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The

Madras Journal of Co-operation

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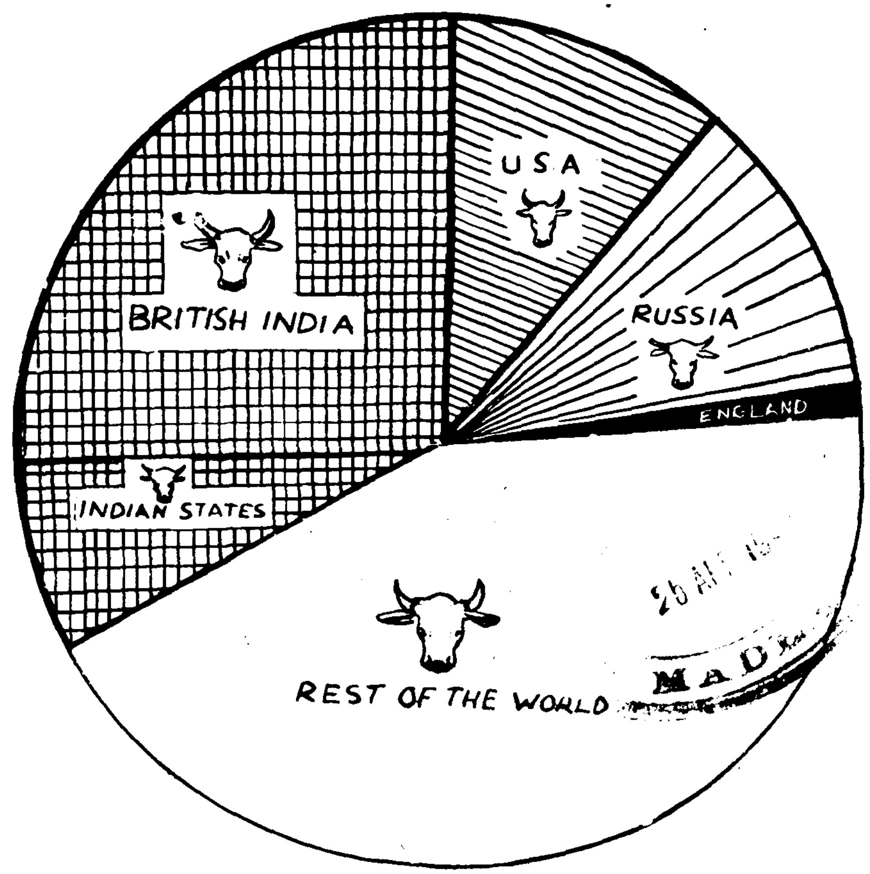
CONTENTS

INDIA'S CATTLE WEALTH

One-third of World's Total

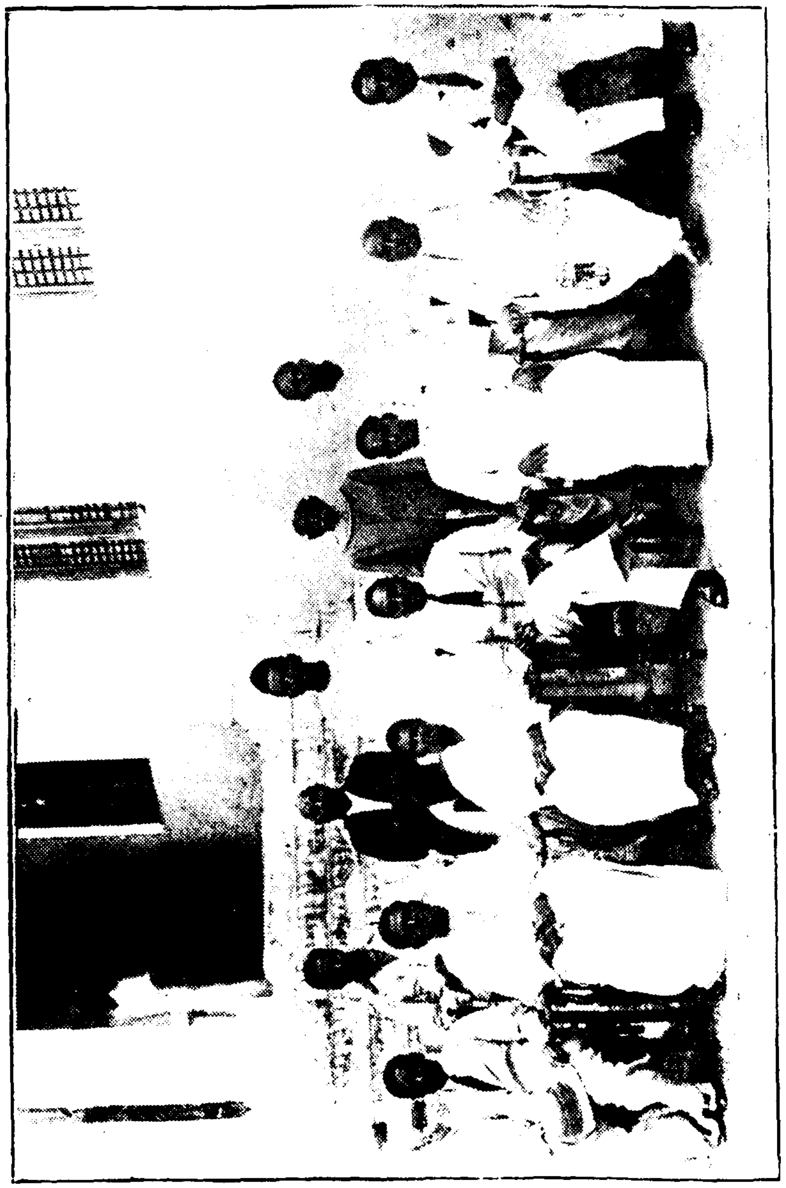


Apart from the high value of milk, hides and other products derived from cattle, the most important contribution of live-stock to Indian agriculture is the share which the cattle labour provides. This chart shows the comparative cattle population of different countries. —(*By kind courtesy of the* **Hindu**).

"The potential value of cattle as a means of raising the level of fertility of the soil and of thus increasing the output of both cash and food crops is, I believe, incalculable."

"It is, however, in the relation of cattle to the agricultural economy that their unique value becomes apparent. Cattle labour represents probably the most important contribution of livestock to Indian agriculture. . . . . Assuming that the total value of India's output of agricultural produce approximates to Rs. 2,000 crores, the share of cattle labour would be between Rs. 300 and 400 crores."

"There is little doubt that material progress will only be achieved by increasing the number of approved and registered stock raised in the villages and by private breeders. The purchase of such bulls for distribution provides a most valuable stimulus to improved cattle breeding in selected areas and gives encouragement to progressive breeders. At the same time it is essential that 'type' should be preserved within each breed, and this will necessitate the continued maintenance of Government breeding farms where the methods of breeding can be more accurately controlled." —*Dr. Norman Wright.*



GROUP PHOTO TAKEN ON THE OCCASION OF THE STARTING OF THE NORTH ARCOT DISTRICT CO-OPERATIVE ELECTRIC MOTOR AND POWER PUMP SUPPLY SOCIETY, LTD., AT VELLORE.

THE

Madras Journal of Co-operation

VOL. XXXII.] MARCH 1941. [No. 9

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

Editorial Notes.

Societies for the Scheduled Classes.

As soon as the liquidation of the Christian Co-operative Central Bank was decided upon, the Registrar of Co-operative Societies took steps to secure fresh finance for the business of the societies for the scheduled classes. He caused these societies to be divided into the following four groups:

(i) Societies which are not at present indebted to the Christian Central Bank.

(ii) Societies indebted to the Christian Central Bank which are solvent; *i.e.*, which have enough realisable assets with which they can pay off their entire dues to the Christian Bank.

(iii) Societies indebted to the Christian Bank which have not got adequate realisable assets to pay off their liabilities to the Bank.

(iv) New societies to be registered in future.

The Registrar states that there were only 257 societies in which the realisable assets were enough to cover the dues to the Christian Co-operative Central Bank and 287 societies in which the realisable assets were not sufficient for the purpose. It is also learnt that the Central banks have agreed to take over the assets and liabilities in respect of only 63 societies. We do not know what has happened to the remaining societies whose assets were considered satisfactory and whether even in respect of the 63 societies the Central banks have agreed to provide fresh finance. It will also be interesting to know what has happened to societies coming under (iii) and whether their debts have been scaled down. Not only the existing societies should be rectified and helped to function properly, new societies also will have to be formed in areas where they do not exist. It is hoped the ban on the registration of new societies imposed as soon as the financing bank collapsed has been lifted. The Committee on Co-operation, it is understood, discussed the future of these societies at great length and made the following recommendation:

> "We have mentioned the difficulty of finding a financing agency for the depressed classes societies to replace the liquidated Christian Central Bank. Central Banks are reluctant to assume the position until they have subjected the societies to a close financial scrutiny. This will involve delay and the result is doubtful. We feel that in view of the special circumstances of the case, Government must undertake it. In the last three or four years even the deserving of these societies have been starved for want of financial accommodation, and they have ceased to be of any use to their members. We suggest that this question should receive the immediate attention of the Government."

It is nearly a year since the report of the Committee was submitted. While the consideration of other recommendations may take time, this subject which is so vital to the scheduled classes cannot brook delay and quick decisions are necessary. We would implore the Government to take immediate steps to secure to the scheduled classes the benefits of co-operation. We appreciate greatly the efforts of the Registrar in securing fresh finance from Central banks to some of the societies and also for getting members of the scheduled classes admitted into ordinary co-operative societies. But the Registrar will himself recognise everything necessary to meet the needs of the situation has not been possible as after all his methods can at best be those of persuasion and there are many Central banks which are impervious even to pressure. It would be a long time before the required 'social change' can take place.

Reconstitution or Supersession.

We are aware there has been considerable agitation in Bengal over the Bengal Co-operative Societies Bill, 1940. To enable our readers to gather the intentions of Government in promoting legislation, we have published elsewhere the Statement of Objects and

Reasons. It is needless to say the necessity for enacting provisions of the kind proposed have also been considered often in this province and that too even recently by the Committee on Co-operation. Action in regard to some is, it is understood, already under the consideration of the Government. There is one provision about which it is necessary to say something. The Bengal Bill provides for the reconstitution or supersession of a Committee of management for persistent mismanagement, as an intermediate stage between normal working and liquidation in order to give the society an opportunity to improve its working. Under section 43 of the Madras Act there is provision for supersession of committee of a society. But the suggestion to empower the Registrar to remove one or a few of the undesirable persons from the Committee of management did not find acceptance of the Committee on Co-operation.

The provision proposed runs as follows:

> "*Section 43 B.*—(1) Notwithstanding anything contained in the other sections of the Act, the Registrar may, for reasons to be recorded in writing, remove any of the members of the Committee, whose continuance is, in his opinion, detrimental to the proper working of the society and appoint one or more members, as the case may be, in the place of the member or members so removed:
>
> Provided that before making such order, the Registrar shall, except when in his opinion there is an emergency, consult the bank, if any, financing the society and give an opportunity to the member or members concerned, to show cause why such order should not be made.
>
> (2) The member or members appointed under sub-section (1) shall hold office so long only as the member or members, in whose place he is or they are appointed would have held office, if the vacancy or vacancies had not occurred."

War and Co-operative Production.

Even in normal times the requirements of Government are mostly products of small-scale industries which can easily be organised on co-operative basis. If the requirements of the Supply Department are carefully scrutinised, it will be noticed that even now not all articles purchased by that Department are products of large-scale industries. Articles such as brass utensils, buttons, leather goods, knitted articles etc., can be produced in cottages. If the information vouchsafed is correct, we are told, many of these are at present being manufactured mostly in cottages or by small proprietory concerns and collected by middlemen who sell them to Government at a profit. There is ample scope for organising these producers into co-operative production societies and arranging for the sale of their products direct to the purchasing department of the Government of India, thereby eliminating the middlemen. One of the obstacles in the development of producers' societies has been the absence of assured market. Now a market is more or less assured, it is worth while taking advantage of the favourable situation to organise co-operative production societies. We are pleased to learn that the Co-operative Department of the United Provinces has set an example. Already some societies have obtained contracts as will be seen from a note in our section 'News and Notes' and we are informed that further possibilities of co-operative societies of producers of various commodities selling direct to the purchasing department of the Government of India with special reference to the war and its demands was recently considered. We commend this example to other provincial Governments. They should lose no time in undertaking organisation and production on co-operative lines of small-scale industries.

Relief of Indebtedness.

In a press communique just issued by the Government of Madras, they have reiterated the position that the Debt Conciliation Boards constituted under the Debt Conciliation Act, 1936, have no power to scale down debts under the Madras Agriculturists' Relief Act, 1938, and all that the Boards can do is to persuade the creditors to agree to scale down debts due to them in accordance with the provisions of the Madras Agriculturists' Relief Act, but that any agreement embodying such scaling down can be effective only if the creditors to whom more than 50 per cent. of the total debt is owing, agree to the arrangement. We always felt this position was perfectly clear and more than once it has been suggested to Government that the law should be modified to enable the debtors and creditors to secure settlement in accordance with the provisions of the Agriculturists' Relief Act through the Debt Conciliation Boards without having recourse to law courts and avoid the consequent wastage on costs of litigation. The Committee on Co-operation also went into this question thoroughly, as was evident from the proceedings reported in the press at the time. They state their deliberate and considered opinion as follows:

We consider that these provisions are not quite adequate to tackle the problem effectively. The settlement of debts under the Act (the Debt Conciliation Act) is conditional by the consent of the creditors to whom more than 50 per cent. of the total amount of the debtor's debts is owing. This consent is difficult in practice to secure. We suggest an amendment of section 14 of the Madras D...

...g this ... Department will be performing a useful and necessary function. In the Administration Report for 1938-39, the Registrar expressed the hope that the co-operative societies would do a larger volume of business in hand-pounded rice in the coming year. We are not aware how far this hope has been realised as no particulars of the increased number of societies dealing in hand-pounded rice have been furnished in the Administration Report for 1939-40. But it is clear no new society for the purpose has been organised. A useful cottage industry has not received the support it deserves. In a note on hand-pounding of rice, the Director of Industries observes:

> In areas where paddy is produced, rice pounding by hand, either by the old method under which a conical plastered pit in the ground and a wooden pounding bar with an iron shoe at one end are used or by an improved rice pounder such as the one which the Department of Industries is at present experimenting with, would be preferable to rice milling by machinery not only for the employment which hand-pounding would provide, but also in the interests of the health of the people as Vitamin B is practically absent in polished rice.

Scope of Activities.

