The Madras Journal of Co-operation

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THE LATE MR. V. VENKATASUBBAIYA, B.A.,
Secretary of the P. C. U. (1915—'22 & 1927—'39.)
Editor, The Madras Journal of Co-operation,
(1918—'22 & 1935—'39.)

THE

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Mahatma Gandhi on Venkatasubbaiya.

"You have sent me very sad news. I loved **Venkatasubbaiya.** His death is a great loss to the country. To meet him was to love him. I have not known a more unassuming man than him. Will you please convey my deep sympathy to his people?"

(From a letter to Pundit Kunzru.)

The Late Mr. V. Venkatasubbaiya :—Brief Life-sketch.

Mr. V. Venkatasubbaiya was born in a small village Lakshmisagramam, 16 miles from Bangalore. His father, Vajapeyam Venkatadri Aiyah was an author and book-seller at Bangalore and his mother was Parvathiamma. After a successful scholastic and college carrier he passed his B.A. in 1906, taking a First Class in Kanarese. His optional subject was Geology.

His father died in 1907 and Mr. Venkatasubbaiya joined as a teacher in the Wesleyan Mission School, Bangalore, of which he was an old student. But the newly started Servants of India Society attracted him, and he joined the Society in 1909. Like the late G. K. Devadhar and some other distinguished persons of this Society Venkatasubbaiya did not take a special interest in politics but threw himself heart and soul in all aspects of social service. His main field of work was Co-operation. He was the joint author of a small book on this subject with Mr. V. L. Mehta of Bombay. Though he was not one of the signatories for the formation of the P. C. U. Mr. Venkatasubbaiya was among those who were admitted on the day the Union was registered and started working; and from 1914 for 25 continuous years he was in charge of the Union except for a brief period when he was away at Poona.

Mr. Venkatasubbaiya was mainly responsible for the starting of the Central Co-operative Printing Works, Ltd., and he took an abiding personal interest in its welfare. He was one of those nominated by the Government to manage its affairs when the old Board of Directors was superseded and this year when a new Board has been elected the Government was pleased to nominate him to the Board.

He was greatly interested in the T. U. C. S. and was its Managing Director for a period of about 2 years. It was during this period that he strengthened the policy of establishing direct contact with the wholesale merchants at Vellore, Bangalore and other important centres. He was mainly responsible for the scheme of buying paddy and milling it near Nellore under the supervision of its own Agent. This scheme has been ever since working very successfully, and ensuring the Society the supply of pure Nellore rice, the purest perhaps in the Madras Presidency.

When the P. C. U., with the help of the subsidy given by the Provincial Co-operative Bank, was running Rural Re-construction

centres, Venkatasubbaiya took special interest in this aspect of constructive co-operation. He inspected all the centres pretty frequently and kept himself in close touch with the workers there.

He was solely responsible for putting into the market a cheap and efficient magic lantern. He was enthusiastic about co-operative education and spared no pains to prepare the three sets of slides of the Provincial Co-operative Union which are deservedly popular all over India now.

One experiment of his which was unfortunately not a financial success was the co-operative society of chucklars. It did produce excellent articles but there was difficulty in marketing them.

He was in charge of the editorial work of the Madras Journal of Co-operation in the earlier days before he went to Poona and took charge of that work again in 1935 and continued to be the editor and publisher of the Madras Journal of Co-operation till the time of his death.

He was always the champion of the under-dog and hence when the City Harijan Sevak Sangh was started he was naturally chosen as its Secretary and he threw himself heart and soul in that work. He took a paternal interest in the welfare of the Harijan boys of the Slater Hostel and of the Harijan girls of the Perambur Hostel.

Whatever he earned by way of honorarium, etc., he made over to the Society observing the rules of admission to the very letter. His life was one, long service and sacrifice.

Though intensely practical, and not likely to be carried away by any emotional enthusiasm, he was an idealist in co-operation and was prepared to make large allowances for human frailties.

He has left behind him two daughters besides a son and a host of friends to bemoan his loss.

Mr. V. L. Mehta's estimate.

When along with other co-operators I felicitated the Madras Provincial Co-operative Union on celebrating its Silver Jubilee, of the two personalities I identified in my mind with the Union one was Venkatasubbaiya. Although I was aware that he had latterly been in somewhat indifferent health, the news of his passing away comes as a shock to me. I had known and watched Venkatasubbaiya's co-operative activities for over a quarter of a century. As a member of the Servants of India Society, Venkatasubbaiya devoted himself to several branches of public work; but, to my mind, none claimed his attention to a greater extent than co-operation, throughout the thirty years of selfless public service he had to his credit.

The first I knew of him was in 1911 when he was in charge of famine relief operations in a part of Gujarat and Katheawar on behalf of the Society. Later, we collaborated in producing a publication on the "Co-operative Movement." The portion of this book he was responsible for showed his insight into the principles of the movement and his study of its developments abroad. That publication served as a good hand-book over twenty years ago when the available literature on co-operation was very scanty. In devoting himself to the co-operative cause, Subbaiya followed the example of his distinguished colleague G. K. Devadhar. But while Devadhar was an organizer, Subbaiya was more of a student; while one carried on propaganda and made converts by his speeches and whirlwind tours, the other devoted himself to administrative work and quiet literary effort. Apart from his work at the Madras Provincial Co-operative Union, Subbaiya's great contribution to the movement was as an office bearer of the Triplicane Urban Co-operative Society. He followed in the footsteps of another distinguished colleague of his, the Rt. Hon. V.S. Srinivasa Sastri, in becoming associated with this pioneer and unique institution. I well remember with what personal interest Subbaiya explained to me all the details of the working of the Triplicane Urban Co-operative Society when he took me round it over ten years ago.

Subbaiya's was a personality that did not dazzle and that only his close associates could appreciate. He was one of the mildest and gentlest of co-operative workers I have come across and one of the most unassuming. Although I knew Subbaiya all his life as a member of the Servants of India Society, he was always associated in my mind with the Madras Co-operative Journal, the Provincial Co-operative Union and the numerous educational and re-construction programmes which the Union took in hand from time to time. The co-operative cause has great need of such devoted servants as Subbaiya was. And in paying a tribute to him, let us hope that his example will be followed by young men, inspired by the spirit of service which led Subbaiya to throw himself heart and soul in this great work.

Mr. Venkatasubbaiya.

We deeply mourn the death of Mr. V. Venkatasubbaiya, Senior Member of the Madras Branch of the Servants of India Society who

passed away on the 2nd January after a long illness. He was 54 years old at the time of his death. It is difficult to replace Mr. Venkatasubbaiya in the Servants of India Society. He was one of those, who were bred in Mr. Gokhale's ideals of public service. A man with a religious sense of duty, he devoted his entire public life to work for the country not caring for any personal advantage for himself. He could have, if he had wished, occupied positions which would have brought him public applause and adulation. But he shunned publicity and was always embarrassed when his work was spoken of in appreciative terms. He never had an enemy in his life;—his bent of mind was never controversialist; he was essentially of the constructive type, the person who seeks the help of all without party bias or political predilections; he was content with work well done. He was one of the pioneers of the co-operative movement in the South and was recognised as an authority on co-operative problems. He was also one of the leaders of the Harijan movement. Those who knew him have never come away without being impressed by the simplicity of his soul, the candour of his heart, his deep erudition in the problems of the day and his passionate eagerness for service. Such men as he are rare in the public life of to-day which is being dominated by other values. The loss of Mr. Venkatasubbaiya is an irreparable one and we mourn his death as the death of a valued colleague who set high ideals before us and remained true to them, a person who untiringly spent himself in the service of others and whose heart harboured nothing but good intentions and above all as a great gentleman. We offer our sympathy to Mrs. Venkatasubbaiya and her family in their great affliction.

(*From the Editorial Notes in Hitawada.*)

P.C.U.'S. Condolence Resolution.

"Resolved that the P.C.U. places on record the deep sense of loss sustained by the Co-operative Movement by the untimely demise of Mr. V. Venkatasubbaiya who by his long and close association with the Union and its activities rendered meritorious service to Co-operation in general and to the Provincial Co-operative Union in particular.

"With a view to perpetuate his memory and commemorate his association with co-operation, the P.C.U. resolves to put up a suitable portrait in the premises of the Union. The Chairman is authorised to convey condolences of the Union to the members of the bereaved family."

M. P. C. B's Condolence Resolution.

The Committee passed the following resolution on the death of Mr. V. Venkatasubbaiya.

"The Committee expresses its deep sorrow at the death of Mr. V. Venkatasubbaiya and places on record its sense of high appreciation of the esteemed services he rendered to the co-operative movement in the Province in his capacity as Secretary of the Madras Provincial Co-operative Union and in various other capacities. It was also resolved that the resolution be communicated to the members of the bereaved family."

The Late Mr. V. Venkatasubbaiya.

When the new year dawned on Monday the 1st January very few of us thought that the Co-operative Movement in the Province of Madras would suffer a serious loss by the passing away of Mr. V. Venkatasubbaiya, Secretary of the Provincial Co-operative Union and Editor of this Journal. It is true he was ailing for some time; but when he decided to go into Dr. Pandalai's nursing home to undergo an operation, he appeared to be in unusually good health and those who saw him before operation really felt that his general health had considerably improved. Everyone, therefore, hoped that he would easily stand the operation and come back to resume his work in the Provincial Co-operative Union. Operation, as might be expected of a surgeon of such high reputation as Dr. Pandalay, was successful; but 3 days after, some other complications set in and Venkatasubbaiya passed away on the 2nd January. To me, who has been entrusted by the Executive Committee of the Provincial Co-operative Union with the task of the editing the Journal, the resumption of duties as editor under these tragic circumstances is distressing. When after 10 years of editorship (1926 to 1934) I retired and Mr. Venkatasubbaiya succeeded me he was pleased to write about my retirement as "A temporary loss," and he hoped that I would come back to Co-operation after retirement from my profession "with increased ardour." As he expected I have retired from teaching but have come back to do my bit in the field of Co-operation; but, alas! my good friend who was almost like a brother to me is gone. As we were more or less of the same age (he was just 2 years younger than myself) and had our scholastic and collegiate education during the same period though in different institutions we had much in common. There were certain aspects of his loveable personality, revealed only to his intimate friends, aspects of whose very existence others who did not know him intimately would not even suspect. May his soul rest in peace!

S.K.Y.

List of Messages of sympathy received by the P.C.U. re. death of Mr. V. Venkatasubbaiya.

From Individuals.

1. Sri S. Krishnaswami, Rajahmundry.
2. „ A. Sankara Rao, Secretary, C. C. Bank, Ltd., Rajahmundry.
3. „ D. Mahalingam Pillai, B.A., B.L., Tanjore.
4. „ L. Gangadhara Sastri.
5. „ O. M. Venkatanatha Iyengar, Uttiramerur.
6. Rao Bahadur Sri A. Rajabadar Mudaliar.
7. Rao Saheb Sri M. S. Seshachalam Aiyar, Tiruvannamalai.
8. Sri S. Venkata Rao, Kurnool.

From Institutions.

1. The Chintadripet Co-operative Bank, Ltd.
2. The President, Vadlamannadu Co-op. Land Mortgage Bank, Ltd
3. The Co-operative Central Bank, Ltd., Rajahmundry.
4. The Salem District Co-op. Employees' Association, Salem.
5. The Tiruchengode Co-operative Sale Society.
6. The Co-operative Central Bank Ltd., Vellore.
7. The Anantapur Dt. Co-operative Central Bank, Ltd.

The Silver Jubilee Number of the Mysore Economic Journal.

We offer our sincere felicitations to our distinguished contemporary, the *Mysore Economic Journal* on its completing the 25th year of its existence and thus qualifying itself to celebrate its Silver Jubilee. The special Silver Jubilee number published to commemorate the occasion is well worthy of the important occasion itself. Besides a large number of congratulatory messages from His Highness the Maharaja of Mysore and members of his family, the Diwan Sahib and other prominent officers of the State, it contains a large number of extremely readable articles. The Journal, as the learned editor remarks, has always been attempting to present matter of a technical character in easily understandable language and it has added a number of other attractions. It has lived through stormy days; and we are glad to see it has established its position in journalistic world. We take this opportunity to congratulate Rao Sahib Hayavadana Rao, the talented editor of the Journal, on the success he has been able to achive and wish him and the Journal more success in the years to come.

The Madras Provincial Co-operative Bank, Ltd.

The 33rd Annual Report and statement of accounts of the Madras Provincial Co-operative Bank, Ltd., is cheerful reading. The Bank has invested its funds in Government securities to the tune of Rs. 1¼ crores from which it realised twice as much interest as on loans and advances made by it to its constituents. It earned a net profit of Rs. 2,75,000, out of which it was able to pay a dividend of 9 per cent. on its share capital, provide amply for Common Good Fund and to Building Fund and Depreciation Reserve. As usual it paid bonus to the members of its establishment and added a decent amount to Reserve Fund over and above the statutory contribution and has left more than Rs. 36,000 to be carried forward to next year. The Reserve Fund with this year's addition exceeds Rs. 18 lakhs and the Depreciation Reserve is 8 lakhs. The Bank's financial position would thus be seen to be very sound. The Directors deserve to be congratulated on another year of successful working of the Apex Bank.

An Important Circular of the Registrar.

In the Administration Report of the Registrar for the year 1937-38 there is one paragraph devoted to certain defects to be found in the credit societies organised for the benefit of the employees of Government, Local Board and other institutions. The paragraph ends with a statement that the question of devising means whereby societies will be enabled to enforce regular payments from members is under consideration.

Among the circulars issued by the Registrar the one dealing with the working of the public service co-operative societies* deserves special attention not only of the members concerned but of co-operators in general. The Registrar clearly defines the purpose of such societies to be the promotion of thrift and savings rather than frequent supply of easy or cheap credit. Starting with this fundamental ideal he suggests different lines of improvement in the working of such societies with a view to restrict credit and develop thrift in the interests of the members themselves.

Some of the evils which such societies labour under are the following:—Members borrow upto the maximum limit permitted by the Bye-laws and that limit is maintained by their continuous successive borrowings. Extensions are given not only in deserving and hard cases but almost as a matter of course. Loans are consolidated, overdues are heavy and thrift aspect is entirely neglected. After pointing out these evils the Registrar puts forward the constructive suggestion that arrangements should be made for compulsory saving by members in accordance with a graded system varying according to their salaries and the money so saved should not be treated as an ordinary deposit and members should not be allowed to borrow on that as security. Secondly he suggests that members may practice joint purchase of their requirements and holds forth the good example of the activities of the Madras Civil Accounts Staff Co-operative Society about which an account has been published in the pages of the Journal. (*Vide* page 94 of the M. J. C.) Thirdly, he suggests that the pay-disbursing officers may be made *ex-officio* presidents so that withholding the instalments may be done easily.

