevailed and Government had to start test and other famine works. As the Registrar remarks " the real object of Co-operation is to raise the standard of living and the purchasing power of the cultivators but it is a pity to see that during such a crisis the problem for the time being is to save the cattle and human beings from starvation." It is therefore encouraging to note that the department was able to do some good work during the year. They conducted training class for local Secretaries in some places. We are glad to note that the All India Co-operators' Day which happened to fall on the same day on the famous Pushkar festival was celebrated in a grand manner, thus bringing the gospel of co operation within the easy reach of thousands of persons assembled at the pilgrimage centre.

Central Institutions seemed to have done well and their satisfactory condition is reflected in their being able to attract increasing deposits. Inspite of adverse economic and agricultural conditions, recoveries are not bad when compared with what was done last year There are societies for Fodder Storage, Cattle Breeding, Better Farming and Land Improvement etc These did not show much improvement, but mearly carried on.

Societies for Mill Hands and Thrift Societies are working satisfactorily and are becoming very popular. We echo the sentiment of the Registrar that there is greater scope for improvement if lady inspectresses be appointed. Better Living Societies are becoming popular and are reported to have done useful work towards village uplift The general impression one gathers is that inspite of adverse conditions the department is carrying on its useful work.

S. K. Y.

Extracts.

(i) Agricultural Economics (Indian Farming, April 1940.)

This subject also figures in your course and I trust that not only profit and loss but also the effects of economic factors upon the cultivator arouse your interest, for the man himself—the farmer—is even more important than his produce. As a servant of the community, he brings into being the food which we all require and as a member of the community which is thus dependent on him his welfare should be the first concern of the rest of us. This, I trust, you will keep in mind whatever line you may take up in after life. If you are a research worker, this means that you will be interested not only in your scientific researches, but also in their effect on the peasant himself. If you are an administrator you will study how the whole system within which the peasant lives and works affect him and how it can be improved at various points. If you are a business man, it means that profit will not be your only aim but also the advancement of those who produce the means of that profit. If you are a landowner, it means that you will not be content to be merely a receiver of rent or produce, but feel yourself a trustee for the people who look to you for guidance.

(Extract from an address delivered at the prize giving at the Punjab Agricultural College, Lyallpur on 2nd March—By the Hon. Kunwar Sir Jagadish Prasad, K.C.S.I., C.I.E., O.B.E Member for Education, Health and Lands in the Government of India—published in Indian Farming—April 1940).

(ii) Self Help vs. State-Help.

When a man becomes imbecile his friends place him in an asylum. When people grow decadent and imbecile they place themselves in the hands of the state.

It is not what the state has done or can do which inspires, but the infinitely nobler possibilities which arise through the voluntary co-operation of men to wring from nature and life the utmost they can give.

I hold that the whole salvation of Ireland depends on what Irish people can do for themselves. I think the worst enemies Ireland has to-day are those who are forever supplicating state aid on their behalf.

In these socialistic days we grow pessimistic about our own efforts and optimistic about the working of the legislature. I think we do right to expect great things from the state, but we ought to expect still greater things from ourselves. We ought to know full well that, if the state did twice as much as it does, we shall never rise out of mediocrity among the nations unless we have unlimited faith in the power of our personal efforts to raise and transform Ireland and unless we translate the faith into works. The state can give a man an economic holding, but only the man himself can make it into an Earthly Paradise, and it is a dull business, unworthy of being made in the image of God, to grind away at work without some noble end to be served, some glowing ideal to be attained.

EXTRACT

Every people get the kind of Government they deserve. A nation can exhibit no greater political wisdom in the mass than it generates in its units. It is the pregnant idealism of the multitude which gives power to the makers of great nations, otherwise the prophets of civilization are helpless as preachers in the desert and solitary places. So I have always preached self-help above all other kinds of help, knowing that if we strove passionately after this righteousness all other kinds of help would be at our service. So, too, I would brush aside the officious interferer in our co-operative affairs, who would offer on behalf of the state to do for us what we should, and could, do far better ourselves. We can build up a rural civilization in Ireland, shaping it to our hearts' desires, warming it with life, but our rulers and officials can never be warmer than a stepfather, and have no "large, divine and comfortable words" for us; they tinker at the body when it is the soul which requires to be healed and made whole.—*George W. Russell, 1912.*

(iii) Retail Societies' Advertising Policy in War Time.