For the healthy development of the Movement, trained staff is absolutely necessary. We entirely agree with the Registrar that even widening of the scope of activities of the primary societies is possible only to the extent trained business capacity is developed. Various attempts have been made in the past to satisfy this want. The Central Co-operative Institute and the peripatetic Institutes have had a hectic career. It is better the future of these Institutes is definitely settled and the place of non-official organisations in the task of co-operative education is recognised to avoid unnecessary and often unseemly controversies. While we would not hesitate to continue dreaming visions of the future, serious and steady efforts should be directed to realise at least some of the dreams at no distant future. From the narrative of the achievements given by the Registrar, in regard to expansion of consumers' co-operation and milk supply societies, we have every hope that determined and sustained efforts would lead to quick and satisfactory results. We lament with the Registrar that co-operative marketing has not shown appreciable progress as most of the societies are mere loan rather than sale societies. What stands in the way of the realisation of the objects of the real sale societies needs careful study and rectification before it is too late. Increase in the number of producers' selling organisations and how they can be linked with the consumers' organisations is also a matter for consideration. Whether a marketing society should undertake retail sales which is the primary concern of the store society and how the activities of a marketing society can be linked with those of the stores society are also questions which need active consideration and adjustment.

Mysore Apex Bank.

The Mysore Provincial Co-operative Apex Bank has just celebrated its Silver Jubilee. We offer the Bank and all those connected

with it since its inception our hearty congratulations on this auspicious occasion. The Silver Jubilee Souvenir contains very valuable articles tracing the growth of the movement and gives an account of the vicissitudes through which the Bank had to pass before it reached its present eminent position. The various charts printed enable one to obtain at a glance a clear idea of the working of the Apex Bank during the past twenty-five years. The membership of the Bank consists of individual members and affiliated co-operative societies. While accepting the ideal of a true Federation of societies for a central financing institution, the Bank feels that till sufficient trained and skilled management so very necessary for the successful working of an Apex Bank is available, it is desirable and necessary to have mixed membership. Even then every effort is being made to increase the membership of the societies, their number having risen from 308 in 1915-16 to 1,063 in 1939-40 while the individual membership decreased from 504 to 189. It is very satisfactory to learn that the deposits now amount to Rs. 23,32,413 while it was only Rs. 1,25,500 in 1915-16. The Reserve and other Funds of the Bank have steadily increased to Rs. 3,31,499. Till the advent of the Land Mortgage Scheme, the long term credit predominated in the transactions of the Apex Bank, and loans for the discharge of prior debts, land purchases, and improvements and house building were more popular than loans for current expenses. It is gratifying to learn that "most of the loans granted by the Bank in recent years are for short periods, for current agricultural operations and for marketing of the produce grown by the members of the affiliated societies." This is as it should be.

There is one aspect of the Bank to which we take leave to refer. The Bank plays the dual roll as an Apex Bank and a Central Bank. In support of the usefulness of this dual roil, the observations of the Co-operative Committee of 1936 are quoted. The Committee observed.

> "It need not be denied that there are distinct advantages in having a limited number of Central Banks, one for a group of districts if not for each administrative district, which will have direct and intimate touch with the primary societies in their respective areas and will be able to operate with full local knowledge and some financial responsibility. But in the circumstances in which the District Central Banks of the past have failed to justify their existence and in the absence of any present necessity for such immediate agencies, there seems no reason why the Mysore Provincial Apex Bank should not be able to carry on as Sole Financing Agency for the primary societies in the State, with the aid of branches to be established by it in the more important centres (beginning with Mysore City) as need arises.

It may be remembered that the Madras Committee on Co-operation considered thoroughly the question of co-operative central financing organizations and stated that they were satisfied with the present structure and form of Central Banks and were of the opinion that the banks should continue to be independent financing banks for their respective areas and to be affiliated to the Madras Provincial Co-operative Bank as at present and considered that the present federal structure should on no account, be disturbed. The proposal for conversion of District Co-operative Central Banks into branches of the Provincial Bank was also discussed at length and negatived. We would invite the attention of co-operators to paras 241 and 242 of the report of the Committee on Co-operation for the elucidation of different points of view on these questions.

Nicholson Memorial.

Though it is some years since Sir F. Nicholson retired from active service, he continued to be the friend, philosopher and guide of those engaged in all kinds of uplift work especially the promotion of the co-operative movement. He lived to a ripe old age to see that most of the projects on which he had set his heart and for the realisation of which he worked hard even after retirement, made a good beginning. If in regard to some the results were not as satisfactory as were anticipated, we venture to state it is largely due to defection from what we may call Nicholson ideals. Calicut has honoured his memory by constructing a ward in the Women and Children Hospital. But Nicholson belongs to the presidency, nay the whole of India. His memory should be perpetuated in a more tangible form reminding generations to come that to him we owe a great deal of inspiration especially in the co-operative field. What Sir George Paddison was to the cause of Harijan uplift, Sir F. Nicholson was to the co-operative movement. We would venture to suggest that efforts be made to institute a scholarship or a medal in his name to be given to the best successful student in the examination for Diploma in Co-operation which the University of Madras has decided to institute. We have no doubt the response will be worthy of the cause.

Is it Printer's Devil ?

Our readers would have noticed an egregious blunder in one of our notes which, if taken note of, would nearly bring us into the dock for contempt of court. The inexplicable substitution of 'daring' for 'glaring' with reference to a decision of the Full Bench of the Madras High Court is certainly inexcusable. We apologise to the Honourable Judges of His Majesty's High Court for this inadvertent slip. This is only one of the many examples of the Printer's Devil. Have there not been instances when the failure to add the definite article 'the' or a comma has necessitated amending legislation ? One should be as wary of the printers as of 'devils'.

Some points in the Report of the Committee on Co-operation

G. SRINIVASA RAGHAVACHARI,

Retd. Dy. Collector and Asst. Registrar of Co-operative Societies.

In my article published in pages 267-271 of the Madras Journal of Co-operation (1940) November issue) I stated, by quoting facts and figures, that unless and until our land revenue policy is so changed, by a reduction of land burdens as to leave sufficient margin for both the landlord and the cultivating tenant and our villages are made worth living in by provision of necessary amenities, there was little chance of either the co-operative credit or any other rural movement succeeding or of the recommendations of the Committee yielding any appreciable results.

2. A Co-operator, after going through my article, while admitting all my facts and figures and agreeing also with my conclusion, has put a pertinent question viz., "Are we, both officials and non-officials, long connected with the co-operative movement to be sitting quiet until the Government should be pleased to revise the Land Revenue policy for which, however, there is no near chance?" My answer to him and others who may put similar questions is "you need not and you should not for the simple reason that you have, by your speeches, writings and actions, created an impression that the movement is sound enough and thereby induced people to invest their savings, sometimes their all, in the movement and that it will be an unpardonable sin for you to withdraw from the movement or relax your efforts until the full amount of the depositors' money amounting to Rs. 354 lakhs and scattered over 11,097 village societies by way of loans is recovered and paid back to the depositors."

3. According to the latest Report of the Registrar of Co-operative Societies for 1939-40, the number of bad and indifferent societies in our province is 9,938 and the number in liquidation is 1,406. As rightly pointed out by the Registrar, the work to be done in the direction of mending or ending these societies is not only formidable but also complicated. There is also the work of preventing good societies from getting bad, of starting new societies in villages where conditions are exceptionally favourable and of keeping the movement going until better times come. As the Registrar

has stated that his present establishment is unable to cope with the work, there is plenty of work for all co-operators to do. It is unfortunate that our co-operators, both official and non-official, instead of concentrating their attention upon this important piece of work directly affecting the well-being of villagers, for whom the movement is primarily intended, should be frittering away their energies on the seemingly easier and more spectacular work of non-credit, which is easily started but very difficult to work to a successful completion, as the history of many a non-credit society started in previous years and gone to grief will show. Most of the non-credit societies which have come into existence under the official drive of Registrars would appear to be either unnecessary or superfluous by reason of the fact that they are situated in urban or quasi-urban areas where there already exist well-established whole-sale mundies getting articles from places of production and selling them at competitive prices to retail merchants, who, being innumerable in number, cannot resort to undue profiteering. What is the fun of starting a Co-operative Whole Sale Store in Madura City abounding in wholesale mundies and, in order to make it successful, compelling other stores in the district, which are struggling for their existence on account of local competition, to affiliate themselves to and purchase articles from it, while they are easily getting equally good, if not better, articles either locally or from the nearer centres of production? Or what need is there for a milk supply society in a place like Madura where a number of people who have made sale of milk their hereditary profession and are able to milk their cows at the very doors of houses and supply milk to the consumers regularly at fixed hours at competitive prices extending to 3½ Madras measures in some parts per rupee as against 3 M.M. of the supply society? Or, again what useful purpose is served by establishing a paddy wholesale society in Tanjore District where the villagers are able to store paddy in their own homes or home-steads and hold it up for favourable market by pledging the same to Joint Stock Companies and Banks established in the various centres, which are able to accommodate them with necessary loans more easily and quickly than our co-operative banks, on equally, if not more, favourable terms? Strictly speaking, these undertakings, which generally benefit only people in urban areas and a few better-circumstanced agriculturists who have got surplus produce to store, must be left to private individuals or companies who are not slow to come forward, when and where needed. As State-aided co-operative institutions are intended to supply a want which

cannot be filled up otherwise, it is a matter for serious consideration whether the finances of Government, which mean the monies of the general taxpayer or the funds of a Co-operative Central Bank invested by a confiding public and intended mainly for the purpose of financing rural societies on unlimited liability basis can be used for financing hazardous undertakings of the kind mentioned above, which are more or less of experimental character.

4. There are, of course, several kinds of non-credit activities, not attended with any risk, which can be pursued with great advantage by agricultural societies. The founders of the movement foresaw this and accordingly made provision for all such activities under the head of "Joint Purchase" and "Joint Sale" in the model bye-laws framed for village societies. And some of these activities were, as a matter of fact, pursued with admirable success for a time under the able and enthusiastic guidance of a few Registrars. But they fell into disuse gradually with the expansion of the movement in other directions not contemplated by the authors of the movement and by the capture of the same by the four classes of undesirable co-operators, vividly described by Mr. T. A. Ramalingam Chettiar in his minute of dissent appended to the Committee's Report, who are exploiting the movement in various ways for their own purposes. The present Registrar who appears to be an officer of great imagination and enthusiasm will do well to free at least the village societies from the clutches of these undesirables and to see that the provisions relating to Joint Purchase and Joint Sale are effectively worked by rural societies and all possible subsidiary industries are introduced into villages, by making these two items of work also as part of the duties and study of the Administrative Inspector who, under the new arrangement proposed by the Registrar, is to be put in charge of all co-operative work in a particular area excepting, of course, audit which is to be assigned to a separate set of staff, to work under the Joint Registrar.

5. On the assumption that the co-operative movement is intended mainly for the support and advancement of agriculturists and men of limited means, I shall now examine the recommendations of the Committee, so far as Agricultural Societies are concerned. The recommendations of the Committee which, I find, are designed to cover all branches of human activity, number 340. Of these, 52 relate to Agricultural Societies, mostly credit. 47 out of them are more or less repetition of the recommendations made either by the previous Townsend Committee or by the periodical Co-operative

Conferences, which had all been tried in various places and found ineffective. There is, however, no objection to their being given further trial for what they may be worth. The remaining 5 recommendations which may be said to be new are, in my opinion, reactionary for reasons given below.

Liability of rural societies.—The Committee wishes to change this from unlimited to limited. Co-operators will remember that unlimited liability was enjoined on village societies mainly for the following reasons viz., (*a*) that financing Banks, being at a considerable distance, cannot effectively deal with the large mass of middle and poor class villagers, whom they cannot personally know or identify, unless those persons are brought together and made jointly answerable for the debts of the society; (*b*) that, for the success of a Village Society whose work consists mainly of proper distribution of loans and their timely recovery from members, a continous mutual knowledge and watch of members, assets and liabilities and their course of conduct are necessary and these cannot be had unless all the members are made to feel that default on their part in either of the directions will entail loss of their own property either in whole or in part; (*c*) that the borrowing power of a limited liability society having to be necessarily restricted to a certain number of times its paid-up share capital, a village society should, for the purpose of proper functioning, collect by way of share capital in advance a large amount, which may not be possible for it to do; (*d*) that an unlimited liability society, by reason of the better security which it can offer, is likely to attract local deposits, with a view to making itself independent of outside help; (*e*) that unlimited liability is calculated to promote co-operative spirit amongst villagers by reason of placing them under mutual obligation, a thing most needed for the development of a village. If, in spite of unlimited liability, many rural societies do not now function properly, it is because of other causes, such as their capture by insolvent and undesirable men who would not make room for solvent and desirable men taking their places, the general unwillingness on the part of the latter to associate themselves with the former who have brought the society's administration into contempt or share the unlimited liability with them, the unlawful interference of meddlesome supervising unions, the office-bearers and panchayatdars of which are unable not to import politics into the affiliated societies' administration, the scant courtesy accorded to panchayatdars and office-bearers of societies by co-operative officers etc. In view of the

above considerations which induced the authors of the movement to enjoin unlimited liability on village societies, the proposed change of liability to limited will prove disastrous not only to the societies but also to their financing banks.

Organisation of village societies on wider basis by grouping several distant societies.

The reasons stated above against the change for limited liability apply to this also. Mutual knowledge of one another in one and the same village is gradually getting more and more difficult to secure. And to expect one set of villagers to know all about the residents of another village or keep a continuous knowledge of or watch over them is an impossible task. It is therefore, best to leave undisturbed the present practice of having one or two revenue villages under a village-officer's jurisdiction, as the jurisdiction of a society, as this will also enable office-bearers to supplement easily their information about their villages from officers concerned, who are bound to oblige them for various reasons.

Extension of term of the office-bearers and the Panchayatdars to unlimited period.

It is, however, open to the general body to remove the office-bearers and the panchayatdars within the period, if circumstances should warrant. As the General Body and the panchayat are both responsible for the proper administration of the society and to account for losses arising from neglect of duty on the part of Panchayatdars and office-bearers respectively, it is improper to curtail the freedom now possessed by either, especially in view of the fact that such panchayatdars and office-bearers are eligible for re-election.

Voluntary pool of reserve fund of good societies for the writing of bad debts of bad societies, with a view to their re-habilitation.

The Reserve Fund which has been built up by societies at a great sacrifice of their profits and by curtailment of even the necessary expenditure is intended not only for meeting unforeseen losses and gradually minimising the rigours of unlimited liability but also for creating, in the long run, a working capital which will enable the societies to be independant of financing banks, who can use the money so spared for other societies. Any interference with the Reserve Fund or the utilisation thereof in the manner proposed is likely to be resented not only by the members of the society but also by the villagers who stand to be benefitted by it in the event of society's liquidation. The recommendation of the Committee is therefore, highly improper, as it practically amounts to " robbing Peter to pay Paul".

Change of legislation.

In addition to the four recommendations dealt with above, there are some others contained in Chapter III of the Committee's Report, which involve a change of legislation. In making these recommendations, the Committee would appear to have been carried away by undue sympathy towards borrowers who, it must be noted, have lost the little credit they commanded, by the recent legislative measures, which have all belittled the legitimate interests of creditors; and in doing this, the Committee has apparently lost sight of the following basic factors governing loans to agriculturists :- (a)that agriculturists, big and small alike, want money simultaneously for agricultural operations at certain fixed time or times of the year; (b) that the amount so wanted must be very considerable in view of the fact that the number of ryotwari landholders alone comes to nearly 3½ millions, so far as this Presidency is concerned ; (c) that co-operative financing banks, to whatever extent they may be developed, must be quite inadequate to meet the situation or deal with applications for loans with the required promptitude they deserve and that they should therefore be supplemented by innumerable Joint Stock Banks and private money-lenders much closer at hand and more easily and readily available to agriculturists; and (d) that any legislative interference in the manner proposed is bound to extinguish the credit which has already been considerably impaired and prove disastrous not only to agriculture but also to trade. It is hoped that the Government, in passing orders on the Committee's Report and the legislators in considering any Bill that may be brought forward will give due consideration to this aspect of the agrarian problem and prevent all rash and ill-conceived legislation.