We hope that as a result of all these wholesome changes Public Servants' Societies may become models for others to follow.

*See page 378 of the December 1939 number of this Journal.

Co-operation in Japan.

By Sri T. Raghavendra Rao,

Secretary, Madras Provincial Co-operative Bank, Ltd.

(Continuation of December 1939 Issue.)

Co-operative Utility Societies.

The object of co-operative utility societies is to allow members to make use of those articles or establishments necessary for industrial or economic purposes, for instance, agricultural land, warehouses, dwellings, fishing, implements, machinery for agriculture or industries, living houses, electricity, household equipment, marriage ceremonies, funeral services, and medical institutions.

This is the least numerous class of co-operative societies in Japan, representing only 59. 4 per cent. of the whole number at the end of 1934.

The amount of business done by co-operative utility societies is indicated by the following table.

Equipments and operations of utility societies.

Equipment.		No. of societies.
Rice-cleaning machine	...	512
Barley-preparing machine	...	282
Manure-crushing machine	...	341
Milling machine	...	70
Thrashing machine	...	50
Market for agricultural products	...	10
Live Stock	...	11
Cultivated land	...	57
Land for forestry & stock-breeding	...	21
Irrigation pond	...	4
Miscellaneous agricultural implements	...	88
Beater for paper manufacturing	...	19
Textile work	...	18
Miscellaneous works	...	41
Storage	...	42
Silk Mill	...	197
Implements for sericulture	...	45
Water Mill	...	8

Equipment.		No. of societies.
Petroleum motor	...	88
Current distribution office and power station	...	95
Carts	...	64
Boats for fishery and transportation	...	15
Machine for making ropes and mattings	...	47
Machine for irrigation and drainage	...	34
Public bath	...	8
Barber shop	...	11
Hospital	...	7
Kindergarten	...	1
Implements and clothes for wedding and funeral.		49
Medical institution	...	100

Of all the activities carried on by the utility societies, the medical features recently have made the most notable gains. According to the investigation of the Department of Agriculture and Forestry, there were, as on August 31, 1936, 87 medical co-operatives, and federations of medical co-operatives which embraced 465 medical units.

The co-operative hospitals at Anjo and Nakano require special mention. The one at Anjo is managed by the District Federation. The hospital is fully equipped by up-to-date appliances and is served by 6 qualified male and female doctors, 2 midwives and several nurses and subordinate staff. It has 81 beds including maternity wards and has a large out-patients' department. The hospital bus goes round the village regularly and brings patients to the hospital while the cars maintained for the doctors take them to the patients' houses.

The hospital at Nakano near Tokyo has a membership of 12,000 with a paid-up capital of 1,40,000 yen of shares of the value of 10 yen each. The hospital is open to members and their families. The charges are about $\frac{1}{3}$ to $\frac{1}{2}$ of outside charges. There are 100 beds including maternity wards. No major operation is charged more than 50 yen. The building alone costs 1,50,000 yen and the hospital has taken a loan of 1,20,000 yen from the Central Bank. The monthly expenditure comes to about 15,000 yen.

Agricultural Storage.

The law of July 20, 1917 No. 15, defines agricultural storage as the preservation in special granaries or warehouses of cereals and

cocoons produced by agriculturists, or collected by land lords as payment in kind for the rent of land. This storage must not be for profit. In the warehouses other agricultural produce may be stored, provided it will not injure the cereals or cocoons. The organisation, which undertakes the storage besides preserving the produce, may not only carry on all the processes for the improvement and grading of the produce deposited and prepare it for sale, but also make it as intermediary with regard to the sale, and grant loans on the guarantee of the deposit certificates ("Warrants").

The agricultural warehouses must be exclusively in the hands of co-operative societies, agricultural societies, institutions of public utility having for their object the development of agriculture, or cities, towns and villages and similar public bodies.

The State grants many advantages to the agricultural warehouses instituted in conformity with the law, and a considerable sum is set apart in the budget of the Ministry of agriculture to assist the prefectures in subsidizing the establishment and operation of agricultural warehouses.

This branch of business, though of very recent date, seems likely to have a brilliant future. At the end of 1934 there were 3,686 co-operative societies carrying on the business of agricultural storage, and the total number of agricultural warehouses established in accordance with the law was 6,724.

The following table shows that how co-operative warehouses occupy a preponderant position in 1934.

Year.	Co-operative societies.	Agricultural corporations.	Public utility associations.	Villages and towns.	Total.	Number of warehouses.
1934	3,686	27	7	6	3,726	6,724

Co-operative Federations.

Federations may engage themselves in the same lines of business operation as individual societies.

In most of the prefectures there is a credit federation of societies which is prefectural in its scope and operates as a financial centre for the affiliated local societies, acting as an agency for the Central Bank of co-operative societies (Sangio Kumiai Chuo Kinko). Some of the federations of raw silk selling societies are large, their fields embracing several prefectures.

The main trade of the federations of sales societies is in raw-silk, cocoons, rice, grain, fruits and charcoal while that of the federations of purchasing societies is in fertilizers, agricultural implements and machinery, all sorts of noodles, salt, sugar, soya-bean sauce, petroleum and other oils, fish, fuel, etc.

There are also separate federations called the Co-operative Wholesale Society of Japan (Zenkoku Kobaikumiai Rengokai) for co-operative purchasing societies, with branches at Osaka and Moji and about a dozen outlying agencies throughout the country. This Wholesale Society also carries on its own production work. Thus it has established four fertilizer mixing mills, three fodder works, one rubber shoe factory, etc.

The Federation of Co-operative Raw silk Marketing Societies, the National Federation of Co-operative Cocoon Desicating and Marketing Societies, the National Federation of Co-operative Raw Silk Societies, the National Federation of Co-operative Rice-Grain Marketing Societies and the National Federation of Co-operative Mandarin (oranges) Marketing Societies are some of the other useful organisations.

The Central Union of Co-operative Societies.

(Sangio Kumiai Chuokai)

The Union has some marvellous achievements to its credit. The Union's membership consists of co-operative societies and federations and also of individuals specially interested in the co-operative movement. It has its head-quarters at Tokyo and a branch in every prefecture. The head-quarters building at Tokyo completed in August this year (1939) is a huge structure costing over three million yen and is styled "The Cathedral of Co-operation". The Union conducts training classes for employees of co-operative institutions, organises lectures for the benefit of Directors and other workers in the co-operative field and is generally in charge of co-operative education. Besides publishing many bulletins and leaflets it issues regularly a magazine called "Co-operation" every month and a monthly called "Iyenohikari" (The Home-light) both having a combined circulation of 1,500,000. The Union also promotes the co-operative movement through posters, cinema films and

gramophone records. The National Federation of Co-operative Youths has got a Journal of its own. In the "Cathedral" are housed the Central Union, its publications Department, Co-operative School and Co-operative Club with hotel arrangements for up-country co-operators.

The nutritious foods distributing centre near the Lion Tooth Paste Factory is an institution of great utility to factory workers as nutritious meals planned by a Dietician are prepared and delivered hot thrice a day for a monthly cost of 28 yen per individual.

The Co-operative Settlement near Tokyo conducts a Kindergarten school, day nursery, night school for factory girls and a co-operative pawn shop. Some of these institutions have received their incentive from Dr. T. Kagawa, a great Christian worker with missionary zeal.

Some special features.

Income-tax and Business tax is not to be levied on co-operative institutions. They also enjoy special privileges in respect of registration charges and stamp duty.

Co-operative societies in Japan, broadly speaking, are of four kinds:—

1. Co-operative Credit Societies.
2. Co-operative societies for the sale of produce.
3. Co-operative societies for the purchase of requisites.
4. Co-operative Utility Societies.

A single society may however be registered to perform any one or all of the above functions and such a society is called a "Compound Society." In India such a society is called a "Multi-purpose Society."

Liability of members of co-operative societies used to be of three kinds:—

Limited, Unlimited or Guaranteed Liability.

We are familiar with Limited Liability and Unlimited Liability Societies but in the case of a Guaranteed Liability Society, each member is liable to pay up to a fixed sum beyond the value of share capital subscribed by him. Since 1932, however, Limited Societies have to register themselves either as Unlimited or Guaranteed Liability Societies as in that year the Law was amended requiring all Limited Liability Societies to be transformed within five years into Unlimited or Guaranteed Liability Societies.

According to the Report for 1936, the membership of Co-operative Societies consisted of :—

70.3	per cent.	of Agriculturists,
4.9	"	of persons engaged in Industry,
11.4	"	of persons engaged in Trade,
2.0	"	of persons engaged in Fisheries,
0.2	"	of persons engaged in Forestry,
11.2	"	of persons engaged in other occupations.
100.0		

Statistics for 31st December 1935.

Paid-up share capital ...	Yen	255,845,687
Reserve and Special Funds ...	"	147,691,558
Total owned capital of societies ...	"	403,537,245

An average of 29,010 yen per society or 70 yen per member.

Total Borrowed Capital of societies.	Yen	289,908,184
Savings Deposits	"	1,304,929,857
Outstanding Loans	"	1,304,160,806

(The present Exchange is Rs. 100=78 yen or £ 1=17 yen).

Government gives special facilities to Co-operative Societies willing to undertake contracts.

The Government also lends money at low rate of interest to co-operative societies and federations mostly through the Central Bank. Several hundred million yen have thus been granted in loans at rates of interest varying from 3.2 to 5 per cent. per annum.

Thus by Government help and enthusiasm of the people "Co-operation" is flourishing in Japan in all directions.

Depressed Classes Societies—Defects—Reorganisation.

By Mr. V. S. Ramaswamy Iyer.

There are more than 2,500 societies for the depressed and other backward classes in this Presidency. About 110 Inspectors are employed by Government to supervise and audit these societies. When the working of ordinary societies is not satisfactory, it is only natural that their working should be worse. If the Inspectors are withdrawn now, it is very doubtful whether 25 out of these 2,500 societies will continue their work. Hence, the large amount, nearly 75,000 rupees a year, is almost a waste. Co-operation, because it is based on self-help, is accepted by all as the best weapon to effect progress in the moral, material and economic welfare of the poor. But as this self-help is wanting in these societies, we have to change our methods to introduce more of it, so that they may become more and more independent and develop on right lines.

Defects.—The panchayatdars of these societies are illiterate and men are not available to keep accounts nor even to sign in the minute books. The Inspectors are themselves doing everything and make the whole show. Under such circumstances, the management can never be expected to become independent within any reasonable time, say even after 10 years. The department in its over enthusiasm failed even to care for the statutory obligation to see that there are "reasonable chances for success" of these societies when they registered them. The present state of affairs should not be allowed to continue for all time. It is clear that the method adopted to help the societies is not correct. This is no co-operation at all. The Presidency Registrar has referred to a case of deceipt by a secretary, in one of his recent Circulars, published in this Journal. There should be hundreds of cases of deceipt, big and small, by Secretaries and Inspectors too which have not come to light. One cannot expect anything better from their ignorance, and the methods adopted by the Department to help them.

Again the Law gives co-operative societies a high status which these societies do not at all deserve. A society is a corporate body capable of realizing its responsibility as a legal person. The Courts are bound to accept in evidence copies of entries from their books given by panchayatdars who are marksmen (Section 27). The decision of the Panchayat in the matter of heirship to shares and other interests of members is final (Section 24). From the capacity of the panchayats above described it is ridiculous that such powers should be given to them, by registering them as societies. It is therefore desirable to change their constitution and working so that their dealings with the public may be more real.

There are many other defects which are too well-known to all who have a practical knowledge of their work, to be repeated here.

Suggestions.—My suggestion, which is simple and feasible, is to amalgamate all the societies in a taluk into one and treat the present societies as branches in those villages. This meets the objections mentioned above, and gives additional scope for devolopment in the long run. The by-laws may be so amended as to fix the financial responsibility for any loss in the first instance on the branch itself. This will enable the village societies to function practically as societies, without the present draw-backs. The central society will deal with the public and Government. The reconstituted societies will become strong and they may be expected to become independent. There are also many other advantages, and some of them are mentioned below.

1. *Strength.*—After amalgamation they will become strong in every respect, and their usefulness also will increase several-fold. The total share capital and reserve funds will be a pretty big figure to command credit.

2. *Management.*—The management becomes easy. Literate persons can be found at the headquarters of a taluk. We may get also honorary workers to help them. The supervision also becomes easier. The size of the society and its amount of business will enable them to maintain a clerk and also a supervisor if necessary. The local talent also has some scope as the branches will be practically small societies. Every branch may be given a copy of the list of members, loans due etc., prepared at the centre. From these the branches may attend to what all they do at present. Thus the training in such things continues, without the dangers now present.

3. *Finance.*—They become financially strong. The sum total of the share capital and reserve funds of the amalgamated societies will be a substantial one. Hence finance becomes easier, and the additional activities which become possible as described below, make them still more stable and strong. They can also withstand small losses without a breakdown. The Government may divert the large savings from the pay and travelling allowance of inspectors in financing other activities, or, the number of inspectors may be reduced considerably. The financial strength will not only bring in credit but also work for the members. This means that the money advanced to them will easily come back.

4. *Non-credit activities—Small industries.*—Owing to their stability it will be possible to introduce non-credit activities and make them real multi-purpose societies. Collection of bones, skins, hides hoofs, horns etc., which is a monopoly of these people, may be taken up immediately. It may be stated here that these do not require large capital, but they give great profits. Tanning, bone-crushing and such small industries connected with these articles may be taken up later. Lands may be taken on lease and cultivated co-operatively. Small contracts may be taken from the Local Boards. Thangedu bark contracts (avaram pattai) may be taken from Government. (This is possible in the Ceded districts). Spinning and weaving also may be possible in some places. Just as there is a special caste for leather work, there is one for weaving also among them. As finances permit many such small industries not requiring much capital may be taken up. Thus there are immense possibilities for providing work for the members which is the greatest problem with the poor people. All these are possible only when the society is big, covering a whole taluk or a big portion of it. The society may supply all the necessaries also.

