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THE

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Editorial Notes.

Remittance facilities:

In our note on the subject in our issue of August we argued that the threatened withdrawal of facilities if the co-operative banks did not work on lines approved by the Reserve Bank raised a question of constitutional importance and gave reasons in support of our position. We are now glad to announce, it has been decided to omit the paragraph (para 5 of the Reserve Bank's Memorandum) dealing with this point. This is as it should be. In our note we raised other points for the consideration of the Reserve Bank. We plead once more that remittance of monies to and from central banks should be *free of charge*. The recommendation of the Committee on Co-operation, which we reproduced in the note referred to, is clear on the question. The sooner a decision is arrived at and announced the better for all concerned. If the Provincial Government is still corresponding with the Reserve Bank, let that fact be stated and meanwhile let the Provincial Government at least agree to follow the policy of the Government of the Central Provinces.

Irrigation Cess :

The Government of Madras have published a Bill to provide for the levy of voluntary cess for the maintenance of certain irrigation and drainage works serving the ryotwari tracts. The statement of objects and reasons explains, that the object of the Bill is to authorise the substitution of a voluntary cess for kudimaramath. We agree kudimaramath is an ancient institution and its continuance under modern conditions has become somewhat difficult. This has been the case with all institutions connected with village life. Is it wise to take steps which would virtually result in abandoning village institutions instead of taking measures to revive them if they are conducive to the promotion of corporate life in the village community? This question has to be seriously faced and settled. On the answer to it depends support for measures promoted to substitute monetary contributions in lieu of joint labour and joint endeavour. It is also stated that the items of kudimaramath which have to be done by ryots have been neglected resulting in loss both to the ryots and the Government. The public have a right to know why such gross negligence was permitted so long and why no steps were taken to set right the matter especially when there was legislation on the Statute Book. There is a feeling that many irrigation and drainage works have been permitted to go to ruin thereby causing serious loss to the ryots. They have become ruined to such an extent some of the works have been declared as irrepairable and the avacut under such works remains uncultivated. The economic deterioration resulting from such utter neglect can be imagined. The proposed Madras Irrigation Voluntary Cess Bill may be necessary with reference to kudimaramath works where the duty of keeping the tank, canal and other sources already rests on the owners of the lands served by them. Difficulty has been felt where one or a few of the owners of lands served by an irrigation work decline to contribute. To that extent the Bill is a welcome measure. But as drafted it does not limit its operation to those cases where the duty already lies with the land owners. There is nothing to prevent the Government throwing the responsibility of keeping other works in repair on the land owners

even though the Government are bound to keep them in good repair. In the case of zealous Officers the responsibility will all be transferred to the ryots. It is, therefore, necessary that the present Bill should be so amended as to apply to only those cases where the responsibility clearly vests in the ryot.

Plain-speaking :

His Excellency Sir Maurice Hallet delivered a very thought-provoking speech during his visit to a rural centre in the United Provinces. His Excellency declared that window-dressing and sham constitute a real danger in rural work and should be avoided. We venture to submit they are a real danger in regard to all public work. Gubernatorial tours are always associated in the public mind with a great deal of window-dressing and though Sir Maurice was speaking of rural work, we are sure His Excellency meant his remarks as applicable to all kinds of sham. Sir Maurice remarked,

> "I know only too well that what I, as Governor, see in a rural development village is not always its normal condition. I have been to villages and have been shown manure pits, which have obviously been freshly dug for the occasion, and which have never held any manure and are never likely to do so. I have seen villages cleaned up as they have never seen cleaned before..............If the villager sees that the village is only cleaned when the Governor visits it and that manure pits are dug merely to please the Governor and are never used, he will realise at once that the rural development movement is not genuinely working for his improvement and he will discard it. However slow, therefore, the progress seems to be, let it be genuine progress and I certainly would rather see a rural development village as it is on an ordinary day than see a lot of sanitary work for my benefit."

It is well the warning of His Excellency is heeded by all bodies, public and private, and every effort is made to keep everything in order and as it should be *at all times* without ordering or arranging things for the occasion.