Homely Wisdom.

Life is measured by thought and action, not by time.

—Sir John Lubbock.

Marketing of Groundnut.

BY RAO SAHIB M. S. SESHACHALAM IYER, TIRUVANNAMALAI.

Groundnut is the money crop of the agriculturists of Southern India. More than 75 per cent of the produce is consumed in foreign countries. In groundnut, produced in India and States, 45 per cent comes from Madras. Owing to the war and the unsettled state in foreign countries, foreign markets are closed for groundnuts and the only purchaser is Great Britain for the present. Government purchases at 10 £s per ton F. O. B. port. Deducting the cost of gunnies and loading charges and fixing Rs. 13 as exchange value, one candy of 531 lbs. will give the ultimate seller Rs. 28.

One Madras measure of unshelled nuts gives about 1¾ lb. of shelled nuts and when cleaned it gives about 1 lb. So far getting a candy clean shelled nut, unshelled kernel of about 520 Madras measures is required. I will give roughly the different agencies through whom the produce passes until it reaches the ultimate consumer and the margin of profit earned by all of them.

1. The village *dalal* purchases from the grower for Rs. 10-8-0, 520 m. m. at 50 m. m. per rupee.

2. The town broker purchases at 42 m. m. for Rs. 12-8-0 from No. I and pays a cart hire of 0-8-0 giving No. I a profit of Re. 1 allowing Re. 1 for driage.

3. The town merchant purchases at 36 m. m. from No. II and pays Rs. 14-8-0 and allows a profit of Re. 1-8-0.

He decorticates the same and pays 0-12-0 as charges including weighing etc., and sells the same to contracting merchants at about Rs. 16-8 and earns a profit of Re. 1-4-0.

4. The contracting merchant sells to exporting firms at about Rs. 20 and incurs Railway and loading charges of about Rs. 2-4 and thus gets a profit of Re. 1-4.

5. The exporting firm is to pay for gunnies, godown charges, interest and loading charges which may be about Rs. 2 and sell to any firm in the foreign country and both of them gain about Rs. 8.

In the chain of transactions, the producer gets Rs. 10-8 and the ultimate purchaser pays Rs. 30. The expenses of marketing comes to Rs. 5-8 of all the items shown above and a profit of Rs. 14 is shared by various middle men. 125 per cent of what the producer gets for his labour, land, seed and other charges, goes to middlemen even in this War time trade when there is a large surplus of produce and the market is dull.

Can we do anything through the co-operative movement? We have started Loan and Sale Societies and we are selling groundnut through them. What is that, that we do for the present? We find sale for the produce in whatever state it comes. Mostly unshelled is brought for sale and sold at local market price. The utmost the producer may get will not be more than two rupees a candy. Likewise even in shelled nuts that are brought by producers—very rare the producer resorts to it unless he is a big producer or a combined merchant—a sum of Rs. 2 will be the margin obtained by the producer. So our marketing societies may be able to benefit the ryot only if they undertake to do all that is necessary to make the produce saleable direct to the exporting firms and avoid a long range of middlemen.

In the headquarters of the Loan and Sale Society, there are decorticating mills and if it enters into a contract to mill all its arrivals in a particular mill the decorticating charges will be moderate. The shelled nuts should be cleared and the cost thereof is only 0-1-0 per bag. Then if we sell to exporting firms at the prevailing rate we are supplied with gunnies etc., and we load the bags in Railway waggons. On presentation of the R/R at the agency of the firm we are paid 90 per cent of the sale price less railway frieght. This we can disburse to producers or we may pay sufficient advance and adjust the same from this amount. Analysis of the produce sent by us is made in the Port Office and deductions are made for refractions found more than the proportion allowed and accounts finally settled for each consignment in 10 or 15 days.

Our Loan and Sale Societies instead of selling the groundnut of producers unshelled, may arrange to shell and sell to exporting firms and obtain at least Rs. 5 per candy to the producer. The Provincial Marketing Society may help the Loan and Sale Societies very much if the trade is undertaken by it. Now, especially during war, Government is the only foreign purchaser and the Provincial Marketing Society may undertake to supply an appreciable quantity and arrange for necessary tonnage. Each Loan and Sale Society may promise to supply a definite quantity and the provincial society can sell a consolidated quantity. If this is possible, we will be able to give complete benefit to the producer in groundnut marketing.

Liquidated Societies and Non-official Control

By K. L. Bhandari.

The policy of leaving the collection work of outstandings in liquidated societies in the hands of the Inspectors seems to require revision, in the light of experience gained so far.

The work is usually assigned to Deputy Registrars. They engage one or two Inspectors to look after the collection in liquidated societies which are spread over a whole district. These Inspectors move about off and on to such societies without being able to concentrate their activity in any particular society. The result is obvious. Is the machinery employed sufficient, and if so, is there sufficient stimulus to the staff to work wholeheartedly for apparently what appears to be for the benefit of a third person creditor, the District Bank, who is not their paymaster? These are matters to be considered carefully.

Before liquidation, sufficient enquiry etc., is made. After the inevitable liquidation is ordered, there seems to be little excuse for prolonging the proceedings. In South Kanara (Administration Report of the District Bank) 9 societies liquidated more than 12 years ago owed to the Bank Rs. 18,024 on June 30, 1940, and 20 societies so liquidated more than 6 years ago owed Rs. 41,287 likewise! No doubt there is reserve for bad debts. But why prolong the process? The Committee on Co-operation have recommended that a six year period is very reasonable for closing liquidation proceedings.

It is high time, therefore, to bring into practice the principle or policy above enunciated in the six year rule, and with a view to further concentrating on that work to consider if any change in the existing machinery is desirable. It is hoped the Registrar will be pleased to issue necessary instructions for guidance, with due regard to Wolffe's "it is evident that for a long time to come local societies in India will have to be kept in a position of tutelage under official *guardians*, and desirable as emancipation is, better in all cases of a long tutelage with good results than premature manumission in a state of immaturity." *(1927 Edition, Page 115.)*

Whoever serves the public must not be surprised if he is crucified—
Toronto Daily Star.

Co-operation in the North Arcot District.

Mr. S. A. Venkataraman, I.C.S., Registrar of Co-operative Societies, Madras, started on work the North Arcot District Co-operative Electric Motor and Power Pump Supply Society, Limited, Vellore, on Sunday the February 16, 1941 at 3 P. M., at the Vellore Central Bank's Buildings. The Vellore Central Bank was instrumental in organising the above society and the objects of the society are:

1. To arrange for the supply of Electric Motors and Power pumps to its members for irrigation and other purposes and to arrange for their installation through expert staff on the advice of the Madras Electricity Department and the Department of Industries.
2. To supply the necessary spare parts for the machinery owned by its members.
3. To arrange for the periodical inspection and to carry out necessary repairs to the installations by employing suitable technical staff.
4. To give to the members advances and loans for installing and maintaining necessary machinery and implements required by the members.
5. To encourage self-help, thrift, and co-operation among its members.
6. To teach the members improved methods of cultivation recommended by the Agricultural Department and
7. To undertake such other activities as are incidental or conducive to the development of Agriculture through electricity and other power.

The value of each share is fixed as Rs. 10 and the individual borrowing limit is fixed as Rs. 500 at the rate of Rs. 100 per share.

The cost of the machinery supplied and the expenditure incurred for installation will be debited as a loan against the member or members and it is proposed to recover the same in 6 years for the present charging interest at the rate of 6¼ per cent. per annum. The security for the loan advanced shall be unencumbered immovable cultivable land wholly belonging to the member to the value of at least twice the amount of the loan. The machinery and appliances installed for and an behalf of the member will also be collateral security to the society. If necessary the Directors may also ask for personal security from the members.

More than 100 applications have been received from the ryots of the district. All the taluks of the district are covered by the Mettur project and arrangements have been made to do intensive propaganda in all the taluks of the district. This is a unique society and is the first of its kind in our province. The Registrar of Co-operative Societies addressed the members present on the starting day and said that the credit of organising such a society goes to North Arcot. He impressed on the Directors the responsibility they have undertaken and said that the successful working of this society will stimulate similar societies in the other districts of the province where electricity is available.

Conference of the outdoor staff of the Bank.

A conference of the supervisors of this District under the control of the Central Bank was held on the 15th and 16th February 1941. The Deputy Registrar of Co-operative Societies, Vellore, Mr. Muhammad Hyat Sahib Bahadur, B.A., B.L., delivered the inaugural address. He advised the supervisors to be honest and enthusiastic in their work and to show by their personal conduct and character that they are the real friends, philosopers and guides of the societies in their charge.

Sri N. Somasundara Iyer, Secretary of the Central Bank, then addressed the supervisors on their duties and responsibilities and asked them to devote their time in reviving dormant societies. He wanted them to act as true representatives of the Central Bank in attending to the needs of the members, in rectifying the defects pointed out, in securing ill-secured loans and in minimising the delay in submitting loan applications. He finally exhorted them to show the true spirit of a missionary in their work.

Sri P. Chinnaswamy Iyer, Manager of the Central Bank, then reviewed the work of the supervisors till the end of January 1941 under various items of work and marked out the work they should carry out during the remaining period of the year. He explained in detail the cash credit scheme of giving loans to the members for agricultural expenses and wanted the supervisors to devote their particular attention in popularising such loans.

Sri Rao Sahib M. S. Seshachalam Iyer then addressed the supervisors on the method of rectification work and gave a short resume of such work he carried out in the Salem District under the guidance of the late Dewan Bahadur R. Ramachandra Rao.

The Registrar of Co-operative Societies, Mr. S.A. Venkataraman, I. C. S., delivered the closing address to the supervisors. He gave an interesting talk about his impressions of co-operative work in the Punjab and other provinces he visited last year. He wanted the supervisors to popularise short term loans under the controlled credit system.

Cheyyar Loan and Sale society.

A Loan and Sale Society was organised at Cheyyar under the auspices of the Central Bank for the benefit of the ryots of the Cheyyar taluk. Mr. S. A. Venkataraman, I. C. S., Registrar of Co-operative Societies, attended the starting of the society and inaugurated the society on the 17th February 1941 at 11 A. M. There was a large gathering of ryots from the neighbouring villages. Nearly 10 cartloads of paddy was brought to the sale society for pledge and for sale on the starting day. The Registrar advised the members of the society to take full advantage of the society and show good progress.

The Registrar of Co-operative Societies visited the Arcot Sale Society and the Arni Loan and Sale Society on the 17th February 1941 when he met the Directors of these societies and advised them to help the needy ryots in getting a better price for their produce.

Some significant facts.

LANCASHIRE TRAGEDY.

These figures spell poverty for a great county.

Yarn and cloth Exports.

	Yarn 16	£	Cloth Linear Yards.	£
1910 ...	191,654,500	15,664,739	6,018,454,000	78,717,106
1920 ...	147,432,400	47,585,814	4,760,000,000	315,717,631
1930 ...	136,987,500	14,419,350	2,490,549,400	61,305,421
1938 ...	122,935,800	9,673,603	1,448,217,000	31,967,444

Spinning Spindles in Great Britain, India, and Japan. (000s omitted)

	Great Britain.	India.	Japan.
1914 ...	55,971	6,397	3,388
1929 ...	55,917	8,704	6,530
1938 ...	35,879	9,731	12,550

—Copied from Frederick W. Tatterssll's " Cotton Trade Review."

" In the last eight years there has been a reduction in the number of cotton mills from 1,500 to 914 ; 556 mills having been abandoned. The average loss in each town is one-third."

—From "The Case for Submission to H. M. Government and to Members of Parliament." compiled by the Committee of Local Authorities of the County of Lancashire, January 27, 1939.

How do you Fare as a Manager ?—Question Yourself.

Condensed from a booklet issued by the Columbia Bank for co-operatives, Columbia, S. C.

		Good Score.	Your Score.
1.	Are you operating the association along sound co-operative lines, or on a competitive basis? ...	5	—
2.	Are you primarily interested in salary and security of position or in the program of the co-operative ? ...	5	—
3.	Do you study to improve yourself or are you "in a rut"?	5	—
4.	Do you encourage or discourage suggestions from employees or board members ?	5	—
5.	Are you fair and impartial to employees or do you have favorites ?	5	—
6.	Do you give patrons a friendly welcome or the " cold shoulder " ?	5	—
7.	Do you wait for business to come or do you go out and get it ?	5	—
8.	Do you extend credit only in accordance with the policy of your board of directors ?	5	—
9.	Do you send monthly statements and follow up collections on past due accounts ?	5	—
10.	Do you attempt to get business by " price cutting " ?...	5	—
11.	Do you keep your stock of merchandise and your place of business neat and attractive ?	5	—
12.	Do you see to it that books and records are complete and up to date ?	5	—
13.	Do you submit a complete monthly report to the board or do you try to " cover up " mistakes ? ...	5	—
14.	Do you insist on an annual audit or do you advise the board that an audit is an unnecessary expense ? ...	5	—
15.	Do you operate under a budget and keep within it ? ...	5	—
16.	Do you keep members informed about the services of their co-operative or do you depend upon their loyalty ?	5	—
17.	Do you promote education about co-operative principles by meetings, personal contact and letters, or do you avoid " stirring them up " ?	5	—
18.	Do you advise the directors on association problems, or do you wait to see which way the wind of opinion blows ?	5	—
19.	Do you insist on having your way, or do you faithfully try to carry out the directors' policies as adopted ?	5	—
20.	Do you co-operate with other co-operatives, or do you believe co-operation is limited to your own association ?	5	—
		100	

WHAT IS YOUR SCORE ?

—Co-operative Digest.

Fight for Freedom.

Report of a speech broadcast to Sweden.

BY THE RT. HON. A. V. ALEXANDER, M.P.

The recent brutal and unprovoked aggression by Germany against Norway, and the results of the campaign so far have no doubt occasioned great concern in all democratic countries, including Sweden, and a great deal of heart searching. I should like to make it clear to friends in Sweden, where there is such a magnificent and dem ocratic spirit, that the people of Great Britain are more firmly resolved, with a greater unanimity than perhaps on any other question to-day, that Hitlerism, with all its threat to democracy and freedom, must be ended.

As a co-operator I have learned to appreciate the tremendous value of free association. We, here, have inherited the great privileges secured for us by our fore fathers, and we have built a great Co-operative Movement in this country, with social amenities and benefits to the people, that even half a century ago would not have been deemed to be possible. We have been delighted to observe that in the highly cultured and progressive State of Sweden our successful experiments in Co-operation were first viewed with interest, and then put into application in such a way as in many respects to outstrip our own achievements.

Hitler Attacks Co-operation.