5. The Labour Commissioner will find them as excellent organizations to help him in many ways. In fact they will go half way to receive help from Government or any other source.

6. The Government can utilise more profitably the money they now spend on the Inspectors. They may also go a step further and help to finance the small industries under the special Act.

7. We may expect those societies to become independent in a reasonable time. This by itself is a great gain. Above all they will deserve the status given to them by the Co-operative Societies Act.

8. The Harijan Sevak Sanghs and similar associations will give any additional help required, which will go a great way for the success of such societies. The Prohibition introduced by Government makes the success as almost certain, for they were the worst hit, drink being their greatest evil. Drink was a stumbling block in the way of all attempts to ameliorate their condition.

Conclusion.—The amalgamations can be easily effected. The non-credit activities also are feasible and practical. No insuperable difficulty is foreseen. No additional expenditure is involved but only a saving. There is no self-interest to contend with. The Prohibition and the Harijan Sevak Associations, and the desire on their own part to improve themselves, all these, are very favourable conditions. The present time is the most opportune one. The conditions in the Ceded districts are specially favourable to begin the trial. There are some more additional facilities also there. Just as Land Banks were started in Deltaic tracts such activities may be successfully begun in dry tracts.

I sincerely hope and wish that the above points may be favourably considered by those in power.

Multi-Purpose Societies and the Work they have to do.

BY MR. N. SESHARAO PANTULU,

President, Bhimavaram Co-operative Urban Bank, Ltd.

The disgusting disparity that is to-day between the rich and the poor of our Nation, the living principle of which has been for centuries past that all may live happy, the distressing want and nakedness of crores of masses in this tract of ours, blessed with all the plenty of raw-material and food-stuffs, the appaling illiteracy and ignorance among our masses who were once renowned for the highest human wisdom and knowledge and the miserable short expectancy of life of our people, whose predecessors had lived four score and above set any sensitive man thinking what are we to do now?

2. Among many schemes of National Reconstruction that are floating to-day in mens' minds, we co-operators, are sure of the method of co-operation as the surest non-violent way of establishing the kingdom of Heaven on Earth. Unfortunately for us we are acquainted in this country since 1904 with the 'corpse of co-operation' a thing sans imagination sans initiative and in short sans life. The best thing we have done in our Presidency is that we managed to preserve it without becoming rotten. The full potentialities of an active and living co-operation in renovating the economic, social and cultural life of an enslaved nation, have never been grasped in this country till very recently. The new bye-laws of the so-called multi-purpose societies that have come into vogue as possible means of breathing life into our 'corpse of co-operation' are however worthy of every sincere co-operator's trial. The Department to-day is intent on giving all possible help and encouragement to these multi-purpose societies. It is up to the co-operators to take advantage of these new lights and render some useful service to the nation.

As we organised our Society as the new multi-purpose society, I have some suggestions to offer to my brother co-operators to compare with those of theirs.

The activities of a multi-purpose society consists of *(a)* Credit side, *(b)* Non-credit side. The non-credit side may be described as the soul and the credit side as the physical body of co-operation. Our co-operation is rightly called 'corpse of co-operation', because it neglected non-credit work. But non-credit work cannot exist

without credit work, just as the soul cannot exist without a body. If the primary societies are to achieve any substantial progress in non-credit side they need substantial funds too. With the small margin of profits which these primary societies earn from their credit side, they have already enough expenditure on stationery, establishment, audit, supervision fees and other contingencies to meet.

So, it is incumbent on the financing banks to subsidise these primary societies doing non-credit work with funds from out of their own quota of profits.

Generally members of societies can be divided into the following classes :—

(a) Agriculturists owning lands;
(b) Agriculturists not owning lands but cultivating other lands;
(c) Petty traders owning immovable property;
(d) do not owning property;
(e) Depressed classes depending upon daily wages;
(f) People with or without property who hold Government or other employments and who are engaged in other professions.

It is possible to better the condition of all these classes provided sincere and streneous work is carried on by the societies on well organized lines, but it is necessary that societies should pay great attention to persons belonging to classes *(a)* to *(e)* than those of class *(f)*. In the first place each society should, in addition to the registers prescribed by rules, maintain a register in the form of a ledger in which one page for each member should be reserved for noting his name, members of the family, (earning and non-earning) property, condition in life, present indebtedness, the lines to be adopted to uplift him and other particulars. At the end of every year, the progress he makes during the year regarding his financial, economic and professional conditions also should be noted. In this way the management and the supervising authorities will be able to know what substantial work is turned out by the Society. Another equally important thing is the appointment of a competent man to do propaganda and supervision work.

Members of class (a).

In the case of agriculturists owning lands, their existing indebtedness should be ascertained and rounded off as also the probable expenditure required by him for his agricultural operations. For this aggregate amount, sufficient unencumbered property should be taken security of, in the form of a continuing guarantee for a period of ten years. Instalments not exceeding five, will have to be provided according to the net yield he derives after deducting for his family maintenance. This yield will have to stand charged for the amount of instalment. Facilities to sell the produce at high prices will have to be afforded to him, introducing paddy loan system and the like,

Provision will have to be made also for supply of manures and seedlings and also for introducing special crops and special and improved methods of cultivation. Every member should be taught to make home-safe and thrift deposits.

Members of class (b).

With regard to agriculturists now owning lands, the Society will have to ascertain the extent of land he cultivates and estimate the probable expenditure for his cultivation and also something for his family maintenance till he realises the crop. A loan of this amount will be given to him on the security of the crop and also on the suretyship of another member. Regarding other matters same facilities as to (*a*) class members will have to be provided.

Members of classes (c) & (d).

Petty traders owing immovable property. Their property will have to be valued and a security bond with continuing guarantee for 10 years will have to be taken from them for this amount borrowed.

For (*d*) class members i.e., petty traders who have no property, a sum not exceeding Rs. 50 can be lent to each on the suretyship of another member.

Members of class (e)

Real work of the Society lies in improving the status of these people. Their habits in life and customs will have to be watched by the propagandist. Regular tri-weekly or bi-weekly classes will have to be held by him during nights to educate them in matters social, economic and the like. Thrift deposits and home-safe deposits will have to be encouraged. Health, hygiene, decent clothing, decent food, decent housing, elementary education will have to be introduced among them.

For this purpose, small loans according to their capacity of saving through home-safe and thrift deposits will have to be given to them. Loans can be granted and other facilities can be provided for improving professional handicrafts and cottage industries carried on by these people so that their daily or weekly savings may increase.

Members of class (f)

Great care will have to be taken in giving loans to these people. All loans over Rs. 200 will have to be secured with mortgage of immovable property. Loans on the pledge of gold and or on the security of paddy or other produce can be given with advantage. To carry out all these and other activities of the Society, regular and intensive propaganda is most essential. As already suggested a competent propagandist should be appointed.

The propagandist will have to maintain a diary. He should be closely watching the movements of each member in his social, economic and professional life and making notes every now and then so that the management may take such steps as are necessary in such cases. It will not be out of place to note here that the management should be, as far as possible, non-borrowing members.

The managing members and other members also will have to strive their best to get deposits fixed, recurring and savings bank, besides home-safe and thrift deposits already mentioned. It is difficult to run the Society merely on these deposits especially in rural areas and so a full and strong support of the Financing Bank is necessary. In the case of some multi-purpose societies, the Financing Banks are giving a lot of trouble. Instead of giving all possible encouragement to the multi-purpose societies they are throwing obstacles in their way. This may be due to want of proper understanding between the Financing Bank and the Societies. Healthy and harmonious relationship will have to be established between them both.

The Financing Banks may have in mind that the child can grow well only with the utmost care of the mother.

Next and last comes the question of the Government Co-operative Department. It is gratifying to note that every responsible officer in this Department is taking active and keen interest in all these societies. Besides making close supervision and scrutiny, they are ever ready to give all possible help and encouragement to the societies. So it is for the members to take advantage of these opportunities and help themselves and their progeny,

Industrial Co-operative Show Rooms at Simla and Murree.

BY SYED ZAHUR HUSAIN, B.Sc., P.Co. S.,

Educational Asst. Registrar, Co-operative Societies, Punjab, Lahore.

The public visiting the hill stations felt the pinch of dearness of articles very keenly. Due to high rents of shops and heavy transport charges, the shop-keepers too could be excused for enhancing the prices to a reasonable extent, but there was no limit to their profits and the consumers lost in the long run.

The Co-operative Industrial Societies tried their show room at Simla last year and could maintain their usual record of high excellence of manufactures at the most competitive prices. The sales last year were near about 20,000 which was a very hopeful figure for the first year of this enterprise.

This year too the Sales Depot was opened at Simla in April last and sales up to the end of June last were Rs. 6,000. This time the Depot has to hold its own in face of the keen competition in spite of which the manufactures of the societies are beating all other products in respect of quality, price and popularity. The Industrial Inspector in charge is sure of another successful year for the Depot in spite of its meagre resources and keen competition. All this goes to the ultimate gain of the public at large and the poor artisan of the country.

The success at Simla and solicitations from patrons at Murree have prompted the Department to open a show room at Murree as well. The Murree Central Co-operative Bank has lent the use of its building for this purpose free of any charge. The shop is situated a few steps down the Mall on the Muree bazaar. Although a little out of the way, it is conveniently near the main bazaar and in its infancy it could not be housed in a better locality.

The staff of the Central Bank are taking lively interest in the shop and are advertising the goods with all their fervour. Hand bills have been distributed through news agents among all the prospective customers. Mr. Ayyub, I.C.S., the local S.D.O. visited the shop and much appreciated the exhibits. The daily sales are sufficiently encouraging in spite of the unpretentious situation of the shop and the scanty resources it has started with. The beginning augures well for the success of the scheme.

The public will certainly find it advantageous to shop at the Depots at Simla, Murree and Lahore, which deal in every home-made article of every day use. The Industrial Assistant Registrar, Co-operative Societies, Punjab, Lahore, may be addressed for any enquiries in this respect.

Recent Utterances.

The following is the speech delivered by the Hon'ble Kunwar Sir Jagdish Prasad, K.C.S.I., K.C.I.E., O.B.E., Member of the Governor General's Executive Council, at the opening of the 13th Conference of Registrars of Co-operative Societies on the 11th December, 1939.

Gentlemen,

"It is a great pleasure to me to welcome you again to this Conference. When I last had the opportunity of presiding over your deliberations I referred to the unforunate fact that these meetings had not been sufficiently frequent, and I expressed the hope that in future the intervals would not be so great. You will all realise, I am sure, that on this occasion I had to consider seriously whether, having regard to the unsettled state of affairs, I should not ask you to postpone this Conference. But it is obvious that the war will have a profound effect on the economic life of the people of this country. It is, therefore, of the first importance that those interested in the Co-operative Movement should meet at the earliest opportunity to discuss the effects of the war on the Movement. Apart from the economic aspect, it seems to me that there are other compelling reasons why increased attention should be paid to the Co-operative Movement at this critical stage in our history. We are all anxious that men of different religious creeds should learn to work together for common ends, to help each other, and in the very process of helping, discard some of the aloofness, much of the selfishness, and what is more, a good deal of the sectarian fanaticism which is the bane of much of our daily life. The Co-operative Movement can, in my view, play a vital part in making the intercourse between various communities living in the same locality friendly and humane, because it is based on mutual trust and mutual service, and not on mutual suspicion and distrust. In forming societies whether for credit or for purchase or for sale, or for any other recognised economic object, let us not forget, whether that be our avowed purpose or not, that we are promoting in a marked degree in this country an aptitude for meeting and working together in a spirit of mutual service and of mutual trust. Co-operative Societies can well become powerful centres from which to radiate the spirit of tolerance and service so essential for a stable political system. And the need for such tolerance was never greater than at the present moment.

2. I do not propose to weary you with trite remarks about matters on which you are experts. There are, however, one or two points to which I wish to call your special attention. At the outset let me say how glad I am—and I am sure you will all feel the same--to welcome again such trusted veterans in the Co-operative field as Sir Malcolm Darling and Mr. Ramadas Pantulu. It has been no small exertion and sacrifice

of time for them to attend and I should like to say how heartily we shall welcome their experience and invaluable advice. I should like also to make special mention of the Reserve Bank. I had hoped that Mr. Nanavati would be able to attend. Unfortunately, that is impossible, but we have with us Mr. Ambegaonkar, who needs no introduction to any of you. There is no need for me to remind you of the illuminating bulletins which have been issued at various times by the Agricultural Credit Department of the Reserve Bank. We are all grateful for their assistance, of which many of you may not be aware, in compiling and arranging the agenda for this Conference.

3. There has recently been a good deal of debt legislation which has scaled down old debts. This process may have, in some instances, restricted the ordinary sources of credit. On the other hand, there has also been far-reaching tenancy legislation, which by giving increased security of tenure to the cultivator may improve his credit. This combined legislation places greater responsibility upon Co-operative Societies and those who watch their administration to see that useful, perhaps I should say, productive credit is available as freely as possible; otherwise it may well happen that the tenantry will have a new burden of debt accumulated under more onerous conditions than previously.

4. It has not been possible so far, for a variety of reasons, to make much headway with Co-operation among women. But the importance of the subject is self-evident. When it is remembered that nearly every one in India, even the humblest, must marry, that children come into the world as nature pleases and that every birth, marriage or death is the occasion for an expensive ceremony, the woman as the guardian of ancient tradition and customs becomes, I have no doubt, in many cases the unwilling, instrument of extravagance, instead of being the staunch apostle of thrift. And thrift may on occasion look like a vain enterprise when a life's saving may disappear on the marriage of a son or daughter. Women must become the instructors of men in the virtues of moderation whether the occasion be a festive gathering or a village dispute. I hope a time will come when there will be many women's co-operative societies whose purpose will be not only to reduce unnecessary expenditure but to limit the numbers of those for whom the expenditure is incurred. I am perhaps straying into dangerous fields, but I trust that there will be general agreement that the time has come to make a determined effort to advance co-operation among women. Women's societies need not confine themselves to the inculcation of thrift but may add useful variety to this somewhat drab theme by including within their scope such objects as cooking, sewing, domestic hygiene, and even music.

5. I should also like to draw special attention to the subject of the consolidation of holdings. This has been one of the most conspicuous achievements of Co-operation in India. The Punjab has given the lead

in this matter and in that province alone over a million acres have been re-allotted. I trust that this important subject will continue to receive increased attention in all Provinces and States.