Fishermen Societies :

In our issue of May 1941 we gave an account of the working of Fishermen Co-operative Societies in South Kanara District. From the latest Administration Report on the Fisheries of Madras in which a section is devoted to co-operative societies under the heading Socio-Economic work, it is seen that there were 19 Fishermen Societies in South Kanara and 34 in Malabar. While we are glad to note some improvement in the working of these societies, we feel there is scope for greater improvement. One of the most tragic facts which comes to prominent notice whenever there is failure of fishing season is, the utter incapacity of the fishermen to withstand the effects of even one bad season. The Department of Fisheries which is concerned with the welfare of the fishermen community should examine the causes for this unfortunate state of things. Even if the season is normal, the catches are good and the fishermen secure good price, how is it then that they are always on the verge of starvation whenever the season is bad? We find the answer to this is furnished in the Administration Report. It is stated :—

> "For the better working of the fishermen co-operative societies and for the social and economic improvements of the fisherfolk, it is necessary that the societies should establish themselves in the place of fish merchants and supply the industrial and domestic needs of the members and pool and sell fish caught by them. If this is done profits that are being taken away by the middlemen would accrue to the fishermen themselves and enable them to improve their economic condition. Generally loans in societies should be disbursed only to those who are prepared to sell their catches through their societies."

We endorse these observations as we find that societies worked on these lines have come out fairly well in spite of the fact the fishing season was poor and the prices of fish were low. We would implore the Department of Fisheries to extend such operations to other societies as well. We are glad to know that the Registrar of Co-operative Societies has drawn up a scheme for the better working of the Fishermen Co-operative Societies. Some of the essential features of his scheme are :—

(i) wholesale purchase of the domestic and industrial requirements of the members for distribution among them,

(ii) pooling the catches of fish of members with a view to selling them, either fresh, cured or converted into manure, through the societies,

(iii) opening depots in outside markets for marketing cured products, and

(iv) introduction of deep sea fishing with a view to the increased production of shark-liver oil.

It may be necessary to increase the co-operative staff to carry out these features. We have no doubt the Government will be pleased to sanction the same and afford all facilities to the societies to improve the economic condition of the fishermen. The financing banks also may be prepared to give necessary assistance as they have been pleased to do in the case of societies which have been run on the lines suggested by the Registrar of Co-operative Societies.

Godown Facilities:

From a communique just issued dealing with the rural development work done during the quarter ending 30th September, it is seen that so far subsidies have been granted for the construction of 53 godowns and of which 29 had been completed while 12 were in progress. It is gratifying to learn that during the quarter the amount of subsidy for the construction of godowns has been increased from 25 per cent to 50 per cent and this has resulted in more societies taking advantage of the concession. There are still many societies which have to provide themselves with godown facilities. Even when the Government of India grant ceases to be available, it is hoped the Provincial Government will continue to follow the policy now in force. One prominent feature of the recent development of Co-operation in the province is the organisation of the Central Wholesale Stores and Societies. These Central Societies need godown facilities for collection and sale or distribution of produce to the affiliated stores or their branches. At present they are forced to pay high rents and often the accommodation available is not satisfactory. For want of adequate room these Central Societies are sometimes forced to sell away the produce without waiting for better prices. Aware as the Government are of the assistance these societies render to the ryot they should afford all possible facilities for their successful working.

Training of Panchayatdars:

We are thankful to the Registrar of Co-operative Societies for sending us a copy of the syllabus for the conduct of educational classes for Panchayatdars. The syllabus is divided into 13 sections dealing with the conduct of the societies and maintenance of accounts. The syllabus has been ably prepared and even a cursory perusal should prove useful to every co-operator. During the period of one year from August 1940, 24 Senior Inspectors were employed, one for each district who held classes at suitable centres for groups of villages. As many as 1,872 classes were conducted and 53,393 members were educated. This is no small achievement. For want of funds in the Government of India grant the number of Inspectors has been reduced to 12 and each Inspector has been asked to look after two districts. We shall not be surprised if the number of classes held will be less. Knowing as co-operators do that education is as important as administration and supervision, the Government should not grudge expenditure on this important item of work and allot, if necessary, more than one Inspector for each district. We do not know why the Madras City has been left out in the scheme as the need for education here is as great as in the moffusil.

May we suggest to the Registrar that a syllabus on the basic concepts of Co-operation may also be prepared. Even abstruse subjects have to be dealt with according to a plan as otherwise necessary emphasis on certain aspects may be lost sight of. Academic bodies like the Universities prepare and publish syllabuses on theoretical topics and text books too are prescribed.

Is it too early?