When I learn from out Swedish co-operative leaders that their consumers' societies are serving over 800,000 families, or between one-third and one-half of the entire population of Sweden; when I recollect the enormous achievements their federal organisations have reached in organising supplies of flour, margarine, oil, rubber, electric lamps, cellulose, and the like, I am filled with admiration of the co-operative pupil which in so many of these directions has outstipped its teacher. I know, and you know, that none of these great achievements would have been possible without the maintenance of the integrity of the country, the protection of its free law, the rights of democratic government in its institutions, and free speech. I know, and you know, that under Hitlerism, Co-operation and free association are impossible. The Co-operative Movement in Germany has long since been liquidated. In the Sudentenland, Bohemia, and Moravia, it has either been liquidated, or is in the process of being liquidated. In Poland, where it had been making such rapid strides in the past few years, it is receiving similar treatment.

Not only is this so in regard to that form of working-class association to which I have given my life, but it is also the case in the industrial organisations of the workers in their trade unions. Trade union leaders and democrats are in concentration camps, exiled or executed. In this country it is almost impossible to comprehend the life which the workers in the totalitarian

and subjugated States have to live to-day, for even in war we continue our free Parliament our, free press, and our free speech. We now know, however that any victory for Hitlerism means an end to these great privileges, without which life is hardly worth living. It is for that reason that the Co-operative and Labour Movements in this country are united in their resistance to Hitlerism, and determined to achieve victory in the great struggle upon which we have entered.

British Co-operative opinion.

If I may quote, for example, the official pronouncement of the National Co-operative Authority in this country, speaking on behalf of the 9,000,000 members of the British Movement, they state :—

> We are faced with the issue, Nazism *versus* continued Democratic Progress.
>
> In such circumstances, the Co-operative Movement, like all other democratic movements, must be prepared to use to the full its resources to assist in bringing the conflict to a successful issue for the democratic cause.

Respecting Integrity of others.

I know that in these days one power of unscrupulous and wicked propaganda is growing, and that Sweden, at this moment of setback to the Allies' campaign in Norway, is being subjected to such propaganda on an intensive scale. In some quarters my country is charged with having inveigled Norway into the War, and then to have left her without sufficient aid. I repudiate these charges entirely. It is true that many of us feared that the ruthlessness of German aggression was as dangerous to Scandinavia as to the Netherlands or the Balkans, and that however well-intentioned democratic States might be in maintaining neutrality in the hope of securing peace, neither good intentions nor strict neutrality could save them from such an unscrupulous and determined enemy. It is true that we believed,and still believed that there is no guarantee for final liberty and freedom in the world for any peoples without victory over the aggressor ; but is it likely that if the charges made against us were true we should have stood aside and allowed the aggressor to obtain all the advantages of the possession of the principal aerodromes in Norway ?

On the contrary, is it not true that this country had strictly observed a correct attitude towards the neutral position of the Scandinavian and other countries, and that with the laying of limited minefields in western Norwegian waters to prevent the passage of iron ore ships carrying raw munition material to be turned into shells, we left it perfectly open for Norwegian and other neutral ships to go about their lawful occasions?

The German Contrast.

Contrast this with the attitude of Germany. It was open to her to take what action she thought fit against this country as belligerents. She chose instead to march overnight into the territory of her peaceable neighbour Denmark, to invade Norway and to threaten Sweden. Let me say, therefore, at this stage not as a member of the Government of Britain, but as a member of His Majesty's opposition—that whatever may be the immediate military position as a result of Germany having obtained great strategical advantages by her ruthless aggression in Norway, I am certain that this country is not giving up in any degree whatsoever its determination, not only to resist Hitlerism wherever it is found, but to stand by Scandinavia, and see that the democratic kingdoms shall be preserved, their rights established, and their complete freedom ensured.

We recognise here, that Norway and Sweden have always struggled hard for the maintenance of peace and freedom. We have respected their desires, and have common cause with them in their objective. They have much to defend which is so precious, and which is akin to that which we defend here. Make no mistake, the democracy we enjoy in Britain is worth defending. People write and speak so much about Britain as to make foreigners sometimes believe that conditions of the workers here are intolerable. I know how much in many respects they require improvement, and our lives are given to securing that improvement, but on the other hand there is no country in the world where, with the help of the Labour, Trade Union, and Co-operative organisations, so much has been achieved in the direction of improving standards and widely spread social services.

Democracy in Britain.

In this country what many people would describe as purely socialistic services can be found, applied very often by conservative majorities, in municipalities under the stimulus of the freedom of the worker to agitate and to organise. Yes, we have a democracy worth defending, and so have you. We are determined to defend ours, and would say to any other democracy which is prepared to march with us that the end is certain; that in any system of dictatorship the seeds of decay are already sown, for man will be free, and will fight until he is free. Indeed, one might quote one of our writers:—

> The battle of freedom is never done, and the field is never quiet. Eternal vigilance is the price of liberty.

Rest assured, therefore, that whatever you are hearing at this present time from other sources, this battle will be fought, and will be won. No doubt mistakes will be made; setbacks will occur; here and there doubters will falter; but if it is true that some people say of the British: "History has shown that they always win the last battle," you will find that in this great struggle to which we have set our hands in conjunction with our Allies, it will not be only the last battle that we shall win, and out of which we shall establish once more the unimpaired freedom of the democratic States.

(*Extract from "Co-operative Review" June 1940.*)

Co-operative Practice and Procedure, Bengal.

The following is the Statement of Objects and Reasons of the Bengal Co-operative Societies Bill recently debated upon and for which there was considerable opposition in the Legislature and outside.

The Bengal Co-operative Societies Bill, 1940.

Statement of Objects and Reasons.

Since 1912 when the Co-operative Societies Act, 1912 was passed, the progress and development of the co-operative movement in this Province has been large and manifold. The movement has travelled into a much wider field than was perhaps originally conceived. The number and variety of credit and non-credit societies have grown with surprising rapidity, while the movement has enlisted the active interest of the more advanced and educated sections of the people in the country who have proved their capacity for tackling the problems of collective marketing of agricultural commodities, of minor irrigation facilities, of redemption of prior debts, of improvement of agriculture and of housing accommodation in congested urban areas, etc. The inadequacy of the provisions contained in Act II of 1912 for meeting the demands of the movement in its present magnitude and for effectively controlling the working of the societies has caused the utmost difficulty, and the necessity of amending the present Act and replacing it by a more comprehensive one has been keenly felt for some time.

In many cases the deterioration in the general condition of a society has been due to the misdemeanours of one or two influential office-bearers, the Registrar being powerless to intervene effectively. It is obviously unfair that the whole society should suffer for the faults of one or two individuals, and it is accordingly desirable that there should be some means of stopping such malpractices before it is too late and before the society's position is seriously damaged. One of the most serious drawbacks of the 1912 Act is that there is no penalty attached to acts of maladministration or to any failure to comply with the provisions of the Act or rules made by Government thereunder except the ultimate and drastic step of putting the society into liquidation. This omission has resulted in a great laxity in the management and administration of the societies, and even the most elementary business principles, *viz.*, honesty, punctuality, maintenance of proper accounts, deligence in payment when due, have been disregarded by the office-bearers of the societies with impunity. The financial stability of the societies has been jeoparadised owing to the inadequacy of the provisions restricting the borrowing by members of societies. Submission of false or inaccurate information by borrowing members regarding their assets and liabilities and the misuse of the loans taken from the societies have led to over-financing and to wilful default in payment. The defects noticed during the audit or inspection of the societies have been more or less disregarded, and it is seldom that prompt steps have been taken to rectify them.

Adequate provisions have been made in the present Bill to guard against the above-mentioned abuses and to inflict punishment for wilful failure, wilful neglect or refusal to carry out the provisions of the Act and rules made thereunder, for wilful submission of false returns and disobedience of summons. The existence of the penal sections will stimulate business methods in the minds of co-operators and the provisions are based upon Parliament's Industrial and Provident Societies Acts 1823 to 1928, and also upon Acts of other provinces. Sufficient protection has, however, been provided against any unwarranted exercise of any of the summary powers by permitting appeal or review or revision in all such cases. At the same time, various statutory provisions have been made for encouraging a true co-operative spirit among the workers and members of societies, while facilities have been provided for enabling the societies to obtain State aid in suitable cases, and also for the speedy realisation of co-operative dues in a summary manner, when wilful defaults render such action necessary.

The Bill has been drafted specially to meet the requirements of this province. Its important provisions may be briefly summarised as follows :—

The preamble has been recast so as to widen the scope of the movement for registering societies having as their object the promotion of the common interest of members in accordance with co-operative principles. Although co-operation is almost the only avenue of escape from poverty, its benefits are equally open to all who believe in its fundamental principles and are prepared to work in accordance with these for their economic improvement. There is no reason why co-operation should be restricted to poor persons only. With this idea, the expression "persons of limited means" occuring in the preamble to the existing Act had been omitted from the preamble to this Bill when it was first introduced in the Assembly. The Select Committee, however, recommended insertion of the words "persons of moderate means."

Provisions have also been made (*a*) to delegate the powers of Registrar to well managed financing Banks and Federations, (*b*) to obtain financial assistance from State directly or indirectly, (*c*) to improve the finances of the movement by suitable restrictions on the grant of loans, (*d*) to facilitate the collection of dues of co-operative societies by the summary process prescribed by the Bengal Public Demands Recovery Act, 1913, (*e*) to prevent fraudulent disposal of property by a borrowing member pending dispute or liquidation, (*f*) to make audit more thorough and effective, (*g*) to ensure utilisation of the loan for the purpose for which it has been advanced, (*h*) to obtain accurate information regarding the assets and liabilities of the borrowing members as a safeguard against over-financing, (*i*) to reconstitute or to supersede a Committee of Management for persistent mismanagement, as an intermediate stage between normal working and liquidation in order to give the society an opportunity to improve its working, (*j*) to charge and surcharge for the liability disclosed by audit or inspection for acts done to the detriment of the interests of the Society, (*k*) to ensure rectification of defects noticed at audit or inspection, (*l*) to effect compromise between a co-operative society and its creditors (*m*) to facilitate the working and expansion of the Co-operative Land Mortgage Bank by distraint of produce and foreclosure and sale of mortgaged property, and (*n*) to bar effectively the jurisdiction of the Civil and Revenue Courts in matters relating to the administration of co-operative societies.

In short the Bill seeks to check abuses, inculcate a healthy sense of responsibility in the managing committees of co-operative societies, to improve the working of the present organisations and to ensure the soundness of future development.

Often This is True.

Brown: "*You are certainly a good luncheon speaker, how do you do it?*"

Johnson: "*Oh, it it's easy. I just prepare a clever beginning and a brilliant ending, and then see to it that nothing gets in between.*"

Reviews.

The Report on the working of Co-operative Societies in Bihar for the year 1939.

Besides one Provincial Bank and 53 Central Banks and unions there were 7,486 Agricultural societies and 250 Non-agricultural societies at the end of the year.

The withdrawal of deposits was increasing in the Provincial Bank. This is going on year after year for the past 5 years, the total thus withdrawn amounted to Rs. 26.91 lakhs. The Government have so for advanced Rs. 23.90 lakhs to make its position safe.

The Central Banks are comparatively small and the lending rates of interest are high ranging from 9 to 12½ per cent. They were able to repay only Rs. 78,000 out of a demand of 43.95 lakhs. The cost of management seems to be rather high amounting to Rs. 2.75 lakhs, while the loans given during the year amounted to only Rs. 2.46 lakhs.

The working of Agricultural societies was deplorable. As much as 96.4 per cent. of the demand remained as arrears. But, there was an all round improvement in the sugar cane growers societies. There were 826 societies of this kind with 17,924 members and 27 marketing unions for them. A special cane commissioner and many assistants are looking after these Societies.

There were 23 grain golas, which is a special feature here. There are a large number of shop-keepers' societies and most of them worked at a loss.

Rehabilitation enquiries have been completed in 30 central banks with 3,455 societies. The Government have taken under its direct control Audit from the Federation. Instead of taking the staff and everything, they might have taken only the management, and run it as long as might be necessary to make its working efficient. It is doubtful if Government can take up the civil responsibility of auditors, who are their subordinates, and without which audit is useless. Out of 7,072 societies only 2,405 societies were audited in the year, as the staff were engaged in rehabilitation work.

30 graduates have been specially trained at Government expense. The period of training, probably about half a year may not be enough. It is strange that 'co-operation' does not find a place in the subjects taught.

V. S. R.

The Report on the working of Societies in Baroda 1930-39.

During the year a new scheme of Honorary visitors was introduced to encourage an intelligent class of public workers to take active interest in Rural Reconstruction. Fourteen visitors were enlisted.

There were 1,244 societies, with 60,377 members and a working capital of Rs. 91,81,038. The Reserve funds are utilised only in the business of societies here. 145 societies were reconstructed during the year. The overdues show a decrease from 45.6 per cent. to 35.3 per cent. due to reconstruction. The figures in the Appendix 1 show an all round progress in the movement. The village societies seem to take special interest in non-credit work as supply of seeds, manures, and agricultural implements.

The Land Mortgage Bank was working well. In addition to co-operative Banks they have 4 Agricultural banks "governed by a special Act." Special types of societies other than credit are 1. Consolidation of holdings (77), 2. Cotton sale societies (3), 3. Sale societies (3), 4. Farmers co-operative ginning factories (4), 5. Milch cattle societies (5), 6. Cattle Breeding societies (2), 7. Milk and ghee supplying societies (1), 8. Power pumps and water works societies (10), 9. Village supply stores (7) and 10. Thrift societies (57).

There were 237 Non-agricultural societies, with 23,215 members and a working capital of Rs. 38,28,299. The working of Employees' societies is reported to be 'quite satisfactory'.

Work of intensive nature is being done in some select centres, with a view 'to mould each one of the societies in the central villages as to be a Rural uplift centre for that village'. The movement is reported to have turned round the corner. The Registrar's experience is being utilised in several directions, by his being invited to serve in many committees intended for the development of the State.

V. S. R.

The Report on the working of Societies in Hyderabad (7-7-1938 to 7-7-1939.)

During the year as a result of the satisfactory working of the policy adopted for the past seven years, to make Revenue Officers take more interest in rural reconstruction, the control of the co-operative department came under the Revenue Member from the Finance Member. With this ideal 83 Tahsildars and 22 second Talukdars have so far been trained in co-operation. Co-operation is being used to help rural reconstruction. The Rural reconstruction societies made 'satisfactory progress'.

279 societies were registered during the year bringing the total number of societies to 3,638, with 1,37,948 members and a working capital of Rs. 2,74,73,311. An unfavourable season is reported to have affected the work of societies in general. The columns showing overdues of members are left blank in the published statements (B & C). Nor any light is thrown in the body of the report on this point. The classification of societies, shows that out of 3,183 societies 87 were in the A class, 520 in the B class, 1,859 in C class and the rest in the D & E classes.

The Government had under consideration the question of giving powers of execution to the Registrar.

The ten cotton sale societies with 791 members appear to have *lent* only Rs. 3,08,696. The new insurance society was working well.

V. S. R.

The Seventeenth Annual Report of the Madras Civil Accounts Office Staff Co-operative Bank, Ltd., Madras.