6. At the last Conference I gave you some consolidated figures showing the progress made by the Co-operative Movement in the whole of India. Though the figures I can give you now are not entirely up to date they do, I think, show that the progress has been satisfactorily maintained. The working capital has increased from Rs. 97 crores to Rs. 101½ crores. The number of societies in India is now 111,000 of which 96,000 are classed as agricultural. The number of members has risen to 4,718,000 of whom 3,155,000 belong to agricultural societies. I drew attention 3 years ago to the fact that these figures do not of themselves furnish any certain guide to the progress of the movement. We have, therefore, to form our judgment upon such other evidence as we can collect. This will be available from the reports of the recent enquiries into the growth and general condition of the Movement which have been set on foot in different Provinces and States. In a country with such varying conditions as India it is inevitable that practice should also vary and the very fact that different methods find their champions in different parts of India is a sign not only that you, the organisers of the Movement, are alive to the requirements of the country but also that your experience is gained from a living movement.

7. The present seems to be a particularly favourable moment for an all-India drive towards the better utilisation of the advantages which agricultural credit societies can afford. In the last month or two the prices of almost all agricultural commodities have shown noticeable, in some cases, remarkable, increase. I am well aware that in some cases these increases have taken place after the bulk of the crop had passed to the hands of the middleman. At the same time, if the higher range of prices continues for some time yet, a substantially increased volume of wealth will find its way to the pockets of the cultivator. This, it seems to me, is just the time when the necessity for inculcating thrift is most insistent. Not only is it the duty of all of us who work and wish for an improvement in the lot of the agriculturist to do all in our power to see that wealth is either saved or wisely spent, this also is the occasion when those societies which in the past have been unwise or overgenerous in the credit they have allowed can set themselves upon their feet again. Here is our great opportunity; let us grasp it with a determination that the lessons so bitterly learnt in the past shall now be put to good use. Borrowing will be more costly, the prices of essential articles of consumption may rise. Nevertheless I am convinced that the cultivator has a chance now to rehabilitate himself and I can think of no better medium through which he should be assisted to do so than that of the Co-operative Movement under wise and farseeing guidance. The supply of

agricultural credit must for this purpose be linked up with the adoption of better farming practice, the introduction of better ways of marketing the crop and the improvement of the land itself by the provision of facilities for irrigation, drainage, bunding, manuring, and so forth.

8. It is encouraging to find that almost throughout India there has been an increase in non-credit societies, whether for improvement of livestock, consolidation of holdings, supply of fencing or similar objects. There are now something like 12,000 societies in India for these various purposes. Present conditions offer special opportunities for one of the non-credit type of societies. Those of you who have practical experience of famine will know that one of the surest signs of real scarcity is the large-scale movement and subsequent dearth of cattle. In many parts of Central India now conditions are such that the cultivator can with difficulty only support a pair of plough cattle. The weak and useless cattle have died in large numbers. Much as we regret the cause, here is a chance for the livestock improvement societies to see that in building up the cattle population again only the best stock is used, and rightly used, and in a few years the whole standard of cattle in the areas affected may be noticeably raised.

9. Whatever the type of society formed, the training of the members thereof in Co-operative principles is of the highest importance. We all know that the true function of Government in this sphere of activity is to supply the initial stimulus and thereafter advice and direction. The Co-operative Movement must be administered in its every day details by the people themselves. For this purpose it is the duty of Government to educate those who take on the administrative responsibilities of societies, unions, banks or whatever it may be. This duty has been fully recognised throughout India and the Central Government themselves lent their support with a provision of Rs. 15 lakhs. That money has now been spent and it is hoped that Provincial and State Governments will continue the educational activities which were started with that assistance. I only wish to impress upon you again the great importance which, now more than ever, must be attached to this question, if we are to take the fullest advantage of the opportunity now open to us.

10. I should refer again, I think, to the part which the Central Government can play in the development of the Co-operative Movement. All practical steps have to be taken by the various Provincial and State Governments. There are, however, fundamental principles of Co-operation which apply the world over. If, therefore, the Central Government can supply the facilities and the arena for a full discussion of the application of these principles and the difficulties arising from special conditions, they are assisting not only in a clarification of the principles themselves but also, I hope, in paving the way to a solution of some at

least of the difficulties. It is for you, when you go back, to put into practical effect whatever you may find of value emerging from these deliberations. It is for us to ask you to let us know what it is you have found and how you have made use of it. We have had replies from most Governments regarding the action they have found possible on the resolutions passed at the last Conference and we have now been able to circulate a tabular statement summarising these replies. I hope you have all received copies. After this Conference also we propose, with your continued assistance, to prepare a statement of the action taken in various parts of India. Needless to say, the compilation of such a statement takes time. You yourselves, when you go back, have to consider again the full implications of the resolutions which have been passed and it is only when you have worked out your own modifications in practice that you can tell us what action you have in mind. To tell us the result of the action taken needs more time still. Nevertheless, the statements have their own value and if they do nothing else, they do at least form a practical link between one Conference and the next.

11. Indian Co-operation has to contend against forces that find no exact parallel in Europe—the uncertainty and vagary of the seasons, in a country chiefly dependent on agriculture; the wide fluctuations in prices of agricultural commodities due to world causes, the fragmentation of holdings and the poverty, illiteracy, ill-health and heavy indebtedness of a vast and rapidly increasing population wedded to crippling social customs, and the comparative dearth of competent voluntary workers. In spite, however, of these grave handicaps, there has been a tremendous awakening in recent years among educated Indian men and women as to their responsibilities towards their less fortunate countrymen. A great effort is now being put forth to make life in town and country a little less dreary and sorrowful for the worker and the peasant, and in this great task of sweetening the lives of our people Co-operation should take a decisive and glorious part."

deterioration of the movement, making rehabilitation more and more difficult, if not impossible.

(10) The possibility of encouraging and extending repayment in kind should be explored especially in economically backward areas.

(11) Every effort should be made, where suitable conditions exist, to organize co-operative marketing with the necessary Government assistance and supervision especially with a view to securing to the cultivator the full effect of the rise in prices and for this purpose attention should be paid to creation of marketing unions under business management.

(12) Provinces should experiment with multiple purpose societies to ascertain more clearly the conditions under which they are likely to thrive and the form which they should take with special reference to their area of operation, liability and purposes.

(13) Agricultural credit societies, other than multi-purpose societies which are the subject of a separate resolution, should ordinarily continue to have unlimited liability but scope may be given for experiments with such societies with limited liability.

(14) Persons should not be compelled to join a co-operative society ; nor should the decision of such society be binding on non-members except in cases involving the provision of some utility service which atleast two-thirds majority of those concerned desire.

(15) A small sub-committee consisting of Messrs. Pantulu, Gandhi and the Registrars of the Punjab, United Provinces and Bengal be appointed to examine the question of multi-unit societies and suggest suitable measures.

(16) The area of operation of land mortgage banks should not be larger than a district and may preferably be smaller.

(17) Land mortgage banks should encourage and help schemes for the consolidation of holdings especially where land is badly fragmented.

(18) Loans for land improvement should be advanced whereever possible at a lower rate than loans for other purposes and should ordinarily be given after consultation with the agricultural and other departments concerned.

(19) If a person is a member of both a primary credit society and a land mortgage bank the former should have a priority in respect of the first charge on the crop and the charge of the mortgage bank on the crop should be postponed to that extent.

(Continued from previous page)

The following resolutions were passed on the 13th December, 1939:—

This Conference recommends that :—

(20) Debentures should be made irredeemable for a definite period not exceeding 10 years.

(21) The Reserve Bank should purchase a limited amount of the debentures of approved Central Land Mortgage Banks and such Provincial Banks as raise debentures the principal and interest of which are guaranteed by Government and should advance money against such debentures.

(22) Ordinarily mortgage loans other than those for land improvement should not be given for more than 20 years, and the margin between the maximum period of the loan and the period of the debenture should not exceed 5 years.

(23) In all future agrarain legislation and enactments for relief of indebtedness and regulation of money-lending, nothing should be done to impair the financial stability of the co-operative movement or to affect it adversely in any other way.

(24) The attention of the Central Government be invited to the fact that co-operative societies are likely to incur heavy losses due to the amendment of section 60 of the Civil Procedure Code and it should be requested that the Code should be amended and the limit for attachment of salaries be reduced from Rs. 100 to Rs. 50 in respect of debts incurred before the amendment came into force.

(25) Provincial and Central Banks should give a bonus to such members of their staff as pass the examination of the Institute of Bankers.

(26) Classes should be held and continued steps taken for the education of members of co-operative societies in the principles and practice of co-operation, and Provincial and State Governments be requested to provide funds for the same.

(27) Further experiments should be made with cattle insurance societies. In any area where it is proposed to make such experiments, a preliminary survey should be made of the incidence of diseases and mortality among cattle.

(28) The improvement of health conditions in villages may form part of the normal activities of co-operative societies and in areas where medical facilities are not easily available and

not under provision, special health co-operative societies should be organised with, if necessary, financial assistance from Government.

(29) In view of the recent rise in prices :—

(i) Systematic efforts should be made to encourage saving in ways suited to local conditions and particularly on the money-box system and among children.

(ii) Every effort should be made to restore the economic position of the cultivators and to improve the productive capacity of their lands in so far as they have been impaired by the fall in prices.

(iii) Due caution should be exercised in allowing any considerable expansion in credit directly arising from the rises in prices.

THE THIRD MADRAS PROVINCIAL NON-OFFICIAL CO-OPERATIVE EMPLOYEES' CONFERENCE, TANJORE.

25-12-39.

WELCOME ADDRESS.

BY SRI T. V. RAMACHANDRA IYER,
Chairman of the Reception Committee, Tanjore.

Brother Delegates and Co-operators,

It gives me very great pleasure to welcome you all on behalf of the Reception Committee of the III Provincial Non-official Co-operative Employees' Conference to this ancient and historic city of Tanjore. You have come from various parts of the Presidency and we consider it a great privilege to have you as our guests. It may be there are many shortcomings in our arrangements. We crave your indulgence and request you to graciously overlook all of them in the feeling that you have our utmost goodwill and sincerity.

2. We are engaged in one of the most important nation-building activities and a heavy responsibility therefore rests upon us. It is the non-official employee that is really " the friend, philosopher and guide " of the villagers. The vast majority of the villagers being illiterate, our great duty becomes all the more important and trying. Though we have none of the attractions or amenities of the employees in the other organised services, such as Government, District Board, Municipalities and the like, we should do our duty having in our mind the one fact that we contribute to the utmost extent possible towards the prosperity of our motherland, and in spite of all difficulties and discouragements, trials and tribulations, we should do our duty and work for the promotion of the great causes we have at heart.

3. This does not mean that we should not endeavour to ventilate our grievances of which there are many and I do not know which to state first. It is an admitted fact that the service-conditions of the employees are bad and by no means what they ought to be. This has, I believe, to a very great extent curtailed the enthusiasm of the employees. It is only with their sincere and willing co-operation, the movement can achieve any real progress. We have to serve all kinds of masters and we are practically at their mercy. The constant fear lurking in the minds of the employees that they may be driven out in the streets after a fairly large number of years of devoted service, for no fault of theirs, can never be conducive to conscientious and enthusiastic service. Barring the way to promotion by requisitioning the services of Departmental men whenever there arises an opportunity for responsible and higher posts to be filled up, damps the enthusiasm of the employees to qualify themselves for higher posts. The provincialisation of the services will to a large extent alleviate these grievances.

4. Our Association, under the presidency of our able President, Sri K. Krishna Rao has been stressing these facts and due to his untiring and ceaseless efforts, we have reached a stage when the existence of our Association has just begun to be felt. As a result of the persistent demand and strenuous work of the Provincial Association, the Committee on Co-operation constituted by the Government of Madras have consented to enquire into the service conditions of the employees, though it was not a major item specifically included in the items referred to them for enquiry.

5. Annual conferences of this kind offer unique opportunities for all employees from all over the presidency to come into friendly contact and exchange views touching the settlement of their lot and solve difficult problems connected with their every day work, in a spirit of perfect comradeship and *Esprit De Corps* and I am sure all of you will avail yourselves freely of this opportunity. May I appeal to you all to discuss the several items on the Agenda in a spirit of fellowship and fair mindedness and thereby lighten the work of the President, and add grace to the deliberations.

6. The Reception Committee will be failing in its duty if it does not thank Mr. R. Rajagopalan, who has been evincing an abiding and active interest in the Association. I will not be letting out a secret if I mention that, but for his enthusiasm, this conference would not have met in Tanjore this year.

7. I am highly greatful to the members of the Reception Committee for having called upon me to take up the office of the Chairman of the Reception Committee. I offer my sincere thanks to them for it. I am aware that this high position could well have been offered to a better person who has done greater service for the Association but I consider that it is the affection which my brother employees bear towards me, that has induced them in choosing me to be the Chairman of the Reception Committee.

8. Gentlemen, I once again extend a hearty welcome to you all and request you to make our conference a complete success. Friends, we have been fortunate to secure the co-operation of Sri V. Nadimuthu Pillai, M.L.A., a veteran co-operator who has the interest of his employees at heart to open the Conference. I would now request him to kindly open the proceedings.

OPENING ADDRESS

By Sri V. Nadimuthu Pillai, M.L.A.,

President, The Tanjore Co-operative Central Bank, Ltd. and District Board, Tanjore.

Brother co-operators,

I am indeed glad to have this opportunity of meeting you all and participating in your conference. It is indeed a happy augury that you

should, once a year, meet and discuss the outstanding problems vitally affecting your service. I am aware that, charged with great responsibilities for running a movement on the successful working of which the economic prosperity of the vast agricultural population of our country depends, your pay and prospects are meagre and inadequate, and the conditions of your service, often insecure and lacking in uniformity. The Committee on Co-operation under the able and distinguished guidance of Sir T. Vijayaragavachariar will, I am sure, make suitable recommendations to ensure a happy and contended non-official service.