BY COUNCILLOR L. CODD, M.I.A.M.A., *Publicity Manager.*

Guildord Society, and Secretary of the N.C.P.M.A. (Southern Section).

After recording the upward trend in volume of advertising since war began (in the case of three popular weeklies the increases over three months were 60 per cent., 100 per cent., and 20 per cent.), the writer continued: "Why this marked increase in advertising? Not just because advertising has been getting over the jitters. No—a much more significant reason; *because advertisers found that turnover dropped where advertising stopped*—AND THEN FOUND THAT SALES INCREASED WHEN ADVERTISING WAS RENEWED." Such has been the experience of the private trade and the Co-operative Movement may well benefit by that experience.

I am happy to be able to state that so far as I have been able to determine, co-operative *retail* societies throughout the country which have their own publicity and advertising departments, did *not* get the jitters—a splendid contrast to the utter panic displayed in certain other co-operative quarters which for very shame shall remain nameless. Already they are reaping their reward in splendid registration results, increased sales, and happier relations with their members than would otherwise have been possible in view of the inconvenience and annoyance caused to members by an inept Government.

So far as "general publicity" is concerned, the utmost stress should be placed on the fact that the payment of dividend on goods, the prices of which have been fixed by the Government, leaves no possibility of profiteering where co-operative societies are concerned. The essential difference, in this and other respects, between the co-operative system of trading and private enterprise should be fully explained to the public.

Perhaps the most important work a retail society's publicity department is called upon to undertake in these difficult times is that of winning and maintaining the confidence of its members and the public, and of obtaining their sympathetic understanding of the difficulties with which the society is faced..

An enthusiastic, well informed, and loyal employee is one of a society's greatest assets at all times, and ESPECIALLY so to-day.

It is of the utmost importance that the management committees of societies be kept FULLY and ACCURATELY INFORMED as to the customers' reactions to their policy and their society's difficulties.

Legislation Contemplated.

APPLICATION OF FOOD ADULTERATION ACT.

MADRAS, June 17.

The following Press Communique has been issued ?—

In the judgment dated 4th May 1938 disposing of the criminal revision petition preferred by three salesmen (accountants) of different branches of the Triplicane Urban Co-operative Society against their conviction under section 5 (1) (a) of the Madras Prevention of Adulteration Act, 19 8, by the Magistrate, the High Court held that the sale of articles of food by a co-operative society to its members, does not amount to a sale within the meaning of the section, but is only a distribution of the articles among its members who are actually the proprietors thereof. The effect of this judgment will be that all co-operative stores and societies will be immune from prosecution under the Madras Prevention of Adulteration Act. Though, normally, co operative societies are expected to sell articles only to their members, it is common knowledge that any non-member who wants to purchase articles of food from these societies can do so by simply naming a member. Purchasers from these societies, whether members or non-members believe that by purchasing articles of food from the societies they are purchasing articles of first rate quality. It is therefore necessary that these societies should not be allowed to sell or distribute articles of food which do not conform to the standards of purity, etc., prescribed under the Madras Prevention of Adulteration Act. It is considered that this object can be achieved by an amendment of the Madras Prevention of Adulteration Act which will bring sales of co-operative societies and stores within the purview of the Act, making such sales liable for punishment in the same manner as sales by other persons, but it is at the same time considered that before prosecutions are launched against co-operative societies and stores the consent of the Deputy Registrar of the district should be obtained.

The amendments proposed are subjoined to this communique which is published for eliciting public opinion.

Notice is hereby given that the proposals for the amendments will be considered on or after the 1st August 1940 and that any objection or suggestion which may be received with respect thereto before the said date by the Secretary to the Government of Madras, Education and Public Health Department, will be considered.

AMENDMENTS.

The sub-section (1) of section 5 of the Act, the following explanation shall be added, namely :—

"Explanation. Any transaction by which a society registered or deemed to be registered under the Madras Co-operative Societies Act, 1932, transfers the property in any article of food to one of its members exclusively or to any other person, shall be deemed to be a sale by the society within the meaning of this sub-section."

In section 18 of the Act—(a) after the word "instituted", the words "against any person" shall be inserted; and (b) after the word "officer" occurring at the end, the following shall be added, namely: "and against a society registered or deemed to be registered under the Madras Co operative Societies Act, 1932, except also with the consent in writing of a person exercising any of the powers of the Registrar under that Act throughout the district".