This is the 17th year of the working of the above Bank. As in previous years it has maintained its progress. There were at the end of the year 412 members with a paid up share capital of Rs. 27,959 as against 413 with Rs. 28,665-8-0. It is gratifying to note that the Bank worked on its own deposits and there was a credit balance of Rs. 2,757 in the bank. The sound working of the Bank is evident from the fact that its total deposits of Rs. 36,037 outstanding at the end of the year is covered by its own paid up share capital of members amounting to Rs. 27,959 and its reserve fund of Rs. 8,100. A sum of Rs. 69,763 was outstanding at the beginning of the year. During the year under review loans amounting to Rs. 1,12,740 were issued and Rs. 1,15,600 was collected leaving a balance of Rs. 66,903, at the end of the year. The net profit earned was Rs. 1,476-4-0. It has built up a good reserve fund which at the end of the year was Rs. 8,469. The Bank is one of the 'A' class societies in Madras and it deserves this place.

This is the third year of the Joint Purchase Committee's venture and a perusal of the report will show the steady and continued business it has built up during these three years. The Society deals with different varieties of articles chief among them being textiles, fruits, crackers etc. The sales during the year under review were Rs. 10,190-9-5 as against Rs. 9,941-9-11 in 1938-39. The Committee proposes to take up the sale of school and college books as an additional activity for the next year. It is a good idea, and we hope the Committee will put itself in touch with the Madras Provincial Co-operative Stationery Stores Ltd., which has been exclusively started for the supply of note books and other requirements for colleges and schools. The net profit for the year was Rs. 129-0-8. The reserve fund for this activity which is limited to a maximum of Rs. 500 in the bylaws of the society has already been reached and a sum of Rs. 86-0-8 which is over and above that has been added to the general profits of the Bank in the year under report. The Committee has done good work and the members of the committee deserve congratulations on their achievement.

N.R.

Report on the working of the Madura Co-operative District Audit Union, Ltd., for the year 1939-40.

This is one of the three Audit Unions in the Presidency. Since its starting in 1931 it has been doing good work both to the satisfaction of the Department and of the affiliated societies. There were 31 societies affiliated to this Union. Against a demand of audit fees of Rs. 7,276-11-0, Rs. 6,217-11-0 was collected leaving a balance of Rs. 1,059 of which the report says a sum of Rs. 796-15-0 has since been collected. The Union has on its staff one Government Inspector and three non-official employees employed by the Union. Though its area of operations was limited to the city of Madura, it has been extended to Madura and Ramnad Districts. From a note received from the Secretary of the Audit Union it looks as though the future of the Audit Union is not quite certain. The Committee on Co-operation is silent about the future of the audit unions. The Secretary of the Audit union pleads for the retention of the Union since it has been doing good work, but if it is decided otherwise by the Government, he pleads for the absorption of the non-official employees into the Government service according to their qualifications. We feel the plea of the Secretary is reasonable and the Government will take into consideration the cases of non-official employees and try to employ them as far as possible without throwing them out of employment and thereby causing undue hardship.

N.R.

Twenty Sixth Annual Report of the Coimbatore District Public Servants' Co-operative Society, Ltd., (1939-40.)

The number of members and share capital at the end of the year were 608 and Rs. 20,608 respectively as against 497 and Rs. 19,551 in the previous year. Loans for Rs. 37,152 were advanced in 472 cases as against Rs. 44,602 in the previous year. A sum of Rs. 44,133-8-0 was outstanding in 724 loans as against Rs. 47,094-4-0 in 689 loans in the previous year. The doubtful and bad debts amounted to Rs. 620-1-7; but the society is to be congratulated for the steps it has taken to recover as much as possible from this amount. A sum of Rs. 23-15-0 was paid as rebate for prompt payment during the year in 49 loans for 28 members. The net profit for the year amounted to Rs. 1,602-13-0 as against Rs. 1,617-9-0 in the previous year. The reserve fund to the credit of the institution at the end of the year was Rs. 11,172-15-0. The society is growing from strength to strength and the directors of the society can very well be proud of another year of good record of work.

N.R.

Annual Report of the Repalle Co-operative Crop Loan and Sale Society, Repalle, for the year 1939-40.

The Society was registered in the year 1936. The share capital of the society for the year 1939-40 was Rs. 1,604 when compared with 164 of the first year. Loans were also advanced on paddy which was stocked in the hay stacks. The report says that there was a slack in the business during the period under review as advances on turmeric were restricted and as the services of a supervisor which were lent by the District Bank, Tenali, were withdrawn. They have utilised the cash credit given by the Bank towards purchasing pulses and other necessaries and selling them to the ryots at moderate price. They have made a profit of Rs. 142-9-0 by these non-credit activities. They have opened a Hand-loom section. On the whole there was good progress.

T. S. R.

Annual Report for the Co-operative year 1115 of the Travancore University Co-operative Stores, Ltd., Trivandrum.

The origin and development of the society which prefaces the report of the society for the year 1115 affords very good reading and it gives us the hope that with proper, 'human material,' any co-operative enterprise will be a success. The number of members at the end of the year were 285 of whom *229* were students. There were also 414 associate members and a paid up share capital of Rs. 642. Stock to the value of Rs. 10,145 was purchased and the sales for the year amounted to Rs. 11,762. The net profit for the year was Rs. 713. The society has had to face the problem of dead stock rather seriously. The quick decision of the directors to set apart Rs. 50 from the profit towards Dead Stock Liquidation fund is a step in the right direction. The society deserves to be congratulated for its efficient working on sound and satisfactory lines.

N.R.

Annual Report of the Dehra Basmati Rice Producers' Co-operative Marketing Society, Ltd., Dehra Dun, for the year 1939-40.

This is the fifth report of the Society. The society was started to safeguard the interests of the producers and consumers of the Dehra Basmati rice and we are glad to be told that it is being fulfilled. The membership is open to all residing in villages within Dehra Tehsil. In the beginning the society had to face all round opposition but since 1939 due to the fillip given by the marketing department of the Government of India, the rice was graded into different sorts and sold under the famous *Agmark*. During the year under report 3233 maunds of rice worth Rs. 23,?84 was sent from Quetta to Coorg and from Karachi to Assam. The net profit earned during the year was Rs. 78?-5-3. As a side activity the Society started a grain society and the society is to be congratulated for having managed the new undertaking successfully to earn a profit of Rs. 342-3-9. It is regrettable to note from the report of the attitude of the District Bank of Dehra Dun towards the society. We trust in the year to come the Bank will be more co-operative in its outlook than it was before. The Society has to its credit one year of good work.

N.R.

Prabodha Chintamani—by K. Suryanarayana, Co-operative Supervisor, Munjulur, (Kistna District.)

This is a booklet containing a number of small poems and songs dealing with various aspects of co-operation and village life. The author's faith in co-operation is so great that he enthrones it to the place of religions. Believing as we do that poetry is one of the valuable means for spreading a movement, the author's attempt to depict in poetry the virtues of co-operation is a laudable one. We hope this booklet will be freely used as an aid to propaganda especially during the time the Panchayatdars' Classes are held and group-singing will be usefully practised in all gatherings. This book of 'hymns' on Co-operation in Telugu deserves to be in the hands of every co-operator.

"The Great Buffoon"

In connecetion with the name of Buffoon, Mr. Bernard Shaw used to relate that a person entered a bookseller's shop and asked for the works of the Graat Buffoon. The bookseller, unacquainted with the pronouncement of Buffoon, gave him the works of Shaw instead. —Liverpool Daily Post.

Marketing by Co-operative Societies.

(a) *Paddy.*—The district of Tanjore exports annually over a lakh of tons of paddy and about 75,000 tons of rice valued over 1.5 crores of rupees. For various reaons, the work of the Central Marketing Society, Tanjore, did not come up to expectations. The Directors of the Central Society and the various sale societies affiliated to the Central Society were frequently visited and urged to undertake joint sale of the produce of the members in Coimbatore, Pudukottai, Madura and Ramnad districts. The following shows the progress of work of the paddy sale societies in Tanjore district:—

	Quantity sold. Imperial maunds.	Estimated Value. Rs.	To whom sold.
Nidamangalam Sale Society ...	1,455	3,880	Co-operative Store, Madura.
Do. ...	120	320	Pudukkottai.
Do. ...	300	800	Co-operative Society Karur.
Kumbakonam Sale Society, Kuthanoor ...	1,192	3,180	Madura Stores.
Cauvery Delta Sale Society ...	300	800	Co-operative Sale Society, Erode.

Recently, there was a conference of the Mirasdars of Tanjore district at Mannargudi for accelerating the progress of marketing work and it was decided to start paddy marketing societies at Kumbakonam, Mannargudi and Trichinopoly with branches, if necessary, to federate all these into a Central Organization at Tanjore which would deal with markets outside the district.

(b) *Plantains:*—Necessary help was rendered to the Vangal Co-operative Society (Trichinopoly district) in the marketing of plantains. The society worked at a profit and the members were able to realize better prices for their produce. Arrangements have been made to extend the area of operation and to register a new society to include all the plantain tracts in the Cauvery delta, viz., the taluks of Karur, Musiri, Kulittalai and Namakkal.

(c) *Sugarcane.*—A society for the growers of sugarcane at Kattuputhur was formed with the area of operation extending over the taluks of Karur, Musiri, Kulittalai and Namakkal to help the members in marketing their sugarcane and jaggery at favourable prices. The society is negotiating with the sugar factory at Pugalur with regard to the disposal of sugarcane.

(d) *Fruit Marketing Societies.*—(i) A Fruit Growers' Society was organized at Tenali (Guntur district) to market the limes and oranges of the members to the best advantage. The society has been marketing limes at

Calcutta from May 1940. The Agricultural Marketing Adviser to the Government of India, Delhi, has also recently authorized the society to grade the limes under the Agricultural Produce (Grading and Marking) Rules. It is proposed to commence grading in the ensuing season.

(ii) The South Kanara Fruit Growers' Society and the North Malabar Fruit Growers' Co-operative Marketing Society received assistance as regards grading and marketing of pineapples.

(iii) Arrangements for grading the produce of the Wynaad Fruit Growers' Co-operative Marketing Society were completed. Grading will commence in the ensuing season.

(iv) The Koduru Fruit Growers' Co-operative Society marketed increasing quantities of Sathgudi oranges at Madras. The Provincial Marketing Society could not dispose of the entire produce in Madras itself. Sales were therefore arranged in mofussil centres like Madura, Trichinopoly, etc. through local co-operative sale societies and other agencies. Grading of oranges on 'Agmark' basis greatly facilitated the profitable marketing of sathgudi oranges. The F. W. Grader was working throughout the main season from 3rd June 1939 to the middle of May 1940, and 15,451 baskets of oranges valued at about Rs. 37,000 were graded during the period. The grading of sathgudi oranges is almost well established now, and dealers and consumers in the mofussil markets are demanding graded oranges.

(v) *Chittoor Fruit Growers' Society.*—During the year, a mango growers' co-operative marketing society was organised at Chittoor. The society sent graded fruits to Bombay and all important towns in South India. The prices fetched were quite favourable to the growers, and despatches to Bombay and southern markets are on the increase.

(vi) *Potato marketing.*—The Nilgiris District Co-operative Marketing Society marketed during the year graded potatoes under 'Agmark' grades. For the first time, the society sent during the year consignments of potatoes to Bombay and Calcutta markets with favourable results. The Marketing Officers, Bombay and Bengal, rendered help in the disposal of the produce to the best advantage.

(vii) *Marketing of jaggery.*—The Coimbatore Taluk Co-operative Marketing Society commenced operations in July 1939 and from its inception close contact was maintained and advice rendered on their marketing problems. The society was put in touch with the Malabar Co-operative Marketing Society for marketing cane jaggery, as Malabar is the main market for Coimbatore jaggery. The society intends opening sale depots in Palghat and other places and grade the jaggery on 'Agmark' basis.

(viii) *Egg Marketing Society, Ongole.*—The Society continued to market graded eggs under 'Agmark'. During the year under report, 161,824 eggs valued at Rs. 3,014 were marketed at Madras and other markets.

Assistance to the Co-operative Department.—It will be seen from the foregoing that all possible assistance was rendered to various co-operative societies in the marketing of their main produce like paddy, rice, oranges, pineapples, mangoes, eggs and potatoes. Assistance was rendered in organization of fruit growers' societies, milk unions and marketing societies. Written and oral evidence was given before the Committee on Co-operation about the need for special marketing societies and as to the manner in which the present co-operative loan and sale societies could be reorganized to undertake marketing work. A comprehensive note on the present marketing methods of major crops in the Presidency, the wastage that occurs, the middlemen's profits and how these can be remedied was also prepared and furnished for incorporation in the report of the Committee on Co-operation.

(*Extract from the Administration Report of the Provincial Marketing Officer, Madras, for the year 1939—40.*)

Conferences.

RESOLUTIONS PASSED AT THE JOINT SESSION OF THE STANDING COMMITTEES OF THE INDIAN PROVINCIAL CO-OPERATIVE BANKS' ASSOCIATION AND THE ALL INDIA CO-OPERATIVE INSTITUTES' ASSOCIATION

Held in Bombay on the 18th and 19th January, 1941.

1. This meeting expresses its sense of sorrow and loss at the death of Mr. V. Venkatasubbaiya, Sri Daniel Hamilton and Mr. H. J. May and places on record its high appreciation of the eminent services rendered by them to the Co-operative Movement.

2. This assembly of co-operators expresses its profound sympathy with all those co-operators who have been deprived of their freedom and right to carry on their co-operative activities, and whose countries to-day are suffering from the domination of forces of aggression which occupy their territories; declares its conviction that the co-operative system provides the best basis for a world settlement calculated to ensure Freedom, Security, Social Justice and Universal Peace; and calls upon all co-operative organisations and co-operators to exert their forces and influence to secure the restoration of full human rights and the inauguration of a new era of Peace based upon the co-operative principles of Free Association, Democratic Government and equitable distribution of the resources of the world.

3. The All India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association should make all possible endeavours to impress upon the minds of the people of India and of the world, with the help of similar organisations in other countries that all the devastating and monstrous wars which the world witnesseth are due to want of genuine spirit of co-operation among the people of all climes and countries and that co-operative organisations all over the world should consider it their primary duty not only to develop genuine spirit of co-operation among their own members but also among those who are still outside the fold of the Co-operative Movement, with the object of killing all spirit of antagonism, which is the root cause of all ruinous wars.

4. (*a*) This joint session of the Standing Committees of the Indian Provincial Co-operative Banks' Association and the All India Co-operative Institutes' Association reaffirms its view that the continuance of free transfer of funds for approved co-operative purposes is extremely valuable for the further development of the Co-operative Movement in its various aspects; and requests the Provincial Governments to reimburse the Reserve Bank of India for any loss that may be involved by the continuance of the concession on a scale not exceeding 1/64 of a rupee per cent.