But, I would ask you to remember that yours is a great and glorious roll of working out the vital needs of the rural population of bringing about the economic betterment and better conditions of life amongst the agriculturists who constitute nearly 90 per cent. of the population. You should take to the work with earnestness, zeal and a missionery fervour without being depressed by conditions, however unsatisfactory they might be. Permit me please to dwell a little further on the need for your abiding zeal in making the movement a real success. Great scope for service lies in the rural parts of our vast country. Much of intensive propaganda still remains to be done to educate the people in the proper understanding of the aims and ideals of the movement. It is for you, to present the correct perspective to the people of the country side to make them grasp the vital possibilities of utilizing the help of the co-operative department in rejuvenating the many rural industries that have decayed for want of proper management and timely help. In Denmark many of the large scale industries have been started and are flourishing so well to-day on co-operative basis. In a land like ours, co-operative concerns organised on proper lines will revive many of our cottage industries and offer an honest living for many a starving villager. Sir Mirza Ismail, in his stirring speech at the Madras Swadeshi Exhibition traces in an excellent way how, some of these problems of economic welfare and industrial development have been clearly solved in his State. To you, who are experts in that line, it is needless to point out how peace on land and economic welfare are indissolubly linked together. It is up to you to formulate methods to make your brethern contented bringing in the cream of your experience, in the cause of bettering their lives, brushing aside, for the moment, the shortcomings and crosses, that you have had to face in the course of your service. For no service is ideal and no life exclusively blissful.

I would ask you to remember that the apparent failure of the movement so far, has been due in no small measure to the lack of understand ing of the aims and ideals of the movement on the part of those for whose benefit it is intended. The problem of resusciatation of our villages depends for its success on the earnest and sincere work which you have to put forth in your various capacities. Intensive agricultural developments, development of cottage industries, better standard of living and a healthy and cleanlier life in our villages depend most, if not entirely, on the activities of the co-operative non-official service.

In conclusion, I thank you for giving me this opportunity and I have very great pleasure in declaring this conference open.

"UNION IS STRENGTH."

PRESIDENTIAL ADDRESS.

BY SRI A. MARAMA REDDY, A.S.I.A., (LOND.)

Brother delegates and friends,

At the outset I must thank you for the honour you have conferred on me by asking me to preside over the delibrations of this conference. In accepting the Presidentship I am only discharging my duty to my co-workers who are actively engaged in the practical working of the ideal of co-operation with a real spirit of service and I entreat your willing co-operation and active help in conducting the delebrations of to-day.

This conference meets at a very important turn of events. The Congress Ministry which appointed a Committee to reform the Co-operative Movement has just gone out for reasons well known to all of you. In explaining the Government's policy towards Co-operative Movement Mr. V. V. Giri, Ex-Minister-in-charge of Co-operation has times out of number declared that the movement had not proceeded on right lines and that even if it had not completely failed it had not succeeded in the way in which the forefathers of the movement wished it to succeed. Such failure, in his opinion, was due not merely to acts of commission and omission on the part of the Government, but was mostly due to those who interested themselves in the movement in a half-hearted manner. To exactly know the causes for the failure and find out proper remedies, a Committee was appointed. The Committee had to examine the present position of the movement and make the necessary recommendations and for this purpose it was empowered to go into all matters connected with the working of the Co-operative institutions. In the words of the Minister the Committee has to give a new " Orientation " to the movement. The questionnaire issued by the Committee was no doubt a very exhaustive one covering a very wide field. But from the point of view of non-official employees there was only a scant reference to their welfare. Though originally the questionnaire was not sent to those connected with the Provincial Non-official Co-operative Employees' Association to ascertain their views, yet latterly on the Association presenting a memorandum to the Committee the President of the Association was permitted to give his evidence before the Committee in September last for improving the service conditions of the employees. The Committee has since concluded its sittings and their final recommendations are expected to be published

shortly. It is therefore time for us now to draw their attention to all that we have to say regarding our future welfare and communicate to them for their final consideration our just demands by means of resolutions passed in this Conference after careful deliberations. Let us not be disheartened at the change in the personnel of the Government. Whatever form of Government there may be, we as the non-official employees connected with a nation-building department of the Government have to put forth our demands before them and I think, they are sure to receive the best consideration so long as the demands are just and reasonable.

During the current year our Association has done substantial work in trying to seek redress of our grievances. Besides presenting a memorandum to the Minister narrating the grievances of the employees in the matter of the service conditions and giving suggestions to improve and stabilise the service conditions, a deputation of some non-official employees also waited upon him. Another memorandum has also been presented to the Committee on Co-operation. The President of the Association has given evidence before the Committee. Responsible members of the Association have also had many interviews with prominent members of the Committee and the Registrar of Co-operative Societies. As a result of all these activities we have been promised much help and support. It only remains for us now to strengthen our organisation and present a united front.

It will not be out of place here to deal in brief the necessity to organise ourselves. It is only by the employees organising themselves into an association that they were able to represent their grievances with so much force as would enlist the sympathy and consideration of the Minister. In order that the movement may progress on safe and sound lines under the control and supervision of the non-officials, it is absolutely necessary that those employed by non-official agencies to carry on the movement, should be made to feel that their interests are safe in the hands of the non-official employers and that they should be treated as co-workers working for the attainment of a common cause. All these can be achieved only through organisation on the part of the employees. The organisation should be used both to protect their interests as well as to ensure the due discharge of their obligations to the institutions which they serve and to the movement in general. If we only copy the spirit of the Trade Unions without their threat of strikes and other things we are bound to succeed in our efforts.

The conduct of the co-operative movement by non-official employers on right lines is of vital concern to the employees, for on that depends their bread and butter. Only if such a harmony is established between the employer and the employee both working in close association as brothers engaged in a common cause the non-officialisation of the movement can be said to be complete and thorough. Good conditions of service produce best results from the employees and that any additional charge incurred in providing decent service conditions will be amply compensated by devoted and conscientious service giving excellent results. Suggestions for the betterment of conditions of service have already been placed before the Government for favour of consideration and I think it is unnecessary to catalogue them here.

Let us appeal to the employers and the Department to afford all facilities for the organisation of the employees and for their agitation for the attainment of their just demands. I would also appeal to the employees to be just in making their demands and strive to achieve the same with courage and conviction.

Our demands have already been presented and therefore it is now necessary for one and all of us to strive to our utmost capacity in all possible ways to gain our ends. There should be union and co-operation among us in doing this task and as true co-operators believing in maxims like "Union is strength" and "all for each and each for all" we should show that all of us will follow the same principles of co-operation.

Proceedings of the III Madras Provincial Non-Official Co-operative Employees' Conference held at Tanjore on 25—12—39.

Resolutions.

1. This Conference thanks the Congress Ministry for having offered the opportunity for the Non-Official Co-operative Employees to ventilate their grievances and requests the Government to take a progressive view with a view to ameliorate the conditions of service of the Non-official Co-operative Employees.

Passed unanimously.

2. This conference requests the Committee on Co-operation to make suitable recommendations to safeguard the interests of the employees in due discharge of their duties. This conference further requests the Registrar to issue draft by-laws to be framed under Rule II U (u) and insist upon their adoption by all the co-operative institutions employing the paid staff and impress upon them the need to ensure satisfactory service conditions in co-operative institutions.

Passed unanimously.

3. This conference while thanking the 23rd Madras Provincial Co-operative Conference for having referred to the executive committee of the Provincial Co-operative Union the matter of enquiring into the service conditions and disabilities of the non-official co-operative employees and suggest suitable methods to redress their grievances for adoption by various co-operative institutions and urges that provincialisation on the lines mentioned below is necessary to ensure an efficient and contented non-official co-operative service.

(i) Types of societies to be included under the provincialisation scheme; Central Banks, Urban Banks, Stores and Land Mortgage Banks.

(ii) The provincialisation should be for all the employees of the four types of societies mentioned above.

(iii) Appointment:—to be with the respective institutions from among the persons mentioned in a list to be prepared by a provincial authority (to be formed).

(iv) Promotions to be given by the respective institutions subject to an appeal to the provincial authority.

(v) Transfer to be made by the provincial authority at the request of the employer or employee.

(vi) Retrenchment and cut in salaries:—there should be an appeal to the provincial authority.

(vii) Suspensions, dismissal and reversion:—Suspension up to 30 days to be in the hands of the respective institutions and for periods exceeding 30 days there should be an appeal to the provincial authority. During the period of suspension some subsistance allowance to be given to the employees. Reversion and dismissal to be in the hands of the respective institutions subject to an appeal to the provincial authority.

(viii) Scale:—With regard to the scales of pay of the officers of the institutions namely Secretaries, Managers, Executive Officers and Accountants in the upper grade, the scales are to be fixed by the provincial authority, in consultation with the respective institutions. For this purpose the institutions may be classified into three categories according to their transactions. As regards the scales of pay of the other members of the staff, such as clerks and supervisors the scales are to be fixed by the respective institutions. The minimum pay should be Rs. 30 and there should be graded scales with annual increments.

This conference further requests the Executive Committee to expedite action on the said resolution of the provincial conference on the above lines.

Passed unanimously.

4. This conference views with alarm the drive for retrenchment initiated in the various co-operative institutions. It finds that in any situation calling for economy the employees' salaries alone are forming the main target of attack. This conference feels that a contented non-official co-operative service is the essential requisite for the successful working of the movement and calls upon the various co-operative institutions to restore cuts and put an end to the policy of retrenchment.

Passed unanimously.

5. This conference finds that in many co-operative institutions there are no grades fixed and no adequate salaries paid. There are

other instances where increments are given with no settled or accepted principles. This conference therefore calls upon all the co-operative institutions to provide adequate grades and salaries and allow increments to be drawn automatically on an annual basis and pay the field staff adequate scales of T. A.

Passed unanimously.

6. This conference feels that the following minimum demands are necessary to ensure any efficient non-official co-operative service.

(1) Provincialisation of the entire non-official co-operative staff as mentioned in Res. No. 3 above.

(2) Security of service and laying down a procedure to be impartially followed invariably in all cases where deciplinary action is to be taken against any employee.

(3) To make the non-official co-operative service as far as possible a closed service providing for the various higher posts to be filled up by promotion of the employees in the respective institutions or those in the district or province.

Passed unanimously.

7. This conference feels that the power now exercised by the Registrar in cancelling the certificates of the employees in non-official co-operative service is liable to grave abuses and requests that the said power should be withdrawn.

Passed unanimously.

8. This conference is aware of the large number of persons whose services are terminated on the specious plea of retrenchment and the Provincial Association is requested to prepare a list of such persons and send it on to the various institutions, so that preference may be given to them in the matter of filling up vacancies as would arise.

Passed unanimously.

9. This conference requests the various co-operative institutions to recognise the district centres of the Provincial Non-official Employees' Association as the exponents of the interests of the employees and to consult the district centres and the provincial association in all matters connected with the service conditions, pay and prospects of the non-official co-operative employees.

Passed unanimously.

10. This conference finds that Sec. 51-I of the Act operates merely to recover losses from the employees in all cases of alleged losses due to the employees' neglect and that in all cases of actions of employers involving hardships to the employees the employees in service will not be in a position to file references under the above section. This conference therefore, feels that association of employees be recognised as

parties competent to make references under the above section in all cases of reported grievances of employees.

Passed unanimously.

11. This conference requests the Government to exempt the employees of institutions who have put in 5 years of service from undergoing training.

Passed unanimously.

12. This conference finds that in some districts the pay, prospects and increments of the field staff are made to depend on the income of unions or on the amount at credit in the district supervision fund. This conference feels that this state of affairs causing uncertainty and insecurity of field staff should be put an end to and that the claims of the field staff for adequate salaries, grades and allowances should be a charge on the general funds of the financing banks.

Passed unanimously.

13. This conference demands:—

(1) Introduction of provident fund rules for the employees, the employees to contribute 1/12th of their pay every month and the employers an equal amount.

(2) Introduction of leave rules on the lines of the local board rules and the rules to be administered liberally.

(3) The employees should be given all facilities for organising associations and attending conferences and for making their legitimate demands.

Passed unanimously.

14. This conference requests the Co-operative institutions to discontinue the practice of taking in departmental men on deputation, so as to enable the non-official employees to be promoted to higher posts.

Passed unanimously.

Letters to the Editor.

Dear Sir,

SUBORDINATE SERVICES IN CO-OPERATIVE INSTITUTIONS.

During the 23rd session of the Provincial Co-operative Conference, it was stated by some delegates that conditions of service of the employees of the Co-operative Institutions are most deplorable and appalling instances of injustice were cited. The Provincial Conference passed a resolution for enquiry into the matter and requested the Committee to enquire and formulate general rules of service.

Under these circumstances, I think it will be of interest to know that there are at least some Banks which treat their subordinates differently. Here follows how the Tinnevelly District Co-operative Central Bank Ltd., treats its subordinates.

The Board of Management have framed the following rules (important quoted below) in connection with the services of the subordinates:

1. Casual leave for 15 days in a year.

2. For 11 months of uninterrupted service one month privilege leave.

3. Medical leave on half pay as follows:

Upto 2 months for a total service of 3 to 5 years

3	Do.	5 to 7 ,,
4	Do.	7 to 10 ,,
8	Do.	10 to 15 ,,
12	Do.	15 to 20 ,,
18	Do.	above 20 ,,

4. *T. A. on tours.*—Daily allowance of Rs. 0-10-0 per day and actual train fare or bus fare and mileage of Rs. 0-1-0 per mile where train and bus are not available.

5. Daily allowance for peons Rs. 0-6-0.

6. Joining time of 7 days allowed for transfers.

7. *Transfer T. A.*—Single 3rd class or bus fare for self and one extra fare for each adult member of his family and half fare for child. Luggage charges are also allowed.

8. Both indoor and outdoor staff are in the same grade of pay. Rs. 30—1½—55.

9. Secretary empowered only to award black marks and fine upto Rs. 2.

10. President empowered to fine, promote, reduction of pay, reduction of grade, sanction and stoppage of increment, suspension, transfer and in urgent cases appointments.

(*N.B.*—Here the President generally places all his orders before the Committee.)

11. Committee. To appoint, remove and dismiss.

12. Employees of the Bank on entertainment to be on probation for one year and afterwards, if found satisfactory, to be confirmed.

13. Staff provident scheme was introduced and working to the benefit of the employees and the Bank contributes equal amount of employees' contribution.

Only after 21 years from the date of starting of this Bank, there was an occasion when the Committee had the painful duty of dismissing an employee and that too when he was on deputation to an Urban Bank. Charges were framed both by the Department and the institution concerned. The charges were of such a nature, that even the Government had to interfere in the matter. Even though charges were framed by the institution, in which he served, the same were communicated to the individual, his explanation was got, and full opportunity was given to him to explain himself and only after that, the Committee came to the conclusion.