News and Notes.

Mr. F. R. Brislee, I.C.S., Collector, Madura, declared open on 5-6-40 the Co-operative Stores for Pannaikadu.

* * *

The Government of Madras approved the resolution of the Madras City Council to give annual grant of Rs. 2,000 to the Central Industrial Museum.

* * *

The Jaipur Government have sanctioned Rs 11.600 for a travelling dispensary as an experimental measure for one year to cater the needs of the rural area.

* * *

The Co-operative Non-official Subordinate in the Chingleput District have formed themselves into an Association styled as "The Chingleput District Co-operative Non-official Employees' Association, Conjeevaram."

* * *

The eighteenth International Co-operative Day falls this year on July 6. The I. C. A. Executive are unanimously of opinion that inspite of the war the festival should be observed as widely as possible, but the festival should be more solemn in character.

* * *

The annual meeting of the Tadepalligudem Co-operative Crop loan and Sale Society was held on 17-5 40. Election for the office-bearers took place. The meeting decided to supply seeds manures and agricultural implements on a co-operative basis to the farmers.

* * *

At a public meeting of Chirala perala citizens a resolution requesting Government effectively to control prices and to send a deputation to the Local Sub-Magistrate to urge him to take the necessary steps to prevent any abnormal rise in the price of food, was adopted.

* * *

Two more branches of the Model Co-operative Stores, Madura, were delcated open by Mr S. K. A. R. Somasundaram Chettiar, a Banker. The Secretary, Madura Ramnad Co-operative Central Bank, and the Deputy Registrar were among those who were present.

* * *

The International Committee for the Chinese industrial co-operative has sent word to the American Co-operative Movement that they have established five training schools to train leadership for the rapidly growing industrial co-operatives in the interior of China. 200 students were already graduated.

* * *

Declaring that they have every regard for the welfare of the Agriculturists a press note issued by the Sind Government warns the Zamin ar members of co-operative societies against wilful default to repay the loans to the societies and states, that orders have been issued for severely dealing with contumacious defaulters.

The Government have completed the enquiry in the debts of agricultural societies with a view to introducing a scheme for the recovery of the frozen debts of the Sind Provincial Co-operative Bank. Under the scheme lands which have passed into the possession of liquidators will be returned to the owners after the repayment of loans.

* * *

The Mavelikara Taluq Co-operative Conference was held at Vazhuvadi, Mr. K. R. Kesavan Nambudripad presiding. Mr. Rama Varma Raja hoisted the co-operative flag. Srimati Ambika Amma spoke on co-operation. Mrs. W. James of Finland spoke on the success of the co operative movement in her country.

* * *

The Co-operative Crop Loan and Sale Society, Bhimavaram, has undertaken to encourage the Home industry known as 'Pickles Preparations." They are experimenting at present on Mangoe-pickle preparation known as *Avakaya* it being prepared under the management of the society by expert orthodox hands and with the best material available.

* * *

The New Castle and Sub-urban Co-operative Society broke the record for any consumers co-operative society for any time during the half year ending 10th February. A record surplus of £55,540 was achieved and a five "Divvy" of 2/ is being paid to members in addition to 5 per cent interest on capital.

* * *

Sri S. A. Venkataraman, I.C.S., Registrar of Co-operative Societies declared open a milk bar at 183-A, Mount Road, Madras. A large number of co-operators and city councillors were present on the occasion. The Registrar in his address laid much stress on the need for drinking pure unadulterated and wholesome milk and encouraging the activities of the Madras Co-operative Milk Supply Union.

* * *

"At present too much stress is paid to clerk type of education but not to the practical and industrial side" remarked H. E. Sir Arthur Hope, Governor of Madras presiding at a general meeting of St. George Home at Government House. His Excellency attached great importance to the new scheme started by the home; to provide farm training to old boys and observed that it was a step in the right direction

* * *

Mr. T. A. Ramalingam Chettiar presiding over the closing function of the Co-operative Training Institute at Coimbatore, said that co operation was a social practice and that students should correct themselves in the light of experience gained. He also said that as a result of his experience in the working of the movement he had come to the conclusion that for success of the movement paid workers are necessary.