We offer our sincere congratulations to Sri T. A. Ramalingam Chettiar on his election as the President of the Madras Provincial Co-operative Bank. We have advisedly given the heading to the note as we understand an arbitration reference has been filed questioning the validity of election. We do not anticipate the decision.

But we have no doubt whatever may be the answer to the reference, his election may be considered as fairly assured. In the honour done to Sri Chettiar we feel the Provincial Co-operative Union has been honoured. During his stewardship we express the hope the Provincial Bank will grow from strength to strength and will continue to occupy a pre-eminent position in the Banking world, making its contribution to the economic improvement of the people of this presidency.

Industrialise or Perish:

Addressing a meeting of the Mysore Chamber of Commerce, Sir M. Visveswarayya made a stirring appeal to Indian business magnates to start large scale industries and sounded a note of warning that stagnation and apathy at this juncture would prove suicidal. He pleaded for adequate facilities to start at least one new industry in each province. With the help of facts and figures he showed how low the position of India was in the industrial world, opining the backwardness and poverty of the Indian people was due to neglect of industries. Everyone interested in the economic development of the country will heartily endorse the appeal of Sir M. Visveswarayya. He also envisaged the part the minor industries play in removing poverty and starvation in rural areas. We have time and again stressed the need for the development of small-scale and cottage industries and have pleaded for re-orientation of attitude on the part of Government and the public towards this important aspect of our rural life. The phenomenal success of the Industrial Co-operatives in the war-stricken China has been brought to the notice of our readers. Srimathi Kamaladevi in her speech published elsewhere, from her personal knowledge, bears testimony to the valuable part the Industrial Co-operatives play in the reconstruction of China. What is wanted is a clear plan of action and a courageous lead in putting it into effect. An organisation to supply the raw materials required, to provide the necessary finance and to organise marketing facilities is required. For this purpose the Committee on Co-operation recommended the creation of a Provincial Industrial Society. So far nothing has been attempted in this direction. Should we always await Governmental action? Cannot co-operators take the initiative in the matter? We earnestly plead for early action.

Agricultural Economics:

Sir M. Nanavati, who is soon laying down the office of the Deputy Governor of the Reserve Bank, spoke at great length on the importance of a knowledge of the principles and problems of agricultural economics, inaugurating the third session of the Agricultural Economics Conference. "The preponderance of agriculture" he said, "in the economy of the country and the overwhelming dependence of the population on this one industry lends to the study of agricultural economics a peculiar significance." While everyone is for development of large-scale and small-scale industries, there is no denying the fact in a predominently agricultural country like ours, study of problems and application of solutions relating to agriculture should always engage our attention. In concentrating on this the Agricultural Economics Society is rendering a distinct service. The problem of rural credit requires special attention. The Reserve Bank of India has no doubt done much to emphasise the need for a more comprehensive approach to the problem of rural credit as part of the wider problem of rural economy. It is needless to state that the problem of agricultural credit is indissolubly bound up with improving the whole economy of agriculture so as to make it a "surplus" instead of a "deficit" economy. Sir Nanavati has done yeoman service in reviving and sustaining interest in the problem. In his retirement the Movement loses a friend, guide and philosopher. We have no doubt his services will be always available in the non-official capacity.

The Madras Village Panchayats Bill.

By R. SURYANARAYANA RAO.

Of the many measures undertaken by the Interim Administration, functioning under section 93 of the Government of India Act, 1935, there is no gainsaying the fact the Bill to make better provision for the administration of village affairs by panchayats is the most important, as it is sure to revolutionise to some extent the life of the villages. It is submitted that it deserves greater attention than it has received and more time for the consideration of its various provisions. It is doubtful, preoccupied as the country is with problems which affect its future in the comity of nations, if it will receive the consideration it demands. Moreover, it is not fair to the people to rush through legislation of this kind when the legislatures are not functioning, especially when the electorate knows that the Congress Ministry when in office held certain definite views on this important topic and when it is not known how far these views are given the weight they certainly deserve in enacting this piece of legislation. There is no urgency for undertaking comprehensive legislation of this far-reaching character. Such defects in the administration of panchayats as have been noticed can be set right even under the existing law. While everyone is generally agreed that the Madras Local Boards (Amendment) Act of 1930, has unfortunately resulted in the deterioration of the panchayats, it cannot be said that the proposed arrangements concentrating the powers of control and supervision in the Collectors of districts is a step in the right direction. Moreover, let it be remembered that even when the Village Panchayat Act of 1920 was introduced, it was distinctly stated that when a sufficient number of panchayats had proved successful and the movement had taken root, it was the idea to withdraw the control of the Registrar and transfer the control as experience may dictate to one or other of the officers or persons mentioned in clause 35. But their intention was made clear by stating 'the panchayat, which is the last link in the chain of local self-government, will thereafter be securely fastened to the links above it, *viz.*, the taluk and district boards.' From experience gained ten years was too short a period for the movement to take root and so the transfer of the control to district boards was premature which has resulted in this unsatisfactory state of affairs. If the panchayats grew in number and prospered under the Act of 1920, it is wise to revert to the system of control provided therein instead of experimenting with another system which may prove more, or equally, disastrous. The stage of experimentation is long past and what is