On one occasion, a former Secretary of this Bank, a Senior Inspector of Co-operative Societies on deputation, framed serious charges against a Supervisor. The matter came before the Committee with the recommendation for dismissal. The Committee found that the Supervisor was given no chance to give his written statement and only oral statement was compulsorily recorded by the Secretary. The Executive Committee returned the file directing the Secretary to obtain a written explanation from the Supervisor, to leave the option to the Supervisor to represent orally and to give full access to all official records connected with his charges. He was also given the privilege of appearing before the Committee if he so desired and represent matters if necessary. The matter came before the Committee and they found that the matter was not so serious and let him with a minor punishment.

There were two occasions when the Bank had declared bonus for its staff when there was enormous profits to the Bank. Arrangements are being made for starting a Staff Club for indoor staff and a circulating library for outdoor staff.

Our Bank will be willing to adopt any new proposal that may be framed by the Committee which may be in the interest of the services since the Bank believes that a contented service is a guarantee for the successful working of the institution as well as the movement.

Yours truly,

R. V. CHOCKALINGAM,

Vice-President, The Tinnevelly District Co-operative Central Bank Ltd., Tinnevelly.

Reviews.

The Madras Handloom Weavers' Provincial Co-operative Society.

The President and the Board of Directors of the Madras Handloom Weavers' Provincial Co-operative Society, Ltd., deserve to be congratulated on their successful working of the Society through another year. It has 143 weavers' societies which are now working as productive societies instead of doing more or less credit business as before. It has also as its members, individuals, firms, co-operative central banks and other societies and institutions. During the last two years it collected over Rs. 20,000 of share capital. Still there is need for more capital.

The Society has been able to do good work on account of the liberal subsidy of Rs. 68,000 granted by the Government of India. The Government also have been pleased to allow the society to utilise the unspent balance of subsidy of previous years instead of considering it as lapsed and have further permitted the utilisation of Rs. 30,000 as working capital out of a lakh and odd now available.

The Provincial Society has been helping primaries by getting them yarn from mills at wholesale rates on the strength of its own guarantee. It is further giving cash credit loans to primaries to enable them to purchase raw materials and to pay wages to its members. We are glad to note that the Provincial Society's help is mostly confined only in the initial stages. It is advising societies to seek further help from Co-operative Central Banks, which at the end of the year have in all advanced over Rs. 90,000 to the primaries.

The real problem is marketing and they have established a number of depots and we are glad to note that co-operative institutions are willing to extend their support by purchasing goods from these societies.

The calendering and finishing plants with costly machines have been installed in the building constructed for the purpose in the compound of the Government Textile Institute, Washermanpet, Madras, and primary societies are advised to send their goods for being calendered and finished here.

The Provincial Society is employing the services of a cloth designer and supervisor of dyeing, besides ten production supervisors. They have also executive officers to attend to marketing work and also supervision of affiliated societes.

It would be pleasing to our readers to note that by means of its affiliated societies 18,000 persons are afforded means of subsistence. In Salem since Prohibition has been introduced, weaving societies have been doing better business. Compared with other provinces we stand first with regard to number of societies, total number of members, share capital,

working capital, total profits and sale of finished goods though we do not stand first with regard to the amount of Government subsidy.

It is a mattar for gratification that the Provincial Government has recommended to the Government of India that the subsidy given should be extended for another period of 5 years. In the normal course of things the period of subsidy ends with October 1939 and it has been extented up to 31st March 1940. We hope that the Government of India will favourably consider the claims of the Madras Provincial Society in the light of the good work it has been able to do during these 3½ years.

S. K. Y.

II

The Madras District Co-operative Labour Society, Ltd.,

This is a unique institution in the city. It is true that in the moffusil there were certain labour societies and some of them as the one at Tanjore did good work some time ago. But those societies consisted mostly of unskilled labourers under the guidance of some co-operative enthusiasts. The Madras Society, however, consists of skilled labourers, masons, carpenters, painters, etc. and though there are 14 helpers who hold responsible positions in the Society and guide its activities yet in point of members the Society is almost a labourers' society. We are glad to note that it employed 380 artisans and workmen (332 men and 48 women) and paid to them wages to the extent of about Rs. 20,000. During the year under review it finished 7 buildings whose estimated value exceeds Rs. 70,000 and started 5 others, estimated value of which is over Rs. 50,000. It also did some minor work to the tune of about Rs. 2,000.

The Society has not much share capital. It gets no subsidy from Government. It works with advances from its constituents and by getting materials on credit from suppliers.

Net profit earned was about Rs. 2,500 which works at 3.4 per cent of the cost of work executed. This is certainly a very slight margin and it is due to unhealthy competition. We are glad to learn that the Society was able to pay not only a dividend of 6¼ on share capital; but also a bonus of 16 pies per rupee of wages paid to labour members during the year.

Labourers would, we hope, be shrewd enough to realise that if they become members of this Society and do work they not only get their wages, but the surplus profit which usually goes to a middleman comes back to them as bonus. We hope some effective propaganda will be done this year and membership increased so that the benefit of co-operation becomes available to a larger number of workmen. The Board of Management of this Society deserve to be congratulated on its successful working.

S. K. Y.

III

The South Kanara Agriculturists' Co-operative Wholesale Society, Ltd., Puttur, South Kanara.

The South Kanara Agriculturists' Co-operative Wholsale Society, Ltd., deserves to be congratulated on its successful working during the co-operative year ending 30th June 1939. There was a healthy increase under every item, number of members and the number of shares held by them, paid-up share capital, the amount of loans advanced to members on the pledge of produce, etc. But in spite of this increased business the net profit shows a decrease from Rs. 2,552 of last year to Rs. 2,375 during the year under review.

The main transaction of storing of Agricultural produce of members and selling it in the open market is done at the Society's godowns in the Mangalore Bunder. But it has got 3 other branches and 17 depots which collect the agricultural produce and transmit it to Mangalore.

There is a legacy of bad debts which the report explains as a relic of the past when the society functioned purely as a credit society, but the Reserve Fund is more than enough to cover the entire everdues and hence the position of the society is financially sound. The Society has started the healthy practice of buying at Mangalore, at wholesale rates, articles required by its constituents in the moffusil and transacted business to the extent of Rs. 24,000 in this line. We hope the Society will develop this branch of its activity and become more and more serviceable to the agriculturist not only in selling his articles in the open market at a favourable rate but getting his requirements at wholesale rates and thus enable him to save both as a producer and as a consumer.

S. K. Y.

IV

The Kurnool Urban Co-operative Credit Bank, Ltd.,

This Society recently celebrated its Silver Jubilee though the Institution having been started in 1909 was entitled to have it celebrated even 5 years ago. Sir T. Vijayaraghavachariar, President of the Committee on Co-operation presided ever the function and Mr. K. Abdul Rahiman Khan, a member of the Committee, delivered the commemoration lecture.

From the statement regarding the progress of the Bank during the last 30 years published as appendix V in the Silver Jubilee Volume we see that the Bank has been progressing steadily in its membership and paid-up share capital, the Reserve Fund and the working capital. The net profit shows a tendency to fluctuate.

It is worthy of note that the town of Kurnool has 47 per cent. of its population Musalmans, and the Hindus and Musalmans are to be found on the Board of Management working harmoniously together as brothers. Mr. Vijayaraghavachariar in his address repeated the appeal he made in Madras

to the younger generation to get themselves recruited in the service of this great nation-building department. Mr. Abdul Rahiman Khan examined some of the charges that are usually brought against urban banks and pleaded for development of the Bank on healthy lines in these days when all attention is turned on Rural Development mostly. We congratulate the Bank on its healthy growth and useful activity and wish it more and more success in the years to come.

S. K. Y.

V

Sree Nataraja Agricultural Co-operative Colonisation Society, Ltd,

Readers of our Journal would be glad to know that this society had a successful working during the co-operative year 1938-39. The Society consists of educated-unemployed who colonise a tract and carry on agricultural operations there with the help of some subsidy given to them by the Annamalai University. This is the second year of the Society's working and the number of members rose from 12 to 19. The Society issued loans to its members to the extent of over Rs. 1,000 and collected from the sale proceeds during the year the small sum of about Rs. 60. The Society worked at a net profit of Rs. 15-5-0 during the year.

The report does not tell us anything as to whether the land cultivated by the graduates with the technical help of Agricultural Maistries under the guidance of Agricultural Officers was able to produce better harvest than the land cultivated by the ordinary peasants in the time-honoured method. Nor are we given details about the cost of agricultural operation, whether it was the same thing as in the case of ordinary peasant or more. It is these things that will throw a great light on Agriculture as a paying profession. This pioneering attempt deserves encouragement and would be watched with interest by all students of sociology.

S. K. Y.

News and Notes.

Under the auspices of the Hon'ble Mr. V. Ramadas Pantulu, the veteran co-operator of our Presidency the Tiruchengode Co-operative Stores, Ltd., commenced its work with zeal and enthusiasm on the 21st of January last. An influential directorate was formed and forty members were admitted with a paid-up share capital of Rs. 400. Mr.Ramadas Pantulu delivered an interesting lecture on Stores Movement both in India and abroad and exhorted the newly elected Directors and the other members to be much interested in the conduct of the Stores and to be steady during both the ups and downs of the Stores.

* * *

We are glad to note that the Kuttalam Co-operative Stores, Ltd., passed the second successful year of its working. The number of members on the role at the end of the year was 110 as against 68 at the end of the previous year and the paid-up share capital rose from Rs. 276 to Rs. 369. The Society's working was based solely on deposits obtained locally during the year and the transactions resulted in a net profit of Rs. 482-8-0. Out of this amount a sum of Rs. 120-10-0 was carried to the Reserve Fund leaving a balance of Rs. 361-14 0 as dividend available for distribution.

* * *

An Agricultural Exhibition was arranged at Tirucadayur, Tranquebar, on the occasion of the Sankabishekam festival The exhibits on show were collection of improved strains of different crops, modern agricultural implements and tools, poultry and bee-hives. Mr. M. Anantan, Assistant Director of Agriculture, Cuddalore, addressed a public meeting explaining clearly the need for and advantages of adopting improved methods of agriculture.

* * *

A Thrift Society for the benefit of cobblers of Ottupatrai, a suburb of Coonoor, was organised by S. R. Subramania Aiyar. With a view to enable them to get the necessary funds for starting a Co-operative Purchasing Society later on, through which leather could be purchased cheaply, hundi collections are being made.

* * *

A Ryots' Conference was held on the 17th of December last at Asokapuri, a village six miles from Villupuram, and Mr. S. Sreenivasa Iyengar presided over the occasion. In doing so he deprecated the present system of the Government affording scanty facilities to the ryots to improve their lands and suggested the purchase of small holdings by the Government from pattadars cultivating the land on a co-operative basis.

* * *

Khan Bahadur Sheriff Ahmad Ali, Collector of North Arcot, had the pleasure of declaring open an interesting Rural Uplift Exhibition organised at Wallajah in connection with the Rural Uplift School. There was also an exhibition of poultry under the direction of Mr. J. J. Devalois and a moving

picture on Indian and American Agriculture was put on screen. The Co-operative, Agriculture, Health and Veterinary Departments also participated.

* * *

The Co-operative Department of Chittoor organised another Rural Uplift Centre at Gangadharanelloore village, six miles off from Chittoor. Khan Bahadur Javad Hussain, District Collector, inaugurated the School and Mr. W.O. Newsam, I.C.S., District Judge, presided over the function. Mr. S. Neelakantan, Deputy Registrar of Co-operative Societies, who spoke on the occasion said that manufacture of indigenous malts from cholam and ragi, biscuit making, paper manufacture, poultry farming, hand-pounding of rice and spinning were the main industries that were being sought to be developed in the centre. The Collector was pleased to note that this was the eighth Rural Uplift Centre opened in the taluk and said that Chittoor taluk had become characteristic of Rural Uplift Movement

* * *

It is reported that in the Central Provinces the advent of the new year, 1940, was marked with the extension of Prohibition to 3 districts namely Buldana, Chanda and Raipur districts. In this connection a message from Raipur states that a big procession was taken out with an effigy of "Drink Devil" which was afterwards burnt away.

* * *

Speaking recently on 'Problems of Rural Reconstruction' at Y.M.C.A. Hall, Madura, Mr. K. G. Sivaswamy of the Servants of India Society said that small holders required a multi-purpose organisation to give them all possible assistance in their occupation. Their debts, he stated, had to be discharged, money-lending had to be controlled, the sources of livelihood of the peasant proprietor had to be exempted from attachment and suits against agriculturists and farms of mortgages had to be regulated so as to minimise sale of land for debts.

* * *

Information is to hand that milking competitions for cows and buffaloes have been added to the programme of the All-India cattle show that will be held from 12th to 17th of February 1940 at New Delhi. Medals and cups will be awarded and the estimated amount that will be disbursed in cash prizes is Rs. 17,000.

* * *

The need for the organisation of Co-operative Stores to enable people to get food at reasonable rates was stressed by Mr. K. Muthukrishna Nayudu, Deputy Registrar of Co-operative Societies, Cuddapah, at a public meeting held recently at Cuddapah Town.

* * *

In order to keep down prices and prevent profiteering, the Registrar of Co-operative Societies and Director of Rural Development, Bombay, suggested that salary earners' societies, urban credit societies and banks should make joint purchases of the domestic requirements on an indent basis.

It is pleasing to note that a vow that they will not take toddy or any other intoxicant was taken by over 100 villagers, including Harijans, of Sundararjapuram, a village near Madura, on 6th January last. Dr. N. Sankarlal of that place, it is said, fed on that day about 350 poor people and presented clothes to some of the poor Harijans.

* * *

A training class in Co-operation which will last for about three months was started with 52 students on 15 January 1940, at the Co-operators' Home, Mysore, under the auspices of the Co-operative Institute, Bangalore. Prof. C. R. Narasimha Sastri of Mysore University addressed the students on the occasion on co-operation, thrift, loyalty and allied subjects.

* * *

It is reliably learnt that the Madras Government have, for the present, abandoned the proposal to promote the Health Co-operative Societies. Detailed examination of the scheme which was taken up for scrutiny last year revealed to the Government that the proposal would involve duplication of work already being carried on by some Panchayats.