Inaugurating the training classes for Panchayatdars and Members of societies in Kotagiri Mr. N. Lakshmanan, Editor, Kootturavu, alluded to the advantages of breeding of cattle from stud bulls supplied by the Agricultural Department and to bee-keeping and asked Badagas to purchase only indegenous live stock He also explained the benefits of marketing produce such as potatoes, tea and coffee through the co-operative marketing society.

* * *

The Madura Ramnad Co operative corps was formed at a meeting of the employees of all co operative institutions in both districts held at Madura Ramnad Co-operative Central Bank. Mr. K.L.J R. Shanmugam Pillai presided. The object of forming a corps is to popularise the movement, inculcate the spirit of brotherhood and service, to promote rural development in all aspects, to do such things as are conducive and incidental to the carrying on of the above objects.

* * *

"It is gratifying that the credit co-operation in the district of S. Kanara is growing in to all sided co-operation. The hope of Rural India lies in the spread of co operative movement and the application of the principles of co-operation to farming industries and other activities of rural life." Thus observed Mr. A B. Shetty, M.L.A., declaring open the Agricultural Industrial Conference Exhibition organised in Udipi by the South Kanara District Co-operative Advancement Society in connection with South Kanara District Co-operative Conference.

* * *

The report of the working of Prohibition Act in Salem, Chittoor, Cuddapah and North Arcot districts during the quarter ending March 31, 1940, has been published for public information. It has shown remarkable progress. Land colonisation societies were started. Societies have been formed in the Chittoor district to promote various kinds of cottage industries and these societies have done appreciable work in the matter of marketing these goods. Hundi Box saving system continued in these districts. Co-operative societies for manufacture of jaggery from sweet juice and sale societies and milk supply unions also been formed.

* * *

Sri S. A. Venkataraman I.C.S, Registrar of Co-operative Societies, opened the Godown and office buildings of the Sulur Co-operative Union on June 2 in the presence of a large gathering. Mr. T.A. Ramalingam Chettiar presided. Mr. Chettiar stressed the need for co-operators to guard against a tendency to introduce politics into the affairs of the co-operative movement. He also suggested that communal considerations should not interfere with the election of competent workers.

Provincial Co-operative Union Examination.

Last Chance ! **Last Chance !**

Failed students of the Co-operative Institutes in this Province are hereby informed that a **final chance** is given to them to sit for the examination to be held from 9th to 13th September 1940 and thus qualify themselves.

Coimbatore, Rajahmundry and **Anantapur** will be centres for the examination.

Failed candidates should state the following :

1. Name of the Institute and year of their study.
2. Their Register Number in the last examination.
3. The subject or subjects in which they desire to be examined.

The examination comprises of two parts :

Co-operation—Historical and General. Co-operation – Law and Principles.	Part I.
Banking. Book-keeping. Auditing.	Part II.

Candidates who have failed in any one of the subjects of either parts have to sit for the subjects comprising that part or parts.

The examination fee is Rs. 5 for both parts and Rs. 3 for each part.

The last date for receiving examination fees is 31st July 1940.

For application form and other details please apply to The *Secretary. The Madras Provincial Co-operative Union, Luz, Mylapore, Madras.*

Circulars.

I

No. D. 1999/40. C.

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE
SOCIETIES, CHEPAUK, MADRAS.
Dated 4th May 1940.

S. A. VENKATARAMAN Esq., I.C.S.
Registrar.

CIRCULAR.

Subject :—Organisation — co-operative societies — suitability of places — instructions.

The Registrar recently noticed a case where a loan-and-sale society had been started at a place which was not a market centre, had little or no trade activities and practically no business in food grains or other agricultural produce, and had no commission shops or mandies. Apart from the existence of a number of Government offices, etc., there was nothing to single out this centre as a suitable location for a society of this type. The agricultural produce of the surrounding villages did not, in the usual course, come to it, and there was clearly no scope for constructing a godown for the storage of agricultural produce as, even if by chance the produce was brought to the society, it could not find purchasers there. Obviously, therefore, a sale society should not have been started at this place.

The Registrar has reasons to believe that this sort of indiscriminate expansion in the registration of sale societies, regardless of the nature and suitability of the places selected, may have taken place in other districts also. Deputy Registrars should guard themselves against his evil. It will be better for them to concentrate their attention on developing societies in a few good centres to start with, instead of wasting their time and energy in trying to work the societies in all areas. Deputy Registrars and Assistant Registrars should bear these instructions in mind when organising new societies.