(b) This joint session urges on the Reserve Bank of India that the Provincial Co-operative Banks should be placed on the same footing as scheduled banks in the matter of remittance facilities and this meeting recommends:

(i) That Provincial Co-operative Banks may agree to keep minimum balances with the Reserve Bank of India at the rate of 2½ per cent. of their demand liabilities and 1 per cent. of their time liabilities; and

(ii) That the affiliated central banks may agree to deal exclusively with their Provincial Co-operative Banks as balancing centre for their funds;

Provided the following facilities are made available to Provincial Co-operative Banks and their affiliated central banks :—

(i) Transfer free of charge of sums of Rs. 10,000 or multiple therof between Provincial Co-operative Banks in places served by branches, offices or agencies of the Reserve Bank;.

(ii) Transfer free of charge once a week of sums of Rs. 5,000 or multiple therof to the principal account of a Provincial Co-operative Bank by branches of the Provincial Bank or its affiliated central banks through the agencies of the Reserve Bank of India;

(iii) Other transfers to the principal account by branches of the Provincial Bank or its affiliated central banks at 1/64 per cent. subject to a minimum of Re. 1.

5. (a) This meeting of the Standing Committees of the All India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association is of opinion that the interpretation placed on section 17 of the Reserve Bank of India Act by the Reserve Bank practically makes it impossible for the co-operative banks to derive any financial assistance from it, and in view of the situation created by the slump in prices of commodities requests the Reserve Bank of India to advise the Government of India about the need to suitably amend the provisions of the Act to meet the situation and the Government of India to take speedy action on such recommendation.

(b) This meeting further requests the Reserve Bank of India to provide the Provincial Co-operative Banks short term credit for purposes of developing sale and supply (marketing) societies, on the security of the promissory notes bearing the signatures of the Provincial Co-operative Banks supported by documents of title to goods or of pledge of goods.

(c) This meeting also resolves to urge on the Reserve Bank of India to invest in and lend on the security of debentures issued by the Provincial Co-operative Banks and Central Land Mortgage Banks where the principal and interest thereof have been guaranteed by the Provincial Governments.

6. This meeting of the joint Committees regrets to note that the schemes for the rehabilitation of the Movement in Bihar, Berar and Bengal

are still under examination and urges on the respective provincial Governments to expedite their action, for any more delay in carring out the schemes for the resuscitation of the central banks and societies will lead to further rapid deterioration of the Movement so as to make its reconstruction impossible.

7. This meeting urges on the Provincial Governments that in formulating and implementing their decisions for the resuscitation of the movement, the following considerations should be borne in mind :—

(a) The debts of the members of the primary societies should be scaled down to their repaying capacity and the Reserve Fund and undistributable profits of the society should be used to such an extent as may be found necessary and desirable. The necessary machinery may be set up to make such scaling down legal and binding on the creditors of the Banks and Societies.

(b) The rate of interest on the debt after it is scaled down should be as low as possible, not exceeding 6¼ to 7½ per cent. Future loans must be for short term for productive purposes and on the basis of controlled credit, that is to say, credit for production should as far as possible be linked with marketing.

(c) The debt so fixed should be realised by spreading the instalments over an adequately long period having regard to circumstances of each case.

(d) The Provincial Governments concerned should provide or create facilities for raising long term capital at as low a rate as possible and in such manner as they may consider suitable, besides making grants (subsidies) to meet a portion of the losses caused by scaling down of debts and cost of future management of the Provincial and Central Banks.

8. This meeting urges on the Government of the United Provinces the necessity to form as soon as possible a Provincial Co-operative Bank for that Province to serve as financing agency and balancing centre, for the central banks, as the societies and their members cannot realise the full benefit of co-operative credit without an apex organisation of the kind.

9. This meeting urges on the Provincial Co-operative Banks, Institutes and other federal institutions, with the assistance, where necessary, of the Provincial and State Governments concerned, the necessity of placing non-official services in co-operative institutions on a more satisfactory footing than at present by ensuring for employees security of tenure and reasonable conditions of service in regard to pay, promotion and prospects; and with a view to achieve these aims this meeting suggests the following measures:

(a) Minimum educational and technical qualifications required of employees in different classes of societies and grades of employees should be prescribed.

(*b*) Rules should be made to fix the scales of pay of different grades of employees and to regulate the procedure for promotion from one grade to another.

(*c*) Provincial Banks, Central Banks and larger urban banks should as far as their financial resources permit institute schemes of contributory provident fund for their employees.

(*d*) Provision should be made for the grant of causal, privilege and medical leave.

(*e*) Procedure should be laid down in regard to taking disciplinary action somewhat on the lines of the procedure laid down in respect of Government Servants.

(*f*) An up to date record of services and conduct sheets of every employee should be maintained as in the case of Government Servants.

10. This meeting, while recording its grateful thanks to the Central Government for the relief given to co-operative societies in respect of supertax and incometax, requests the Government to exempt co-operative societies from the operation of excess profits tax, for the levy of such tax will considerably reduce the ability of the banks which are working on low margins to serve the interests of the agriculturists by keeping the rates of interest charged by rural societies to the members at the present level.

11. This meeting resolves to appoint a Legislative Sub-Committee of the All India Co-operative Institutes' Association and the Indian Provincial Co-operative Banks' Association consisting of the following members, with power to co-opt :—

1.	The Hon'ble Mr. V. Ramadas Pantulu.	
2.	Prof. D. R. Gadgil ...	Bombay
3.	Mr. K. G. Sivaswami ...	Madras.
4.	Rai Bahadur Shyamnandan Sahaya ...	Bihar.
5.	Mr. S. Srinivas ...	Mysore.
6.	V. L. Mehta ...	Bombay.
7.	Khan Mohd. Bashir Ahmed Khan ...	(Secretary)
8.	Mr. V. M. Thakore ...	Do.
9.	Khan Sahib Thakore Zaman ...	Bengal.
10.	Mr. T. M. Desai, Registrar of C.S., ...	Baroda.
11.	Mr. Chisti ...	United Provinces.
12.	The Registrar, Co-operative Societies,	Jammu & Kashmir.
13.	Lt. Khan Sahib Khan Ghulam Hasan Khan	Punjab.

to study and report how far the Co-operative Movement is affected by the legislation in regard to debt relief and regulation and control of money-lending in the different provinces and states and whether co-operative societies should be brought within the purview of that legislation, and if so, to what extent and in what respects. The Sub-Committee may also make suggestions

for the modification of those measures, particularly with reference to co-operative credit and system of money-lending.

(*b*) The Sub-Committee is also requested to investigate the question of the debt bondage from which agricultural field labourers, particularly Harijans, suffer and to prepare a memorandum for sub-mission to the several Provincial Governments for speedy action being taken. This meeting is of opinion that no improvement in the situation is possible until the existing commitments of this class of people are completely wiped out and future commitments are severely restricted both in regard to their terms as well as duration, somewhat on the lines of the Madras Debt Bondage Abolition Act, 1940.

12. (*a*) This meeting is of opinion that the time has now come to give a new orientation to the Co-operative Movement by the Provincial Co-operative Organisations and the Provincial and State Governments by launching a comprehensive plan for the simultaneous pursuit of a scheme of the revival or resuscitation of existing societies and the expansion of the movement, both intensively and extensively with the following aims :—

(i) to replace as far as possible individual money-lending by credit dispensed by co-operative societies whose scope and utility should be widened so as to be able to effectively assist the agriculturists for production, movement, and marketing of crops and other allied activities ;

(ii) to bring every village as soon as possible within the sphere of operations of a primary co-operative society ; and

(iii) to enlist at rapidly as possible all residents of a village as members of their society.

(*b*) This meeting suggests the following measures in order to bring about a widespread diffusion of co-operative activities in the country side :—

(i) The amalgamation of such existing small societies as are unable to work individually and can be conveniently grouped into larger units ;

(ii) The formation of new societies comprising groups of compact adjacent villages with such form of liability as local co-operative opinion and conditions may favour.

Note :—Societies reorganised and expanded on these lines will have sufficient income to enable them to build up reserves and appoint paid staff. They will then be able to achieve the triple objects of "Better Farming, Better Business and Better Living."

13. (*a*) This meeting urges on the Central and Provincial Governments and Indian States of taking steps to prevent a decline in prices to ruinously low levels owing to the loss of export to oversea markets in cases of agricultural commodities like wheat, cotton, oilseeds, jute, etc.

(*b*) This meeting urges on the Provincial Governments that their price control policies should not prevent the rise in prices of agricultural commodities in due course for a depression in those prices will operate to the serious economic detriment of the producers.

(*c*) This meeting further urges upon the Government of India the necessity of relaxing the restriction on the export of sugar and of urging upon the Government of United Kingdom the desirability of buying Indian sugar at reasonable rates so as to ensure a fair return to the grower of cane in India.

14. This Conference recommends to the Provincial Banks and Provincial and State Governments for adoption the scheme formulated in Bombay

in regard to provision for depreciation in the value of Government Securities held by co-operative societies, viz:

(*a*) Normally if a bank invests in securities with the idea of keeping them till the date of redemption it is not considered necessary to write down their value periodically whenever there is a fall in the market value due to an extraordinary situation like the one arising out of a great war.

(*b*) If, however, circumstances necessitate the realisation of certain securities, the loss due to depreciation having been incurred in the same manner as any other business loss without a chance of being made good, the loss has to be provided for in the year of account itself.

(*c*) It is sufficient if a bank writes down the book value to the extent of the unrealised premium in respect of its holdings, that is, the amount of purchase price paid over and above the face value, in annual instalments depending on the date of redemption. (Such securities are designated in the Bombay Scheme as "premium securities.")

(*d*) The Bank should not take credit for the difference in purchase price and the redemption price if the face value is in excess of the purchase price. (Such securities are designated "discount securities."

(*e*) In its scheme of investment, a Co-operative bank should ensure that the dates of redemption of the securities should be evenly spread, that is to say, there should be a definite proportion of short dated securities.

15. Resolved to continue the publication of the "Indian Co-operative Review" at Madras during the year 1941 under the editorship of the Hon'ble V. Ramadas Pantulu and the usual annual grant of Rs. 1,000 from the Indian Provincial Co-operative Banks' Association be made for the year 1941.

16. (*a*) Resolved to publish an Year-Book and Directory of Indian Co-operation for the year 1941-42. The scheme drafted by the President in this connection is approved.

(*b*) Resolved to request the Provincial Institutes and Banks to afford necessary facilities and financial assistance to make the publication a success. The Provincial Registrars are also requested to help the Editorial Committee by furnishing them with such statistical and other information as the Committee may require.

17. (*a*) The accounts of the Indian Provincial Co-operative Banks' Association for the years 1938, 1939 and 1940 are passed. The objection raised by the auditor on the accounts of the year 1938 with regard to payment of Rs. 2-8 per diem to the stenographer of the President as halting allowance was considered, and it was resolved that it might be sanctioned. The meeting thanks the auditor for auditing the accounts of the Association free of charge.

(*b*) The accounts of the All India Co-operative Institutes' Association for the period 16th June 1937 to 30th June 1940 are also passed.

18. This meeting, while recommending the formation and working of societies for consolidation of land holdings societies, requests the Governments of the Provinces and States to enact legislation to prevent fragmentation of land by not allowing the land to be divided into small uneconomic parcels. If the Personal Law stands in the way of such a provision, the Governments may request the Committees appointed by them to overhaul the law in the matter.

"Needless Official Interference"

Is this true?

We reproduce below some letters and articles on the above subject. We shall be glad to publish useful letters and extracts on this 'allegation,' if supported by facts, as needless official interference is certainly not in the interests of the healthy growth of the Movement. Co-operative opinion should gather strength to resist it, if it exists at all.

STAGNATION OF THE CO-OPERATIVE MOVEMENT.

OFFICIAL AND NON-OFFICIAL APOLOGIA.

For a variety of reasons the Co-operative movement in our country has not made much progress. The stagnation of the movement is not a little due to the dearth of honest and competent persons to conduct the affairs of Co-operative Societies on strictly businesslike and co-operative lines. The following passage appearing in the latest Administration Report of the Registrar of Co-operative Societies, Madras is well worth pondering over.

> "The degree of dishonesty and incompetency sometimes found in the co-operative work is, I regret to say, a discredit to co-operators who ought to represent the best elements in the population if the Co-operative principle of select membership were strictly followed and the Co-operative talk of ideals were more than lip service . . . Personal and family loyalty are carried too far and are degraded into favouritism and nepotism . . . Another most damaging element comes in when co-operators who are also politicians fail to keep their activities separate."

The utility and success of any movement lies ultimately in the integrity, efficiency and the spirit of self-abnegation of persons who choose to embrace it and more particularly it is the case with the Co-operative movement. The Registrar states with a certain amount of pain that the Co-operative movement in this province has touched only one-tenth of the population and that too only at one or two points. Co-operative institutions are defenitely business organisations and there is no place therefore in co-operation for personal allegiance or family loyalty. To this extent the non-officials have to share their responsibility for the failure of the Co-operative movement to make much headway in this province and I trust that our non-official brethren will pause and take concerted steps to purge the movement of dishonest elements instead of picking up a quarrel with the Registrar who has stated the position correctly in his frank observations quoted above.

Non-official co-operators in this country must take initiative and leadership instead of depending too much on official spoon-feeding and patronage.

There is a vast field of national service and reconstruction in the Co-operative movement and any sincere patriot who wants to take a hand in the economic and social rehabilitation of our country will not fail to see in co-operation the surest means of achieving his ideal. Co-operation in our country has been hitherto a matter associated with official effort and official initiative and if the co-operative non-officials cannot prove their honesty and competency the cry for de-officialisation of the movement loses its force and meaning Mr. Ramadoss Pantulu, in his speech at Bombay, presiding over the All-India Co-operators' Conference, would like to attribute the stagnation of the Co-operative movement to the official acts of omission and commission. He argued that on account of too much of official interference in the internal working of Co-operative Societies the Co-operative movement could not flourish or expand. He stated further that the policy pursued and the attitude taken by the officials were not helpful for the proper functioning and expansion of the movement. I am not aware of the circumstances under which Mr. Pantulu indicts the officials and makes them responsible for the failure of the movement.

The officials of the movement have got certain duties to perform under the Co-operative Societies Acts of the several provinces and no useful purpose will be served by falling foul upon them when they discharge their legitimate duties. Excepting the interference called for under the Act, I cannot imagine how officials could hinder the proper functioning of Co-operative institutions or impede the growth and development of the Co-operative movement. Co-operative non-official opinion must be organised and must be free from personal bias or party affiliations and if only leaders of non official co-operative opinion in our province could join together, concert ways and means for the healthy growth and expansion of the movement and take initiative and leadership, official interference could be brought to the bare minimum and the very economic life of our province could be revolutionised bringing about "the greatest happiness of the greatest number."

V. M. GHATIKACHALAM, D. COM., F. INT. A.C.F.A.I.A.
Honry. Secretary, The Madras Co-operators' Association, Madras.

A Thought from Ibsen.

Against lies, calumnies, etc., dignity is the only weapon; never let anyone see that anything said by your enemies has touched you—in short act as if you did not dream you had enemies.

Co-operation in Doldrums.

One of the questions that has been intriguing genuine Co-operators and the Government, as well as the well-wishers of the Movement, is the extent of the official control and direction. This has always been a difficult subject, and it has not been possible to come to a definite conclusion on this very intricate matter.