* * *

Mr. P. M. Kharegat, I. C. S., Vice Chairman of the Imperial Council of Agricultural Research, performed the pleasant function of inaugurating the Honey Week on 18th of January last at Insectary, Agricultural College and Research Institute, Coimbatore. Mr. C. Cherian, Government Entomologist, in requesting Mr. Kharegat to inaugurate the week said that bee keeing provided a useful subsidiary occupation to the ryot and a profitable cottage industry. Bees, he pointed out, would also help Agriculture indirectly as they serve as good agents for pollination. Mr. Kharegat stressed the need to make the people of India honey-minded and that villagers should be educated to take bee-keeping on a large scale.

* * *

Q. Is the paying of high dividends by stores the better way to make loyal co-operators?

A. No. Education that will give the members social vision is being more and more regarded as the better way.

(*From the Maritime Co-operator*)

* * *

Before March 31, 1940, the C. W. S. will have ploughed up 860 acres of grassland on its various estates as a contribution to the "grow more food" campaign under the Government subsidy scheme for additional acreage brought under the plough.

(*From the Co-operative News*)

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Judgment.

I

IN THE HIGH COURT OF JUDICATURE AT MADRAS.

Monday, the 17th day of July, 1939.

Present:—THE HONOURABLE MR. JUSTICE WADSWORTH.

Appeal against Order No. 307 of 1938.

MUGI SUBBAIYA ... *Appellant (2nd Defendant).*

1. RAVULCHEREVU THIPPA REDDI,
2. DEPUTY REGISTRAR OF CO-OPERATIVE SOCIETIES, ANANTAPUR, LIQUIDATOR OF RAVULCHERUVU CO-OPERATIVE SOCIETY.

} *Respondents (plaintiff 1st defendant.)*

Appeal against the order of the District Court of Anantapur dated 28-3-1938 and made in A.S. No. 125 of 1937, preferred against the decree of the court of the District Munsiff of Anantapur in O.S. No. 62 of 1937.

The appeal coming on for hearing, the Court delivered the following Judgment:—

This appeal arises out of a suit to set aside a sale held by the Deputy Registrar of Co-operative Societies as liquidator of a Co-operative Credit Society. The grounds upon which the sale was sought to be set aside are substantially the failure of the selling officer to follow strictly the procedure laid down in the Rules under the Co-operative Societies Act. The suit was dismissed by the trial Court on the grounds that the Civil Court has no jurisdiction to entertain such a suit for a remedy in respect of which a special machinery has been provided by the Act, and also because by reason of Section 48 of the Madras Co-operative Societies Act whereunder the suit would not lie without the leave of the Registrar. The learned District Judge has reversed the trial court on both these grounds, holding that the jurisdiction of civil courts cannot be taken away unless it is expressly excluded by the statute in question and that section 48 has no application because the bringing of properties to sale in execution of a decree or an award is not part of winding up of the society.

It seems to me that the decision of the learned District Judge is demonstrably wrong on both these grounds. In the first place the authorities which the learned District Judge quotes for the view that the jurisdiction of the civil court is not ousted unless it is ousted by the express terms of the statute propound precisely the contrary proposition and the fact that jurisdiction may be ousted by the necessary implication seems to follow from the words of Section 9 of the Civil Procedure Code which are to the effect that courts shall have jurisdiction to try all suits of civil nature except suits of which their cognisance is either expressly or impliedly barred. All the cases to which I have been referred recognise that the jurisdiction of the civil courts may be ousted by necessary implication when a special statutory machinery has been set up and that the ouster need not be express. As to the reason for not applying the bar under Section 48, the learned District Judge has overlooked the fact that through this suit has been filed nominally against the liquidator, it is in fact against the liquidator as representing the society and such being the case, the second portion of the section 48 will apply and the suit will not lie without the leave of the Registrar.

This is sufficient to dispose of the appeal, but as the more important question of the jurisdiction of the civil courts has been argued at length, it is desirable that I should say a few words upon it. The facts are that the plaintiff borrowed money from the society and mortgaged properties as security for the loan. When the society was in liquidation, the liquidator having got a decree against the plaintiff, in execution of that decree through the agency of the Co-operative Department sold the properties to the present appellant, the 2nd defendant in the suit, on 10th September, 1936. Under the rules framed under the Madras Co-operative Societies Act special procedure is prescribed whereby a person whose property has been sold can, by taking action within 30 days of the sale, establish before the Registrar his right to have the sale set aside on the ground of irregularity, mistake or fraud by a procedure almost identical with that prescribed under Order XXI of the Civil Procedure Code. The plaintiff took no such action but on 12th March 1937, that is to say, some five months after his remedy under the statutory Rules was barred, he filed the present suit. The plaint is not drafted as if the plaintiff were merely seeking the common law remedy against a trespass by an unauthorised person upon property to which he was entitled. It is drafted just as if the plaintiff had a right by statute to contest in the civil courts the regularity of the sale on the ground that the statutory formalities had not been complied with, that is to say, the plaintiff seeks to call in aid the civil courts to procure a remedy which would have been hopelessly barred if sought in the tribunal specially designated by the statute for that purpose.

The general principle is well established and has been repeatedly laid down by the courts that where by statute powers have been given to any person for a public purpose, by which powers an individual may receive injury, if the mode of redressing the injury is pointed out by the statute the ordinary jurisdiction of the civil court is ousted. Another way of putting the same proposition is that where the statute creates a new offence or gives a new right and prescribes a particular penalty or special remedy, no other remedy can, in the absence of a contrary intention, be resorted to. And it is well established that the exclusion of the civil courts' jurisdiction by the creation of a special machinery before a special tribunal need not be express but may be by necessary implication. The cases to which I have been referred are Iswara Nada Bharathi Swami *versus* Commissioners H. R. E. Board, 12 Mad. 105, Ramachandra *versus* The Secretary of State, 54 Mad. 928, Bhai Shankar *versus* The Municipal Corporation of Bombay, 31 Bom., 604, Ramayyar *versus* Vedachella, 14th Mad. 441, Zamindar of Ettayapuram

versus Sankarappa Reddiar, 27 Mad. 483, Municipal Board Bareilly *versus* Abdul Aziz, A. I. R. 1934 Allahabad 795, Mohideen Pichai *versus* Tinnevelly Mills Co., A.I.R. 1928, Mad. 571, Nataraja Mudaliar *versus* Municipal Council, Mayavaram, 36, Mad. 120, Deva Singh *versus* Fazal Dad, A.I.R. (1928) Lahore 562, and the Full Bench decision of the Rangoon High Court under the Burma Co-operative Societies Act reported in Dey *versus* Bargalee Y. M. C. A. Society A. I. R. (1938) Rangoon 392. All these rulings follow well known English cases, the validity of which has never been doubted. On the other hand Mr. Raghava Rao for the respondent quoting Varadachariar, J. in Kumaraja Pandiya Naicker *versus* The Secretary of State for India in Council, 69, M.L.J. 695 at page 700 relies on the opposite proposition that where a person's liberty of property is interfered with under colour of statutory powers, he has a cause of action which the civil courts are bound to entertain unless a bar to such entertainment has been enacted expressly or at least by necessary implication. It is argued that there is no express exclusion of the civil courts' jurisdiction to decide on the validity of a sale by a Co-operative Registrar and that the absence from the rules under the Co-operative Societies Act of a provision similar to that found in O. XXI, R. 92 (3) is an indication that no such ouster of civil courts' jurisdiction should be implied. It seems to me that the last argument has very little force, for we are not concerned here with the power of the courts to question the decision of the Registrar on a dispute regarding the validity of a sale. We are concerned rather with the alleged right of the debtor to ignore the machinery provided by the Act and seek to question the sale in the civil courts by alleging statutory irregularities at a time when the remedy provided by the Act would be time barred. In the case just referred to Varadachariar, J. does not question the validity of the proposition that when a quasi-judicial machinery is set up by the statute for remedying injuries alleged to have been caused by the exercise of powers conferred under the statute, ordinarily it will be implied that the civil courts' jurisdiction to give the same remedy will be ousted. What the learned does in the particular case is to distinguish between an executive machinery and a quasi-judicial machinery and to point out that the ouster of the civil courts' jurisdiction will not be informed merely because of the setting up of a right of appeal to a purely executive authority. Under Rule 22 framed under the Co operative Societies Act the machinery which is prescribed for setting aside a sale on grounds of irregularity, fraud etc. is definitely a machinery of a judicial nature functioning under rules precisely similar to those by which the courts are bound under O. XXI of the Civil Procedure Code and apart from the fact that there is some curtailment of the rights of appeal presumably with a view to economy and despatch of business, there is nothing in the procedure before the Registrar which can be regarded as less judicial in its character than the procedure before the District Munsif in contesting sales in execution. Quite clearly this is a case in which the plaintiff has, with his eyes open, brought himself within the ambit of the special statute in order to enjoy the special facilities thereby created for borrowing money and has put himself and his property within the reach of the machinery created by that statute for the enforcement of the repayment of loans. If he has a grievance arising out of the way in which that machinery has worked, the remedy is the one indicated by the rules under the statute. That remedy he has not chosen to adopt and he cannot, when his legal remedy is barred, try to achieve the same result by filing a suit in the courts requiring the courts to exercise a jurisdiction which the statute itself does not contemplate and which is inconsistent with the scheme of the Act.

In the result therefore I allow the appeal and dismiss the suit with costs throughout. The costs in appeal will be payable by the 1st respondent-plaintiff.

(Sd.) S. SRINIVASA AIYAR,
7—8—39.
Assistant Registrar.
Appl. Side.

II

IN THE COURT OF THE DISTRICT JUDGE OF NORTH ARCOT, VELLORE.

Present: P. RAMALINGAM ESQ., BAR-AT-LAW,
District Judge.

Monday, the 23rd day of October 1939.

Appeal No. 271 of 1938.

MUHAMMAD AMIN SAHIB ... *Appellant.*

AGAINST

THE TIRUVANNAMALAI CO-OPERATIVE SOCIETY BY ITS SECRETARY M. S. SESHACHALAM IYER ... *Respondent.*

On appeal from the order of the court of the District Munsif of Tiruvannamalai, dated the 31st day of August 1938 and made in R.E.A. 505 of 1938 in Original Suit No. 458 of 1932.

THE TIRUVANNAMALAI CO-OPERATIVE SOCIETY BY ITS SECRETARY M. S. SESHACHALAM IYER ... *Petitioner.*

AGAINST

(i) RAJATHI AMMAL, (ii) MUHAMMAD AMIN SAHIB ... *Respondents.*

This appeal coming on this day having heard on the 11th day of October 1939, in the presence of Mr. V. A. Nageswara Iyer, Advocate for the Appellant, and of Mr. U. Rangasami Aiyangar, Pleader for the Respondent having stood over this day for consideration, the court delivered the following judgment:

The appellant was the 2nd respondent in R.E.A. No. 505/38 in Original Suit No. 458 of 1932, on the file of the lower court. The petitioner (respondent herein) was the Tiruvannamalai Co-operative Society by its Secretary. The society got a mortgage decree in Original Suit No. 458 of 1932 on the file of the District Munsif's court, Tiruvannamalai. Subsequently the decree was not executed in Court, but under section 57-A of the Madras Co-operative Societies Act the Registrar proceeded to execute it, by attachment, and sale of the mortgaged properties as well as other properties belonging to the mortgagor. It is admitted, that the petitioner purchased the properties in auction but, when he attempted to take possession of the lands, other than the mortgaged lands, the two respondents in the lower court objected. The petitioner declares, that he got a good title to the lands, on account of the sale in execution of the mortgage decree, and he relies on the sale certificate, Exhibit A, issued in his favour.

2. The two respondents in the lower court, raised various contentions, namely, that the decree was not transferred to the court of the Registrar, under section 39 Civil Procedure Code, that the Registrar had no right to execute it, under section 57-A of the Madras Co-operative Societies Act, and that all subsequent proceedings in execution are void, and not binding on them. An objection was also taken, that the decree could not be executed against the lands other than the mortgaged lands, as no personal decree was obtained for the balance, after exhausting the hypotheca. It was finally contended, that the sale of lands, other than the hypotheca, is not valid and binding on the respondent, and that the petitioner is not entitled to take possession of the lands.

3. The lower court has overruled the objection, that the decree should have been transferred for execution, under section 39 Civil Procedure Code. I agree with the lower court, in holding, that the scheme of the Madras Co-operative Societies Act of 1932 gives complete powers to the Registrar to refer matters to arbitration, to make awards, and to execute decrees by attachment, and sale of properties, without referring to the civil court. Section 57-A, fully empowers the Registrar, to recover sums due to societies by attachment, and sale of properties. Section 57-A, Sub clause (*a*) empowers him to recover amounts due under decree, or order, of civil courts in this manner. There is no doubt therefore, that, after the passing of this Act, once the Registrar decides to take out execution himself, he is not bound to refer the matter to a civil court, at any stage, nor is any creditor society bound to apply for a personal decree, after exhausting the hypotheca, under order 34, rule 6 Civil Procedure Code. The provisions of the Act must be deemed to be entirely self-contained, and they suggest clearly, that the Registrar has full authority to execute awards, and decrees, in his own court, and through his agents, without going to the civil court.

4. But the lower court has upheld the second objection, taken by the respondents in the lower court, regarding the execution of the decree against the properties, other than the hypotheca. I consider that the finding of the lower court on this point is erroneous. If the decree was being executed in a civil court I have no doubt that objection could be taken, that it was only a preliminary decree, which was not executable, and that no final decree had been passed. Similarly objection could also be taken that it was not open to the decree holder to proceed in execution against the other properties of the judgment debtor, before he had exhausted the hypotheca, and had obtained a personal decree under order 34, rule 6 civil procedure code. There is, in fact, no provision for any elaborate procedure, under the scheme of the Madras Co-operative Societies Act, for the passing of a preliminary decree, and a final decree, in any claim, which has the characteristics of a mortgage suit, nor has any provision been made for passing a personal decree, after exhausting the hypotheca. The procedure is obviously intended to be much more summary.

5. So far as the present appellant, (2nd respondent) is concerned, there is the further objection, that he did not raise the objection before the executing officer, when he had ample notice that the sale of the properties (other than the hypotheca) was about to take place, nor did he take the objection, even after the sale was held, while it was pending confirmation. In these circumstances, I hold that the judgment debtor, appellant (2nd defendant in the lower court) is bound by the execution proceedings and the sale certificate issued by the Registrar, to the Co-operative Society, respondent herein, (petitioner in the lower court). As there was no cross appeal, so far as the first respondent (in the lower court) is concerned, it is not necessary for me to deal with the case, so far as they affect her.