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wanted is a definite line of policy calculated to bring about the desired result. What policy is more suitable for adoption than that which has already yielded good results.? Therefore, I plead with all earnestness that the Act of 1920 should be restored with such necessary amendments as its working till 1930 demanded. The appointment of a Registrar with powers of supervision and control over panchayats should be recognised and provided for, a post analogous to the Inspector of Local Boards and Municipalities. If the name of the Board of Revenue possesses some charm and its association will transform the administration, especially as the Collectors will then be amenable to its orders, there can be no objection to make the Registrar a Member of the Board of Revenue. He will occupy the same position as the Commissioner of Excise. For adequacy and effectiveness of control and advice the Collectors may be invested with supervisory powers and the District Panchayat Officers may work under the Collectors. Wherever necessary and the circumstances demand whole-time executive officers may be appointed.

There is a school of thought which is strongly of opinion that the village officials should be the servants of the panchayats. Till the passing of the Village Cess Act of 1864 this seems to have been the position.

> "The Village Cess Act of 1864 deprived the people of even those relics of self-government which they enjoyed in the villages in former times. Previous to that year the village establishment consisting of the *Karnam*, the *Kapu* etc., were paid in kind by the villagers. This was a custom coming down from times immemorial. It bound the inhabitants of the village into a sort of community and made the members of the village establishment feel that they were its servants and bound as such to carry out its wishes. Somehow or other, the collection of fees payable to them became irregular and difficult. To some extent it was the result of a feeling on the part of the inhabitants that the *Karnam* etc., regarded themselves more as the servants of the Government than of the community and that they were growing remiss in the performance of communal services. Under these circumstances the Government thought it necessary to interfere so that the village servants might get their fees regularly paid to them. But the measures adopted by the Government for this purpose proved detrimental to communal interests. A law was passed abrogating the fees in kind and introducing in its place a money cess not exceeding one anna per rupee of assessment. The cess was collected by the Government along with land-revenue and was constituted into a fund from which such of the village servants as had dealings with the Government—and that meant the more important servants—were remunerated. Instead of village community being the pay-master, the Government occupied that position. The community consequently lost all hold over them. They began thence forward to regard themselves as the representatives of Government and therefore as official masters of the village. The bond between the leaders of the village and its inhabitants was thus severed and that disintegration of the communal life which had, during the last half a century, overtaken almost every part of the Presidency set in as a consequence. The danger was perceived by the Collector of Ganjam who addressed a communication on the subject to the Government in which he stated that, 'The old system of leaving village officials to look to the ryots for their fees is the most efficient means of securing fidelity to the interests of individual ryots......It is well-known that in the village-system we have the germs of municipal organization, or rather, to speak correctly the relics of a complete though simple form of municipality... ..(It is better) to keep the village functionaries in the relation of paid servants to the community as well as to the Government, than to constitute them the extremities of an unmixed-centralization." (*Beginnings of Local Taxation: Venkatarangaiya: Andhra University Series No. 1.*)

Whether the village establishment should be restored to its old position, in view of the changed circumstances, is a matter on which there is keen difference of opinion. But I am sure everyone will agree that they should not be *ex-officio* members of panchayats and thereby secure a privileged position. It may be in some matters the village officials have to carry out the orders of the panchayats. It is better their presence is studiously avoided. Much less should they be eligible for election as presidents. This provision robs the panchayats of their popular character. Appointment of the *Karnam* as a part-time executive officer is open to the same objection especially as the officer occupies a position corresponding to the Commissioner in a Municipality. If it is remembered that both the headman and the *Karnam* are often responsible for the existence of factious spirit or they side one group or the other, their association with the panchayat in any capacity will be deprecated. It will not be far wrong to say that their association will strike death-knell to the panchayat system. Moreover, these officials are already over-worked with too many things to attend to. In fact the revenue work in some villages is so heavy that assistants are appointed to village *Karnams*.