There are officials who insist that Co-operation to be successful must be properly guided by departmental experts and if it has not succeeded to the extent it has in other countries it is mainly due to lack of proper men to take part in the Movement.

Well-known Co-operators are inclined to take the very opposite view. They insist that the Movement should be left free to carry on without any official control, as in other countries.

Golden Mean.

It is quite possible that a golden mean may be arrived at by both parties. Mr. V. Ramadas Pantulu, at the joint session of the Provincial Co-operative Banks' Association and All-India Co-operative Institutes' Association last week in this city, is of this view, and he placed it before the Co-operators in vigorous language.

He was oppressed by a feeling, he said with emphasis, "that the movement has no genuine future before it and that its contribution to our national life will be little if it has to be carried on within the limits set to it by the Co-operative Societies Acts in force in the various Provinces and States and the daily increasing control of the Departments of Co-operation as at present constituted."

What Mr. Ramadas Pantulu stated is a general complaint, but officials have got their own case against adopting any suggestion for radically freeing the Movement from their control.

Even the Congress Government, during its short regime in Bombay, did nothing to free the movement from official control, and perhaps for very good reasons, though many of the Ministers were intimately connected with the Movement.

Speaking of Bombay, for the past few years the general complaint on the part of the Co-operative Department is that the movement is making very little progress, and that most of the Credit Societies are in financial difficulties, owing to causes which were beyond the control of either the borrowers or the Credit Societies, or perhaps due to deliberate dishonesty and corruption.

Frozen Debts.

It is with the utmost effort that the Credit Societies are trying to put their affairs in order by recovering their loans in various ways. We do not believe that the Co-operative Movement is altogether out of danger in this Presidency at least, for according to the latest report of the Registrar of Co-operative Societies very large sums have yet to be recovered by the Credit Societies from borrowers.

The process is painfully slow, for it has been generally admitted that "frozen debts" cannot be recovered by strong methods. One wonders how less official control would have mended matters though we are undoubtedly for freeing the whole Movement from official trammels.

As one of the Madras Journals observes, with some truth, in India the whole movement came "from above" and from the very beginning it has depended on official support and guidance. It is equally true that the Movement has failed to attract, except in a small way, "men of ability and integrity on a large scale enough to impress on it the character of a great popular movement," as the *Hindu* writes with some reason.

Inefficiency and Corruption.

So long as the Movement is not broad-based and so long as enough honest and hard-working public workers do not take part in it, there is bound to be official control without which it is likely to fail. One cannot have it both ways, and it should be the business of the Department to see that public funds are properly conserved and not either wasted or defalcated, and that Credit Societies conduct their business on sound and approved lines.

We have always opposed the excessive officialisation of this beneficient Movement, but that ideal will not be easily attainable in this imperfect world, particularly so long as good, honest and public spirited men do not come forward to take part in the Movement.

One wonders what would have happened but for official control and interference every now and then, particularly to bring the wrong-doers to book. The whole question is a very difficult one, and one does not know how it can be solved at the present time.

As has been very properly pointed out official intervention has often been necessitated "by proved inefficiency and corruption." It is a pity that one is compelled to write all this, but there is no help for it and facts have to be faced whether one likes them or not.

Greatest Hindrance.

Mr. Ramadas Pantulu made other complaints about the departmental officials being kept tied to their official files and minutes and being wedded to theories which have become more or less "obsolete even in the countries of their birth."

For that the corrective is in the hands of the Co-operators themselves and they are strong enough to make their voice heard in proper quarters.

One cannot agree also that the officials of the Co-operative Department have no contact with the people. All that one can say is that the workers connected with the Movement have as much contact with the masses as the officials have. That is saying much.

There have been good and sympathetic officials, as there have been others altogether lacking in sympathy. But very few have belonged to the latter category, and it must be confessed that but for official guidance and sympathy from the very inception, co-operation could hardly have made the little progress it has made to-day in this country.

The greatest hindrance in the way of proper progress is, naturally, want of education among the masses, and necessarily the lack of public spirited workers. Perhaps both these questions are closely related to each other. But there they are and it is difficult to make sweeping statements in such matters.

(*Bombay Sentinel. 23rd January, 1941*).

Orders and Circulars.

Amendments to Rule XXVII under the Madras Co-operative Societies Act.

Fort St. George, February 19, 1941, (*G. O. Ms. No. 318, Development*).

AMENDMENTS.

In rule XXVII of the said rules—

(1) in sub-rule (1), after clause (*d*), the following shall be added, namely :—

"or

(*e*) is a near relation of a paid employee of the society, provided that if any question arises whether a person is or is not a near relation of a paid employee of the society, the question shall be referred to the Registrar and his decision shall be final" ; and

(2) (*i*) in sub-rule (2), after clause (*d*), the followiug word and class shall be added, namely :—

"or

(*e*) becomes a near relation of a paid employee of the society" ; and

(*ii*) after the proviso to the same sub-rule ; the following further proviso shall be added, namely :—

"Provided further that if any question arises as to whether a member of the Committee of any society has or has not become a near relation of a paid employee of the society, the question shall be referred to the Registrar and his decision shall be final."

Amendments to the Madras Agriculturists' Loans (Relief of Indebtedness) Rules.

Fort St. George, December 19, 1940 (*G. O. No. 3148, Revenue*).

In exercise of the powers conferred by sub-section (1) of section 4 of the Agriculturists' Loans Act, 1884 (XII of 1884), as amended by Madras Act XVI of 1935, His Excellency the Governor of Madras is hereby pleased to make the following amendments to the Madras Agriculturists' Loans (Relief of Indebtedness) Rules, 1938, published with Revenue Department Notification No. 772, dated the 8th September 1938, at pages 1311-1317 of Part I of the *Fort St. George Gazette*, dated the 13th September 1938, as subsequently amended :—

AMENDMENTS.

In the said rules—

1. To sub-rule (1) of rule IV, the following proviso shall be added, namely :—

"Provided that in cases where the applicant has executed a single mortgage to a single creditor and such creditor agrees to accept in full discharge of the mortgage such sum as the Loans Officer may determine to be payable with reference to the provisions of the Madras

Agriculturists' Relief Act, 1938, the Loans Officer may scale down the debt with reference to the provisions of the said Act and sanction a loan to the applicant for the discharge of the mortgage-money as so scaled down."

2. In rule V—

(1) in sub-rule (1)—

(i) in clause (i), the word 'and' occurring at the end shall be omitted; and

(ii) after clause (ii), the following word and clause shall be inserted namely—

"and (iii) if the security offered consists in whole or in part of occupancy right in lands in an estate, unless he satisfies the Loans Officer that there are no arrears of rent due on the holding containing the lands offered as security."

(2) in sub rule (2)—

(i) for the figures '1,000' occuring at the end of the first proviso, the figures '2,000' shall be substituted;

(ii) in illustration (1), for the figures '1,000,' '600' and '400' wherever they occur, the figures '2,000' '1,200' and '800' shall respectively be substituted; and

(iii) in illustration (2) for the figures '1,500' '800' and '700' wherever they occur, the figures '3000,' '1,600' and '1,400' shall respectively be substituted.

3. In rule VI, before the entry "Revenue Divisional Officers . . . 1,000," the following entry shall be inserted, namely :—

"Collectors ... ... 2,000."

4. To sub-rule (3) of rule VIII, the following proviso shall be added, namely :—

"Provided that in cases falling under the proviso to sub-rule (1) of rule IV the Loans Officer shall not return the application but shall, so far as may be practicable, deal with it in the manner laid down in sub-rule (5).

5. In rule X,

(1) to sub-rule (3), the following proviso shall be added, namely :—

"Provided that if the lands of which the applicant is the sole owner or in which he has the sole occupancy right constitute a sufficient security under sub-rule (1) he shall not be required to offer as security any lands of which he is a joint owner or in which he has a joint occupancy right" and

(2) sub-rule (4) shall be renumbered as sub-rule (5) and the following shall be inserted as sub-rule (4), namely : —

"(4) Where a loan is granted wholly or partly on the security of occupancy right in lands in an estate, collateral security should also be taken wherever possible; but in no case should property belonging to persons other than the borrower be accepted as such security."

6. For rule XI, the following rule shall be substituted, namely :—

"XI. The rate of interest charged on loans under these rules shall be the rate notified by the Government from time to time in Fort St. George and the District Gazettes and in force on the date on which the loan is sanctioned. The applicants, whose applications are pending disposal when the rate of interest is raised, shall be given an opportunity of agreeing to the altered rate or of withdrawing their applications."

7. In sub-rule (2) of rule XIII, clause (*d*) shall be lettered as clause (*e*) and the following shall be inserted as clause (*d*), namely :—

"(*d*) that, where the security offered consists wholly or partly of occupancy right in lands in an estate, there are arrears of rent, due on the holding which contains the lands offered as security or."

8. After rule XIV-A, the following rule shall be inserted, namely : —

"XIV-B. (1) When a loan is granted under these rules wholly or partly on the security of occupancy right in lands in an estate the borrower shall every year satisfy the Tahsildar of the taluk in which the repayment of the loan instalment is made that there are no arrears of rent remaining due on the holding which contains the lands offered as security for that year by the production of receipts obtained from the landholder or in accordance with the provisions of the Madras Estates Land Act, 1908.

(2) If at any time it is found that the borrower has failed to satisfy the conditions specified in sub-rule (1), the Loans Officer may pass an order directing the recovery forthwith of the entire loan, or as the case may be, of the entire balance of the loan or any portion of it, together with interest and costs as arrears of land revenue."

9. In Form G, item 7 shall be lettered as sub-item (*a*) of that item and the following shall be inserted as sub-item (*b*), namely :—

"(*b*) What is the present estimated value of the collateral security offered, if any?"

10. In Form H, item 7 shall be lettered as sub-item (*a*) of that item and the following shall be inserted as sub-item (*b*), namely :—

"(*b*) What is the present estimated value of the collateral security offered, if any?"

11. In paragraph 2 of Form I—

(1) in clause (*a*)—

(i) in condition (ii), for the expression "mortgaged for other loans," the expressions "sold or mortgaged or burdened with a charge in any manner," shall be substituted; and

(ii) after the same condition, the following condition shall be inserted, namely :—

"(iii) In the case of a loan granted wholly or partly on the security of occupancy right in lands in an estate, if it shall be proved that the borrower has failed to produce receipts for the payment of the entire rent due on the lands offered as security or otherwise satisfy the Tahsildar as required in rule XIV-B the whole of the unpaid balance of the loan or such portion of it as the Loans Officer may determine with interest thereon and costs, if any, shall be deemed to become due at once"; and

(2) in condition (i) of clause (*b*), the figures '6¼' shall be omitted.

G. O. No. Ms. 265 Development. *Dated the 12th February 1941.*

Co-operative Societies—Land Mortgage Banks—Central Land Mortgage Bank—Government guarantee—Increase from Rs. 250 lakhs to Rs. 310 lakhs—sanctioned.

In Notification No. 731, dated the 5th September, 1939, published at page 1154 of Part I of the Fort St. George Gazette dated the 12th September, 1939, the Government under sub-section (2) of Section 6 of the Madras Co-operative Land Mortgage Banks Act, 1934, increased the maximum amount of the guarantee given by them in respect of the debentures issued by the Madras Co-operative Central Land Mortgage Bank, Ltd., to a total face value of Rs. 250 lakhs exclusive of such debentures as the Bank might from time to time redeem. His Excellency the Governor of Madras is now pleased to increase the maximum amount of the guarantee up to a total face value of Rs. 310 lakhs, exclusive of such debentures as the Bank may from time to time redeem, such debentures being issued for periods not exceeding in any case 25 years from the date of issue and bearing interest at a rate not exceeding 5 per cent. per annum. The Government have no objection to the inclusion of the terms of this further guarantee in the debentures to be issued by the bank, which satisfy the foregoing conditions.

Sub: Central Banks and societies—lending rates—Rate of interest on awards.

Ref: Registrar's circular R. C. No. 951/37-A dated 2-8-1940.

In the Registrar's circular cited above, societies were advised to maintain an adequate margin between their borrowing and lending rates and also to provide in their by-laws for charging a slightly higher rate on overdue instalments of principal. The question as to what rate should be charged

on decreed loans has been examined by the Registrar in this connection. According to the instructions issued in the Registrar's circular B. 5785/37 dated 28-10-37, a flat rate of 6¼ per cent should be allowed on decretal amounts in awards and decrees passed under section 51 of the Act. Where the lending rate of a society exceeds 6¼ per cent., and where a still higher rate is charged on overdue instalments, it would result in an anomaly if only 6¼ per cent. should be charged on loans which are decreed. In such a case, it would appear as though a benefit is conferred on a defaulter for his persistent default. The Registrar is aware that the present practice was suggested in pursuance of the policy of affording relief to borrowers. He, however, considers that any relief that is afforded, should be with due regard to the financial condition and the commitments of the society concerned and should be given at the time when the debt is dischared by the judgment-debtor, and not by arbitrarily fixing the rate of interest in awards at 6¼ per cent. He suggests, therefore, that the contract rates may be allowed in future in decrees and awards passed under section 51 of the Act and that societies may, where possible and necessary, allow, with the approval of the financing bank concerned, a rebate to the judgment-debtor at the time of payment. They may make the necessary provision in their by-laws for this purpose.

2. Deputy and Assistant Registrars should issue the necessary instructions to societies and arbitrators.

News and Notes

War and Industrial Co-operatives

In the United Provinces many industrial co-operative societies have received orders for the supply of articles for the war and these war orders have certainly added to the material welfare of the villagers. The Sandila Co-operative society has received orders for the supply of 32,00,000 yards of jaconat cloth. The contractors of Cawnpore and Sholapur have placed orders for NEWAR for 41,000 pounds at a cost of Rs. 31,000 with two co-operative societies while the knitting and weaving factory at Cawnpore has received orders valued at Rs. 66,000 for the supply of 40,000 water bottles, 8,000 socks, 60,000 wet cotton knittings and 25,000 drawers. A further order with the Partabgarh Co-operative Society has been placed for 3,000 sets of components of *tat pattis* valued at Rs. 43,000. It is hoped that the supplies Department will use the services of the co-operative institutions in the country to a large extent and thus indirectly contribute to the material welfare of the villagers.

Development of Cottage Industries in U. P.

The United Provinces Government has announced its decision to help industrially-minded individuals, unregistered bodies, co-operative societies and rural development associations in the province in developing cottage industries by advancing large sums of money. Private and unregistered bodies can requisition upto a maximum of Rs. 1,500 while other bodies are eligible for borrowing Rs. 5,000 against securities. The rate of interest on loans will be fixed by the Government, the minimum being 3½ per cent and the loans are repayable in easy instalments within a period of seven years. The present move of the Government is intended to whip up more enthusiasm amongst independent-minded people with technical skill.

Rural Uplift Work in U. P.

With a view to get the best results, the District Officers in the United Provinces have been enjoined to co-operate and in fact take interest in the work of the district and rural development associations. This is a novel departure made by the Government and by this innovation they hope to muster the influence and position of the officers and utilise it to nation-building work. Although some prominent men belonging to the Congress have resigned in deference to the Congress mandate, the Government had no difficulty in replacing these people by suitable workers.