(By Order)

(Sd.) G. CHANDRASEKHARAN,
Manager.

II

R. Dis. C. 1267/40.

OFFICE OF THE
DEPUTY REGISTRAR OF CO OPERATIVE
SOCIETIES MADRAS,
Dated 7th June 1940.

Ref: - Registrar's circular No. R. C. 802/40-C dated 23rd May 1940.

Subject :—Rural reconstruction—Development of Cottage Industries and Education—Activities of the Madura Ramnad Co-operative Central Bank—Circulated.

An account of the activities of the Madura—Ramnad Co-operative Central Bank in the field of rural reconstruction is given below for the information of the Deputy Registrars and Assistant Registrars.

The Central Bank has a common good fund of Rs. 11,120 which it has transferred to the control of a committee set up for promoting rural development programmes. The Committee utilises it as a sort of reserve and gives advances out of it for productive purposes. It purchases, for instance bee-hives, and distributes them among the members through co-operative societies and recovers the cost. It purchases eggs from farms of repute like Marthandam and Hosur, etc., hatches them and supplies chickens to members and recovers the cost. It also purchases good cross-bred heifers from Hosur and other cattle farms and sells them to the members when they are in calf. It employs mid-wives to work in villages and recovers the amount spent on their pay from the fees collected for their services. A portion of the expenditure on the various items is met from the Common Good Fund of local credit societies.

(By Order)

(Sd.) *Head Clerk.*

III

R. 3755/39.

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE
SOCIETIES MADRAS.
Dated 18th June 1940.

Copy of G. O. No. Ms. 1395 Development dated 14th June 1940.

Refunds—Refunds of Revenue—Execution fees collected by the Co-operative Department—Surplus fees Time limit for refund not considered necessary.

ORDER :—

Article 219A of the Madras Financial and Account Code, lays down that refunds of revenue, to which claimants are legally entitled, will be sanctioned, provided the claim is not barred by limitation under the Limitation Act or any other law or rule having the force of law, and that the drawing officer should certify on each refund bill that the restrictions prescribed have not been contravened. The Registrar of Co-operative Societies has brought to notice that in the case of execution fees collected in advance from decree-holder societies under rule XXII of the rules under the Co-operative Societies Act, and remitted into the Treasury, there is always some surplus after meeting the various charges in respect of each petition, which is credited to a suspense account maintained by the Deputy Registrar in favour of the decree-holder society, and that this amount is utilised towards fees for execution petitions which may be filed later on by the same society. It is reported that these accounts are maintained as running accounts, and that it takes sometimes as long as 3 to 6 years before a final balance is struck and the refund of the surplus, if any, is sanctioned. This practice renders it difficult to grant the certificates prescribed in article 219 A of the Madras Fiancial and Account Code. In the circumstances mentioned by the Registrar, the Government consider that the existing procedure for the collection of execution fees by the Co-operative Department may be continued and that the refund of execution fees may be made without any time limit.

Copy communicated to all Deputy Registrars and Assistant Registrars

(By Order)

(Sd.) G. CHANDRASEKHARAN,
Manager.

List of Societies Registered in May 1940.