Provision for compulsory constitution of Joint Committees to promote co-ordinated action, helpful supervision, advice and assistance between contiguous villages even in regard to appointment of the executive staff is necessary. This may be provided for as it will in no way militate against the principles of the Bill.

While it may be conducive to simplicity and avoidance of trouble to make the electoral roll of the Provincial Legislative Assembly the roll for panchayat elections also, there is no reason why adult franchise should not be accepted in regard to panchayats at least. It was so till 1930. Did the existence of adult franchise in any way affect the working of panchayats during the years between 1920 and 1930? While the attempt should be to lower the franchise, it is surprising provision is sought to be made to restrict the franchise. In the neighbouring island of Ceylon, adult franchise is adopted even for State Council elections. No calamity has overtaken the Island. Progressive realisation of responsibility is possible only with the lowering of franchise and that too in regard to institutions whose actions affect vitally the life of the villager. Exercise of franchise affords one a lesson in the art of self government and fits him to take an active part in the larger life of the country.

Provisions relating to supersession, dissolution etc., should be the same as those in force in regard to local boards. Nomination should be resorted to only in extreme cases and that too for the shortest period of time. It should be more an exception than a rule. The proposed provisions seem to attach too much importance to nominations as a safeguard. Elections should normally take place once in three years. Application of provisions of Madras Act XIII of 1935 in the matter of elections is unnecessary. Elections may be held as and when the term of office of members expires.

No institution, however broad-based its foundations may be, can thrive unless it is provided with adequate finance to discharge the duties and responsibilities entrusted to it. In the past also many panchayats have failed on this account. Any measure of reform which fails to take account of this fact will remain a dead letter. It is proposed to compel panchayats to levy an additional land-cess of 3 pies in the rupee and house tax. The land-cess is to be levied as an addition to the cess already levied under the Local Boards Act. There are many points for consideration in regard to land-cess. Whether the incidence of land revenue is

not considered already too heavy, especially when agriculture has for various reasons come to be a deficit economy that even the Government are forced to recognise the plight of the agriculturists and grant remission, however small it may be, is a matter for consideration. If it is so, is it fair to increase the burden on land even as a cess? Then again the panchayats when constituted will take over many of the duties now performed by the district boards. Why not the panchayats be allowed to receive a greater share of the land-cess now collected? Sanitation and water-supply, falling under the obligatory category, are alone enough to tax the slender resources of the panchayats. If the proceeds of such compulsory and optional taxes as may be imposed are available for carrying out works of public utility from which the villagers may derive direct or indirect benefit, perhaps however irksome they may feel, the villagers may reconcile themselves to these taxes. But if the proceeds are to be utilised mostly for the salaries and allowances and the pensions, pensionary contributions and provident fund contributions of its officers and servants, in fixing whose scales of pay they may have no voice, and in addition pay a contribution to the Government in respect of the charges incurred by them in connection with the supervision and control of panchayats, it is rightly feared very little will be left over to do any work in the village. It is a notorious fact, which is more or less true, a great part of the income of public institutions is often utilised for over-head charges. The claim of Government for contribution should be given up and they should recognise their statutory duty as in the case of Co-operative Societies. It will be conceded this demand is not unreasonable when it is remembered that at present the cost of such supervisory staff as is employed in regard to panchayats is borne either by the district board or the Government. When the figures of income of the provincial Government are analysed, it will be seen most of it comes from villages and what the villager gets in return is not in proportion to the sacrifices he patiently bears. A change in the angle of vision of Government is necessary and a greater recognition of the villager's contribution for their upkeep is urgently called for. Proposals for additional taxation and contributions savour grabbing spirit which is wholly unwise on the part of any Government. In fact the State should make over a portion of the land revenue collected in the village or at least greater portion of the land-cess. Such advantages as the villagers may derive from the activities of the district boards which are assigned eleven pies out of eighteen pies do not touch intimately the life of the villager. The order should be reversed and the panchayat should receive eleven pies and the district board only six pies. The Government should also make over to the panchayats proceeds from pounds, from fisheries etc. I may be pardoned if I venture to submit that most of the items proposed to be transferred under clauses 45 and 46 are likely to become more a liability than an asset. I may here quote a paragraph from the Report of the Royal Commission on Decentralization:

> "We consider it essential for the success of the panchayat system that it should not be concomitant with any new form of local taxation. Panchayats should receive a portion of the land-cess levied for local board purposes in the village, special grants for particular objects of local importance, receipts from village cattle pounds and markets entrusted to their management, and small fees on civil suits filed before them. Their application of the funds entrusted to them should be judged by general results, and should not be subject to rigid audit."