New Journal.

The Industrial Research Utilisation Committee at its first meeting has approved the proposal to publish a Journal entitled the INDIAN INDUSTRY under its auspices containing information relating to industrial research and its utilisation.

Vizianagaram Bank.

The Vizianagaram Co-operative Central Bank at a meeting held last month resolved to celebrate the Silver Jubilee of the Bank and sanctioned a sum of Rs. 2,500 for that purpose.

At a Conference of the Secretaries and Presidents of the Local Co-operative Unions in the Vizagapatam District held last month under the chairmanship of Raja Sagi Satyanarayan Raju a resolution was passed asking the Central Bank to empower the Unions to control the Supervising staff.

The Board of Management of the Vizianagaram Co-operative Central Bank declined to accept the resignation of its president Mr. Kalidas who tendered it on grounds of health, but granted him leave till the end of June and requested Mr. P. Swamibabu to act as President in his absence. The Board also decided to advance Rs. 70,000 to the Co-operative Sugar Factory at Tummapala which is being managed by the Bank.

Tirupur Cattle Show.

A committee consisting of Messrs. V. Vellingiri Gounder, K. N. Palani Gounder, K. S. Ramaswami Gounder, the District Veterinary Officer and the Assistant Director of Agriculture was appointed to organise the cattle show in June at Tirupur during the car festival and it was resolved to collect contributions from the ryots. Rs. 2,000 was sanctioned for the cattle show from the funds of the Association. The meeting was attended by prominent public men like Mr. T. A. Ramalingam Chettiyar Mr. V. Vellingiri Gounder and others. The Collector of Coimbatore presided over the meeting.

Rural Development in Madras.

The communique issued by the Government of Madras (Development Department) on the progress of rural reconstruction during the quarter ended December 1940 enumerates the various activities undertaken and assisted by the Government such as sinking and repair of wells, formation of roads, construction of bridges and culverts, starting of loan and sale societies, consolidation of holdings societies and the registration of Agricultural Colony Societies, etc. Rs. 71,159 was spent from the Government of India grant and local contributions on schemes of rural uplift during the quarter and the total expenditure up to the end of December 1940 was about Rs. 11,13,087.

Assistance to Industries.

In a Press Note the Government of Madras (Revenue Department) in replying to the various criticisms that appeared on the orders on the Report of the Famine Code Revision Committee, point out that the Government have not adopted the *Laissez Faire* policy as alleged and as an instance cite the help they have rendered to the sugar industry and the handloom industry. By granting subsidy and lending the services of its technical experts the Government have done a lot to large-scale and cottage industries in the province.

Vizagapatam District Co-operative Conference.

Presiding over the Vizagapatam District Co-operative Conference in February 1941, Dr. P. Gurumurthi, President of the Andhra Co-operative Union traced the history of the co-operative movement in India and favoured the idea of dividing of the Provincial Co-operative Bank into linguistic units and making the Provincial Co-operative Union a federation of the linguistic unions in the province. He commended in general most of the recommendations of the Committee on Co-operation.

Handloom Committee.

Dr. P. J. Thomas and Prof. B. P. Adarkar members of the Fact Finding Committee had preliminary discussions with the heads of the Departments of the Government of Madras and according to a programme chalked out toured the southern districts and studied the working of the handloom industry in relation to mill industry in the province. The committee was presented with proposals, complaints, memoranda by individuals and organisations interested in the development of the industry.

Potato Crop in India.

The Agricultural Marketing Officer to the Government of India in his report on the marketing of potatos in India and Burma says that a century ago potato was unknown to India but today it is probably the most widely grown of all vegetables. Potatoes are an important money crop the annual production being worth about Rs. 9,50,00,000. He says that the acerage under this crop is on the increase and during the five years ending 1939, 4,48,700 acres were under cultivation. After citing statistics regarding export and import of this foodstuff, he says, that the most regrettable feature of the potato crop is its low yield in India as compared with that in other parts of the world. In India apart from its being used for table purposes, it has not been put to any industrial use such as the production of starch. He stresses the need for grading of potatœs both for seed and table purposes. Until a few years ago very little attention was paid to this but recently there has been a welcome change and under the aegis of the Imperial Council of Agricultural Research the work of potato research has been considerably stimulated.

Encouragement to Weavers.

A deputation on behalf of the Srimulam Shastiabdapurthi Memorial Institute Central Weavers' Co-operative Society waited on Sir C. P. Ramaswamy Iyer, Dewan of Travancore who gave a sympathetic hearing to the Deputationists and promised to pass orders regarding the extent of Government help that might be rendered. The peculiarity was that the deputationists were all clad in uniform made exclusively of materials produced by the Central Society. The Dewan who looked into the samples ordered for a few of them. He also made certain enquiries with regard to production, system of carrying out orders, maintenance of quality and standard and other allied matters.

Rural Development in Bihar.

To co-ordinate and intensify the rual development activities in the province a Development Advisory Board was constituted with Mr. E. R. Cousins, Adviser to the Governor, as its Chairman and the heads of various other departments as members. In each district small units of eight to ten villages will be selected for carrying on the activities of the Board. In the first instance the scheme will be conducted on an experimental basis in one unit in each district where the activities of agriculture, public health, industry and other development departments will be concentrated and the results watched. It is understood that the Rural Development Department will be mostly employed for doing the spade work in the form of propaganda in selected units.

Excessive Dependence on Agriculture.

Presiding over the All India Manufacturers' Conference at Bombay this month, Sir M. Visweswaraya, Ex-Dewan of Mysore, examined the economic conditions of the country and said that this country's economic weakness and poverty were mainly due to its neglect of industries and excessive dependence on agriculture, neglect of mass education and absence of any specific plan or policy to increase the occupations, production and income of the people. He deplored the low productive capacity of the Indian population and remarked that people feel diffident to invest their money on new industries on account of lack of support, of undue foreign competition and ill-regulated tariff policy. As an instance he cited the motor industry and urged for a change of policy. A plan, leadership and an economic drive, he said, are the essential needs of the industrial situation and these were lacking although our resources in men and material were collosal if wisely utilised. The Government must be impressed, he went on to say, that they will not have discharged their duty to the people of this country by only encouraging war industries but an endeavour is expected in this emergency to make the country self-contained in as many requirements as possible both for war and peace.

Co-operative Banks and Rural Credit.

Mr. S. A. Venkatraman, I.C.S., Registrar of Co-operative Societies, Madras, in declaring open the branch of the Madura-Ramnad Central Co-operative Bank at Karaikudi last month said that rural credit could only be met by expansion of co-operative credit facilities and could never be satisfied by joint stock banks alone and that he had emphasised the need for increased co-operative credit facilities to alleviate the indebtedness of agriculturists and the expansion of the loan and sale societies started under the auspices of the Co-operative Department in the course of his discussions with the Reserve Bank authorities and other joint-stock concerns in Madras. He said that the Madras Provincial Co-operative Bank had lent more than 99·8 lakhs of rupees for this purpose as against Rs. 9 lakhs a few years ago, and he was of the opinion that the field of agricultural credit would be entirely in the hands of the co-operative societies in the years to come. As regards banking operations, the public would be astonished to know that the aggregate working capital of

co-operative institutions in the whole Presidency was over 24 crores of rupees and pleaded that co-operative banks were safe and sound institutions for deposits which would give them a good return, since profit making was not the motto of the co-operative institutions. He commended to the Nagarathars, the use of the Co-operative Bank at Karaikudi as a safe and sound institution for their business.

Thirty years' Service to Co-operative Movement.

At a meeting held under the auspices of the Madras Co-operators' Association the portrait of Rao Bahadur M. Giriappa, retired Joint Registrar of Co-operative Societies, Madras, was unveiled by Mr. S. A. Venkataraman, M.A., I.C.S., Registrar of Co-operative Societies, Madras. In doing so Mr. Venkataraman said that there was no phase of activity of the Co-operative Department with which Mr. Giriappa was not personally familar and there was no place he had not seen and helped to improve by co-operative activity. His work particularly in the cause of the depressed classes was notable and since he has become the President of the Madras District Bank, he could make use of his experience and position to improve the condition of the large number of the depressed classes societies in the City which are in a very unsatisfactory position. In a jocular vein he asked who was the most amazing misfit in the co-operative movement—the official, the non-official or the ex-official, and he replied by saying that more mischief was done sometimes by the ex-official than the other categories put together and assured the audience that Mr. Giriappa would be an exception to that.

Co-operative Marketing in Coimbatore.

Rao Bahadur K. Gopalakrishna Raju, Provincial Marketing Officer, Madras discussed with Messrs T. A. Ramalingam Chettiar, C. S. Ratnasabhapathi Mudaliar and the Deputy Registrar of Co-operative Societies, regarding the supply of Tanjore rice to the Wholesale Co-operative Society recently inaugurated in Coimbatore, expansion of the turmeric trade at Erode, appointment of special staff for the better supervision of cotton strains of the Tirupur Co-operative Sale Society and grading of potatoes by the Nilgiris Co-operative Marketing Society. It is understood that the Marketing Officer has view the early introduction of grades for coffee and a beginning will be made by the Nilgiris Co-operative Marketing Society, Mettupalayam. Coimbatore is forging ahead with improved methods of marketing.

Co-operative Marketing in Mysore.

Rajamantrapravina K. V. Anantaraman, Member of Council, Mysore, in presiding over the Silver Jubilee of the Mysore Provincial Co-operative Apex Bank, Bangalore City, pleaded for extension of facilities for the marketing of agricultural produce on co-operative basis on a large scale for the benefit of growers.

Weavers' Co-operative Societies.

It is understood that the Weavers' Societies in the Presidency have submitted a memorandum to the Government of Madras requesting the Government not to approve the changes proposed to be introduced in the constitution of the provincial as well as the primary weavers' societies based on the report of the sub-committee set up by the Executive Committee of the Provincial Handloom Weavers' Co-operative Society. In doing so, the memorandum says, that the report was hastily drawn up without consulting experts of societies and as such the report was one-sided and the proposals were detrimental to the welfare of the weavers' societies.

American Co-operators Support Chinese Industrial Co-operatives.

At the 12th Biennial Congress of the Co-operative League of the United States of America, a report was given of the work of the Chinese Industrial Co-operatives. The League expressed its concern about the situation in China and recorded its wish "to express profound sympathy and admiration for the work of the 2,000 Chinese Industrial Co-operatives in meeting theorying needs of the Chinese people under the difficulties of war and devastation and in laying the foundations of a new society of peace and democracy, by applying and fostering co-operative principles; by producing clothing; medicine and other vitally essential necessities, by providing men, women and children refugees with the means of livelihood, and by making provision for the health, education, and social welfare of its members and their dependants".

A resolution was then referred to the League Board saying: "We recommend that Co-operative organisations and individual co-operatives assist and aid in every way possible the American Committee for Chinese Industrial Co-operatives by helping to publicise aims and achievements of this movement and by extending to them moral and material aid thus strengthening the international forces of democracy constructive human endeavour and co-operation." *(From Indusco News, Feb. 1941.)*

Publications Received.

Consumers' Co-operation (Special Congress) Issue November—December, 1940.
The Millgate—December, 1940.
Co-operative Review—November, 1940.
International Labour Review—August—September, 1940.
Indian Farming—February, 1941.
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2. Silver Jubilee Souvenir of the Mysore Provincial Co-operative Apex Bank.

List of Societies Registered in February 1941.

S. No.	Name of the Society.	District.
1	The Chinagadelavarru Co-operative Stores Ltd.	Guntur
2	„ Rudrapaka Co-operative Credit Society	Kistna
3	„ North Arcot District Co-operative Electric Motor and Power Pump Supply Society Ltd. ...	N. Arcot
4	„ Valavanur Co-operative Irrigation Society Ltd. ...	S. Arcot
5	„ Vridachalam Co-operative Sale Society Ltd. ...	„
6	„ Villupuram Co-operative Sale Society Ltd. ...	„
7	„ Textile Mills Employees' Co operative Credit Society Ltd. ...	Coimbatore
8	„ Coimbatore Co-operative Central Stores Ltd. ...	„
9	„ Jammalamadugu Panchayat Board Menials Co-operative Society ...	Cuddapah
10	„ Tangatur Co-operative Society ...	„
11	„ Ramamutlapalli Co-operative Society ...	„
12	„ Bommavaram Co-operative Society ...	„
13	„ Cheyyur Co-operative Stores Ltd. ...	Chingleput
14	„ Chingleput Municipal Superior Employees' Co-operative Society Ltd. ...	„
15	„ Conjeevaram Co-operative Restaurant Ltd. ...	„

List of Societies Cancelled in January 1941.

Serial No.	Name of Society.	District.	Date of Cancellation of Registration.
1	Pandillapalla Co-operative Society ...	Kurnool ...	7-1-41
2	Uratur Christian " ...	Cuddapah ...	7-1-41
3	Kopparapadu " ...	Guntur ...	7-1-41
4	Polur Co-operative Sale Society ...	North Arcot ...	9-1-41
5	Panneeruthu Co-operative Society ...	Tinnevelly ...	9-1-41
6	Gopavaram S. P. G. Christian Society.	Kurnool ...	9-1-41
7	Chagallu Co-operative Society ...	West Godavari.	9-1-41
8	Kottakal Angadiparamba Co-operative Society ...	Malabar ...	9-1-41
9	Madapalle Adi Dravida ...	North Arcot ...	9-1-41
10	Panapakkam " ...	Chittoor ...	9-1-41
11	Yellamanchili Andhra Christian Women Cottage Industries C. S....	Vizagapatam ...	9-1-41
12	Chinnakkammiyampet Adi Dravida C. S. ...	North Arcot ...	9-1-41
13	Chicacole Weavers' Co-operative Society Ltd. ...	Vizagapatam ...	9-1-41
14	Vallabha Rao Palem Co-operative Society ...	Guntur ...	9-1-41
15	Alanthalai Co-operative Society Ltd....	Tinnevelly ...	9-1-41
16	Gollapadu C. S. ...	Guntur ...	9-1-41
17	Vellore Arundateeyars' Leather Works C. S. Ltd. ...	North Arcot ...	9-1-41
18	Tanjore Co-operative Marketing Society Ltd. ...	Tanjore ...	10-1-41
19	Kumbakonam Co-operative Marketing Society Ltd. ...	" ...	11-1-41
20	Regallu C. S. ...	Chittoor ...	11-1-41
21	Pottur C. S. ...	Malabar ...	12-1-41
22	Karuppandurai Therku Pacheri C. S.	Tinnevelly ...	19-1-41
23	Malkapuram C. S. ...	Kistna ...	21-1-41
24	Alagagoundanpalayam C. S. ...	Coimbatore ...	23-1-41
25	Tinnevelly Bus Service C. S. Ltd. ...	Tinnevelly ...	23-1-41
26	Akkayapalle Weavers' C. S. Ltd. ...	Cuddapah ...	23-1-41
27	Surai Co-operative Society ...	North Arcot ...	23-1-41
28	Surpanthangal Co-operative Society ...	South Arcot ...	29-1-41