S. No.		Name of the Society.		District
1	The	Chennaganapalli Co-operative Society	...	Anantapur
2	,,	Palankoil Balambigai Weavers' Co-operative Sale Society Ltd. ...	...	Arcot North
3	,,	Che. Nachipattu Co-operative Credit Society	...	,,
4	,,	Arapakkam Mango Growers' Co-operative Marketing Society Ltd. ...	...	,,
5	,,	Adoni Co-operative Stores Ltd. ...	...	Bellary
6	,,	Hospet Co-operative Stores Ltd. ...	...	,,
7	,,	Govindarajapuram Better Living Society Ltd.	...	Chingleput
8	,,	Thadapurambakkam Co-operative Credit Society	...	,,
9	,,	Kovur Co-operative Stores Ltd. ...	...	,,
10	,,	Chittoor Mango Growers' Co-operative Society Ltd.	...	Chittoor
11	,,	Janakaripalle Co-operative Credit Society	..	,,
12	,,	Thandampalayam Weavers' Co-operative Purchase and Sale Society Ltd.	...	Coimbatore
13	,,	Sarada Mills Co-operative Stores Ltd.	...	,,
14	,,	Coimbatore Cotton Mills' and Janardana Mills Co-operative Stores Ltd. ...	...	,,
15	,,	Mettupalayam Arecanuts Co-operative Marketing Society Ltd. ...	...	,,
16	,,	Tingalur Weavers' Co-operative Sale Society Ltd.	...	,,
17	,,	Kothapalli Co-operative Credit Society Ltd.	...	Govavari East
18	,,	Amalapuram Co-operative Stores Ltd.	...	,,
19	,,	U.L.C.M. High School Students' Co-operative Stores Ltd.	...	,,
20	,,	Hukumpeta Co-operative Credit Society	...	,,
21	,,	Appanapailli Adi Andhra Co-operative Credit Society	...	,,
22	,,	Manjeshwar Co-operative Town Bank, Ltd.	...	Kanara South
23	,,	Ullal Coir Workers' Co-operative Sale Society Ltd.	...	,,
24	,,	Manullapalli Co-operative Credit Society	...	Kistna
25	,,	Avanigadda Board High School Students' Co-operative Stores ...	...	,,
26	,,	Alluru Bharata Lakshmi Co-operative Credit Society	...	,,
27	,,	Yandapalli Co-operative Credit Society	...	,,
28	,,	Kesavarpalem Co-operative Credit Society	...	,,
29	,,	Kanigiri Board High School Students' Co-operative Stores, Ltd. ...	...	Nellore
30	,,	Kavali Loan and Sale Society Ltd. ...	...	,,

S. No.	Name of the Society.		District.
31	The R.V.M. High School Students' Co-operative Stores Ltd.	...	Nellore
32	" Chennur Weavers' Co-operative Society Ltd.	...	"
33	" Chenn rayanipalem Co-operative Society	...	"
34	" Petlur Co-operative Credit Society ...	...	"
35	" Sangavaram Co.operative Credit Society	...	"
36	" Pakapudi Co-operative Credit Society	...	"
37	" Akkasamudram Co-operative Credit Society	...	"
38	" Ootacamund Municipal High School Students' Co-operative Stores ...	...	Nilgicis
39	" Ayyampet Board High School Teachers' and Students' Co-operative Stores Ltd.	...	Tanjore
40	" Banadurai High School Teachers' and Students' Co-operative Stores Ltd.	...	"
41	" Victoria Board High School Teachers' and Students' Co-operative Stores Ltd.	...	"
42	" Tanjore St. Antony's High School Students' Co-operative Stationery Stores Ltd.	...	"
43	" Tiruvadamarudur Co operative Credit Society Ltd.	...	"
44	" Pannikulam Co-operative Credit Society	...	Tinnevelly
45	" Vilathikulam Co-operative Stores Ltd.	...	"
46	" Thitnapathi High School Students' Co-operative Stores Ltd. ...	...	"
47	" Caldwell Hign School Students' Co-operative Stores Ltd.	...	"
48	" Kurumalai Venkateswarapuram Co-operative Stores Ltd.	...	"
49	" Kattupacheri Co-operative Credit Society	...	"
50	" Kad.ipatti Co-operative Credit Society	...	Trichinopoly
51	" Zamin Alamarathupatti Co-operative Credit Society	...	"
52	" Pangayachelli Co-operative Milk Supply Society	...	"
53	" Neikuppai Co-operative Credit Society	...	"
54	" Nochiyam Co-operative Milk Supply Society Ltd.	...	"
55	" Natham Co-operative Society ...	...	"
56	" Navagam Co operative Society ...	...	Vizagapatam
57	" China Bhogila Co-operative Society	...	"
58	" Mamidilova Co-operative Society ...	...	"
59	" Mrs. A.V.N. College Students Co-operative Stores Ltd.	...	"

List of Societies Cancelled in April 1940.