6. In the result, the appeal fails, and it is dismissed with the costs of the respondent.

Pronounced in open court, this, the 23rd day of October, 1939.

(Sd.) P. RAMALINGAM,
District Judge.

(True Copy)

Circulars.

I

No. D. 9041/38-B.

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE
SOCIETIES, CHEPAUK, MADRAS.
Dated 6th December 1939.

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

CIRCULAR.

Subject :—Urban banks and credit societies—mortgage loans on the security of houses—Soundness of—Periodical verification—instructions issued.

Most Urban Banks and some of the other credit societies issue a fairly large number of loans on the security of houses. Usually, however, there is nothing on record in the societies to show that the houses continue to be in good condition and that they form adequate security for the loans outstanding from time to time. Ordinarily, they should be worth at least twice the amount of the loans outstanding on their security, as required under the by-laws. Unless this is ascertained, it is not possible either for the banks and societies or for the auditors to know whether these loans stand on good security. The question as to how best the interests of the banks and societies could be safeguarded in this respect has been under the consideration of the Registrar for sometime past. The Registrar considers that, in the first instance, the responsibility for keeping the security for the loans unimpaired should devolve on the borrower himself. To bring this home to him, it is desirable that the mortgagor himself is asked to furnish a certificate at the end of every co-operative year that the house mortgaged to the bank or society is in good condition and is worth at least twice the amount of the loan outstanding against him at the end of the year.

2. This safeguard alone, however, will not be enough; for it is open to the objection that a certificate furnished by a borrower cannot be relied upon, as all borrowers may not furnish correct certificates. The Registrar, therefore, considers that suitable provisions should be made for independently checking the correctness of these certificates. For this purpose, one or two directors (other than those who valued the houses in the first instance while sanctioning the loans) should be asked to countersign the certificates furnished by the borrowers, in token of their having verified it independently. There are, however, also cases of credit societies where the panchayat as a whole values the houses at the time of sanctioning the loans. In such cases, the general body may select a few members of the seciety, other than the panchayatdars, for this purpose. Directors or members deputed to verify the certificate of the borrowers should personally inspect

the properties before countersigning the certificates. As far as possible, attempts should be made to secure the services of men for this work free. In really necessary cases, however, they may be paid some conveyance allowance by the bank or the society concerned, from its general funds. If in any particular bank it is not possible to get suitable persons from among the directors or members for this purpose, the banks may secure the services of some retired officers of the technical Departments, *e.g.*, Public Works Department Officers or Municipal Overseers and pay them a lump sum for the services rendered. In any case, the guiding principle should be that the borrower is not made to pay for such annual revaluation, as it will unreasonably and unduly increase the cost of the loan. In their own financial interests, the banks and societies should get this done.

3. Where it is found on such revaluation that the security on which a mortgage loan is outstanding is inadequate, the borrower should be asked either to furnish additional security to make up the deficiency or to pay off a portion of the loan and thereby render the security adequate. If the borrower is not able to fulfil either of these conditions, the Committee should close such loans, even if no amount is overdue. Necessary provision should be made in the by-laws for this purpose, on the lines of by-law 44–A of the model by-laws of limited liability credit societies.

4. The Registrar has consulted the urban banks in the Province and finds that the consensus of opinion is definitely in favour of the suggestions made in paragraphs 1 to 3 above. All Deputy Registrars and Assistant Registrars are, therefore, requested to advise urban banks and societies in their jurisdiction which issue loans on the security of houses to adopt the above suggestions, by making suitable provisions in their by-laws.

II

No. D. 9578/39. B. *Madras dated, 11—12—1939.*

SRI RAO BAHADUR M. GIRIAPPA, B.A.,

Joint Registrar.

CIRCULAR.

Sub: Registration—applications for encumbrance certificates—procedure.

Ref: Joint Registrar's circular D. Dis. B. 9255/37, dated 23-2-38.

According to the instructions issued by the Inspector-General of Registration in his circular No. 33 Genl. dated 6-2-38, applications for encumbrance certificates from co-operative societies are accepted by Registering Officers, if such applications are accompanied by a certificate from the *Secretary* of the society concerned showing the specific purpose for which the certificate is required, and have the seal of the society affixed to them. In the case of societies in which paid managers discharge the duties of the 'Secretary' applications for encumbrance certificates cannot be accompanied by certificates from 'Secretary' as required by the Inspector-General's instructions. An instance was brought to the notice of the Registrar

where a registering officer refused to issue an encumbrance certificate on the ground that the application was not accompanied by a certificate from the '*Secretary*' of the bank. This difficulty was taken to the notice of the Inspector-General of Registration and he was requested to modify the instructions issued in his circular No. 33 General dated 6-2-38. He has accordingly issued instructions to all RegisteringOfficers in his order No. 758, General dated 29-11-39, to entertain applications from co operative societies which have no secretaries, if they are accompanied by certificates from the 'Manager' or 'other executive officer' of the society. Deputy Registrars and Assistant Registrars are requested to bring this to the notice of societies, wherever necessary.

(By Order)

G. CHANDRASEKARAN,

Manager.

13-12-'39.

List of Societies Registered in November 1939.

Srieal No.	Name of the Society.	District.
1	The Suravaram Co-operative Society ...	Vizagapatam
2	The Gujarathipeta Co-operative Society ...	,,
3	The Baguvalasa Co-operative Society ...	,,
4	The Tsandaluru Co-operative Society ...	,,
5	The Lakshminarayanapuram Society ...	,,
6	The Lakhanapuram Co-operative Society ...	,,
7	The Pedabuddidi Co-operative Society ...	,,
8	The Palass Co-operative Society ...	,,
9	The Deccan Sugar and Abkari Company Workers' Co-operative Thrift Society, Ltd. ...	East Godavar
10	The Ramachandrapuram Board National High School Students Co-operative Stores Ltd. ...	,,
11	The Antervedipalem Co-operative Credit Society ...	,,
12	The Geddanapally Co-operative Credit Society ...	,,
13	The Gunnapalli Co-operative Credit Society ...	,,
14	The Pekeru Settibalija Co-operative Credit Society	,,
15	The Kovvada Co-operative Milk Supply Society Ltd. ...	,,
16	Sri Jayalakshmi Co-operative Credit Society ...	,,
17	The Kovvur Board High School Students Co-operative Stores Ltd. ...	West Godavari
18	The Hanumanthapuram Agraharam Co-operative Society, ...	Krishna
19	The Nagayatippa Co-operative Society ...	,,
20	The Kuderu Co-operative Society ...	,,
21	The Sripuram Co-operative Society ...	,,
22	The Mallayapalem Muhammadan Co-operative Society ...	,,
23	The Vinjaram Co-operative Society ...	,,
24	The Jammavaram Co-operative Society ...	,,
25	The Narasimhasulagudam Co-operative Society ...	,,
26	The Chinnamodugapalli Co-operative Society ...	,,
27	The Karivirala Co-operative Society ...	,,
28	The Kokkiveru Co-operative Society ...	,,
29	The Nidubrole Edward Board High School Students' Co-operative Stores Ltd. ...	Guntur
30	The Guntur Co-operative Stores Ltd. ...	,,
31	The Sattenapalli Co-operative Stores Ltd. ...	,,
32	The Tenali Co-operative Stores Ltd. ...	,,
33	The Guntur Secondary Training High School Teachers Co-operative Stores Ltd. ...	,,

S. No.	Name of the Society.	District.
34	The Guntur District Fruit Growers' Co-operative Society, Ltd. ...	Guntur
35	The Ongole A. B. M. High School Students' Co-operative Stores Ltd. ...	,,
36	The Stone Housepet Jatka and Cartmen Co-operative Thrift Society Ltd. ...	Nellore
37	The Sugalimitta Co-operative Thrift Society Ltd.	Chittoor
38	The Chittoor District Co-operative Non-official Employees' Co-operative Society, Ltd. ...	,,
39	The Pallam Co-operative Credit Society ...	,,
40	The Cuddapah Co-operative Milk Supply Union Ltd. ...	Cuddapah
41	The Adoni Co-operative Sale Society Ltd. ...	Bellary
42	The Dharmasagaram Co-operative Society ...	,,
43	The Paryy's Cuddalore Agency Employees' Co-operative Society, Ltd. ...	S. Arcot
44	The Navalak Puliyamkannu Ediyar Co-operative Jaggery Society ...	N. Arcot
45	The Bathur Co-operative Jaggery Society ...	,,
46	The Sundarampalli Co-operative Jaggery Society	
47	The Natham Co-operative Jaggery Society ...	,,
48	The Kaveripauk Board High School Students' Co-operative Stores Ltd. ...	,,
49	The Trichinopoly District Board Servants' Co-operative Society, Ltd. ...	Trichinopoly
50	The Musiri Co-operative Stores Ltd. ...	,,
51	The Trichinopoly Urban Co-operative Stores Ltd.	,,
52	The Muruganeri Sengulam Co-operative Society	Madura
53	The Thevankurichi Kallupatti Co-operative Society	,,
54	The Madura-Ramnad Co-operative Wholesale Stores Ltd. ...	,,
55	The Naidupuram Milk Supply Co-operative Society Ltd. ...	,,
56	The Kodaikanal Co-operative Milk Supply Union Ltd. ...	,,
57	The Korappur Milk Supply Co-operative Society Ltd. ...	,,
58	The Sholavandan Board High School Teachers and Students Co-operative Stores Ltd. ...	,,
59	The Ammachiyapuram Adi-dravida Co-operative Society ...	,,
60	The Vaiyur Co-operative Society ...	,,
61	The Nagayakavandanpatti Co-operative Society	,,

S. No.	Name of the Society.	District.
62	The Kalari Co-operative Society ...	Ramnad
63	The Sengarpadai Co-operative Society ...	"
64	The Thinnappatti Co-operative Society ...	Salem
65	The Sri Venkatesa Mills Employees' Co-operative Stores Ltd. ...	Coimbatore
66	The Udamalpet Board High School Students' Co-operative Stores Ltd. ...	"
67	The Mangalore Gokuldas Milk Supply Society Ltd. Kundadka ...	S. Kanara
68	The Kundadka Co-operative Society ...	"

List of Societies Registered in December 1939.

1	The Tekkali Harijan Co-operative Society ...	Vizagaptam.
2	The Thatichetlapalem Co-operative Milk Producers' Society, Ltd. ...	"
3	The Waltair Co-op. Milk Producers' Society, Ltd.	"
4	The Ramamurty Pantulupeta Co-operative Milk Producers' Society, Ltd.	"
5	The Akkaiahpalem Co-operative Milk Producers' Co-operative Society ...	"
6	The Vizagapatam Co-op. Milk Supply Union Ltd.	"
7	The Ibrahimpatnam Jayalakru Co-op. Society ...	Krishna
8	The Vasavaji Co-operative Society ...	"
9	The Marrivadh Co-operative Society ...	"
10	The Rolampally Co-operative Society ...	"
11	The Gummididurru Co-operative Society ...	"
12	The Sobhanapuram Co-operative Society ...	"
13	The Pochavaram Co-op. Credit Society ...	"
14	The Radhakrishna Co-operative Society ...	"
15	The Dabbakupally Co-operative Society ...	"
16	The Achavaram Co-operative Society ...	"
17	The Edara Sree Anjaneya Co-op. Credit Society.	"
18	The Musunuru Sree Venkateswara Co-op. Society	"
19	The Chikkavaram Sree Setha Rama Co-op. Society	"
20	The Mavvapalem Sree Setha Rama Co-op. Society	"
21	The Royyur Co-operative Society ...	"
22	The Rudravaram Co-operative Society ...	"
23	The Ramireddipally Agraharam Co-op. Society ...	"
24	The Purushottapatnam Sree Setha Ramanjaneya Credit Co-operative Society ...	"
25	The Tempalli Co-operative Society ...	"
26	The Totapalli Co-operative Society ...	"

S. No.	Name of the Society.	District.
27	The Digevalli Seetha Rama Co-operative Society	Krishna
28	The Maddicherla Co-operative Society ...	"
29	The Tellapalli Co-operative Society ...	"
30	The Kothapally Co-operative Society ...	"
31	The Gudivada Co-operative Milk Supply Society ...	"
32	The Sri Rajah's High School Students' Co-operative Stores ...	East Godavari
33	The Tatiparti Weavers' Co-op. Sale Society, Ltd.	"
34	The Tadipralli Sri Seetharamachandra Co-operative Credit Society ...	"
35	The Narasaraopet Co-operative Stores, Ltd. ...	Guntur
36	The Kuhipudi Sri Saraswathi Co-operative Credit Society ...	"
37	The Nuzendla Co-operative Credit Society ...	"
38	The Mutyalammapadu Co-op. Credit Society ...	"
39	The Vetapalem Co-operative Stores, Ltd. ...	"
40	The Bethpudi Harijana Co-operative Society ...	"
41	The Gudavalli Harijana Co-operative Society ...	"
42	The Ongole Co-operative Stores, Ltd. ...	"
43	The Panideru Co-operative Credit Society ...	"
44	The Guntur District Board Employees' Co-operative Society, Ltd. ...	"
45	The Kalavakuru Co-operative Credit Society ...	"
46	The Anantavaram Co-operative Credit Society ...	"
47	The Kavali Co-operative Stores, Ltd. ...	"
48	The Gudur Womens' Cottage Industries Co-operative Society, Ltd. ...	Nellore
49	The Syddadupalle Co-operative Credit Society ...	"
50	The Chintalatukur Co-operative, Credit Society ...	"
51	The Vayalpad Co-operative Stores Ltd. ...	Chittoor
52	The Kuppam Co-operative Stores, Ltd. ...	"
53	The Tirupati Toy Makers' Production & Sale Society, Ltd. ...	"
54	The Chandragiry Co-operative Stores, Ltd. ...	"
55	The Palmaner Public Servants Stores, Ltd. ...	"
56	The Kalahasti Co-operative Stores, Ltd. ...	"
57	The Renigunta Co-operative Stores, Ltd. ...	"
58	The Melpadi Christian Co-operative Society ...	"
59	The Palmaner Christian Co-operative Society ...	"
60	The Kuppam Seamlers Quit Weavers' Co-operative Society, Ltd. ...	"
61	The Badvel Co-operative Town Bank, Ltd. ...	"