S. No.	Name of Society.	District.	Date of cancellation of registration
1	The Puntwal Co-operative Loan and Sale Society Ltd. ...	S. Kanara	... 20-3-40
2	Porto Novo Co-operative Society Ltd. ...	S. Arcot	... 6-4-40
3	Palur " "	"	... 5-4-40
4	Surampatti Lakshmi Co-operative Credit Society ...	Coimbatore	... 7-4-40
5	Danushkodi Public Servants' C.S. Ltd. ...	Ramnad	... 7-4-40
6	Kovilangulam Kallars' C.S. Ltd.	Madura	... 7-4-40
7	Kottivakkam Aryakula Pattinavar C. S. ...	Chingleput	... 7-4-40
8	Rayadrug Weavers' Purchase and Sale C.S. ...	Bellary	... 9-4-40
9	Melakandayur C.S. Ltd. ...	Chingleput	... 9-4-40
10	Mudradi Kandavar C.S. Ltd. ...	S. Kanara	... 9-4-40
11	Divi Pumping Project Public Servants' C.S. Ltd. ...	Kistna	... 9-4-40
12	Golithattu C.S. Ltd. ...	S. Kanara	... 9-4-40
13	Poondla Christian C. S. ...	Guntur	... 10-4-40
14	Chodavaram C.S. ...	do.	... 13-4-40
15	Bhimavaram Christian C.S. ...	Kurnool	... 16-4-40
16	Iringath Co-operative Society ...	Malabar	... 16-4-40
17	Arasampattu C.S. ...	S. Arcot	... 16-4-40
18	Kolakkad C.S. ...	Malabar	... 18-4-40
19	Kolithige C.S. Ltd. ...	S. Kanara	... 18-4-40
20	Vittal Padnur C.S. Ltd. ...	do.	... 18-4-40
21	Bondalapadu Christian C.S. ...	Kurnool	... 24-4-40
22	Narasaraopet Agricultural C. S....	Guntur	... 11-4-40
23	Mangalam A.D.C.S. ...	Salem	... 19-4-40
24	Sunkarahalli C.S. ...	do.	... 30-4-40
25	Yazali Co-operative Credit Society ...	Guntur	... 30-4-40
26	Nungambakkam High Road C.S.	Madras City	... 30-4-40
27	Valipatti C.S. ...	Salem	... 30-4-40
28	Peruntholuvukavundampalayam C. S. ...	Coimbatore	... 27-4-40
29	Areacode C.S. ...	Malabar	... 30-4-40
30	Parakramapandi C.S. ...	Tinnevelly	... 30-4-40
31	Aziz Nagar Settlement C.S. ...	S. Arcot	... 21-4-40

List of Societies Cancelled in May 1940.

S. No.	Name of Society.	District.	Date of cancellation of registration.
1	Srirangpuram C. S. ...	Kurnool ...	3-5-40
2	Dr. Varadappa Naidu's Orphanage Employees' C.S. ...	Madras City ...	6-5-40
3	Madithorai C.S ...	Nilgiris ...	8-5-40
4	Jalakanur C.S. ...	Kurnool ...	2-5 40
5	Vaniyambadi C. S. ...	Salem ...	9-5 40
6	Maripalli C.S. ...	Salem ...	9-5-40
7	K niambady Ch cklers C S. ...	North Arcot ...	9-5-40
8	Illur Christian C S. ...	Cuddapah ...	9-5-40
9	Periyar Adi Dravida C. S. ...	Coimbatore ...	12-5-40
10	Madras Snuff Merchants C.S. ...	Madras City ...	12-5-40
11	Santhanapalli C.S. ...	Salem ...	13-5-40
12	Peddunaickenpet Queen Victoria.	Madras City ...	18-5-40
13	Puthiangadi Fisherman C.S. ...	Malabar ...	18-5-40
14	Mailpatty C. S. ...	North Arcot ...	20-5-40
15	Kallur ...	Nellore ...	20-5-40
16	Nallikavundanpalayam ...	Coimbatore ...	20 5-40
17	Srivilliputhur Ambalagarar C.S....	Ramnad ...	21 5-40
18	Vizianagaram Labour C.S. Ltd....	Vizagapatam ...	22-5-40
19	Vyasarpadi C.S. ...	Madras City ...	14-5-40
20	Kumaradevam D. C. Co-operative Society ...	West Godavari ...	26 5-40
21	Kilakandayar C.S. ...	Chingleput ...	30-5-40
22	Senthamarikannu Sri Meenakshi Sundareswarar C.S. ...	Tanjore ...	30-5-40
23	Hosabettu Adi Dravida C.S. ...	South ...	31-5-40
24	Manamelkudi Lakshmi Vilas C. S.	Tanjore ...	31-5-40
25	Koyakkat C. S. ...	Malabar ...	31-5-40