The Commission contemplated that the panchayats should receive a portion of the land-cess levied for local board purposes in the village and did not contemplate imposition of an *additional* land-cess.

As regards the functions and powers, perhaps a reallocation between those termed obligatory and those which are optional is necessary. The panchayat should be made a live body, full of vigour. This is possible only if it derives inherent powers instead of waiting on the pleasure of the Collector or the Board of Revenue. The officers entrusted with the powers of supervision and control should act as friends, philosophers and guides and not as those placed in authority with a whip in their hands with which to lash the poor panchayatdars. I may in this connection quote the words of the Registrar of Co-operative Societies which convey the real function of the statutory authorities in dealing with democratic institutions. The Registrar wrote: "To help, to guide, where necessary to admonish and only in the last resort to exercise the powers conferred by the Act for the protection of the public." Accustomed as the Revenue officials are to dictate, to impose and to compel obedience to orders, they are sure to fail unless they approach the panchayats with sympathy, friendliness and understanding. They should cease to be a bugbear to the villagers.

There is one point which I have purposely reserved to the end. That is about the transfer of judicial powers to the panchayats. I am aware opinion is strongly divided on this point. It is doubtful how far the combination of executive and judicial functions in the same body is desirable especially as everyone is agreed such a reform is long over due in higher spheres. In the statement of Objects and

Reasons for the Act of 1920, it has been stated, 'In view of the Village Courts Act recently on the Statute Book, it has been decided not to propose any judicial functions for panchayats contemplated in the present Bill.' But the Royal Commission on Decentralization did suggest that panchayats should have summary jurisdiction in petty civil and criminal cases. The Government of India in their resolution dated 16th May 1918, have also favoured the allocation of these functions. But since 1918 public opinion is veering round the view that combination of judicial and executive functions is not desirable. However, transfer of judicial functions may be tried in select localities and their exercise may be watched. The Government may take power to suspend the Village Courts Act in such areas. A judicial Committee of the panchayat consisting of not more than five and not less than three members selected from among the panchayatdars may exercise these functions. In any case the panchayats should certainly be entitled to receive into their coffers fines imposed in respect of offences against public health and other laws within their jurisdiction.

While reiterating the view that legislation of this far-reaching character should be undertaken when the normal constitution is at work, the least that can be done is to amend the Bill in the directions indicated in this Memorandum.

Supervising Unions in South Kanara.

BY A CO-OPERATOR.

The South Kanara District Central Co-operative Bank has just published its Administration Report for 1940-41 in the Kannada Sahakari of October 1941. It gives interesting information which may be useful in deciding the course of policy to be pursued by the Department with regard to the future working of unions. There were as many as 17 unions in 1926--27.

Para 8—"Sullia, Mudabidri and Guruvayankere Unions being liquidated this year, only 6 unions, one at each of the 6 Taluk Headquarters were functioning at the end of the year. It is deemed essential to adopt ways and means to make them more useful institutions".

Short notes submitted by the unions regarding their working are also incorporated in the report. The following are some of the extracts:

Kundapur Union. This union believes that a clerk is essential and is of opinion that what is said by Sri Vedachalayyar Ex-Registrar in his article "Reform of the Co-operative Movement" is quite true and adopts his views, and that unless the secretary too is paid some remuneration, union has to stop work and might be liquidated. A sum of Rs. 3 per mensem for clerk is sanctioned.

Puttur. There were 2 governing body meetings in the year. 3 general body meetings were convened, but there was no quorum for 2 meetings.

There were 4 supervisors in the area, but there was no system of their sending any programmes. There was need of sending reminders to ascertain their course of work.

Kasargode. 4 societies (out of 22 affiliated) were regularly sending monthly accounts, 5 were doing so off and on; the rest were not sending any at all.

It is hoped that the Bank and the Deputy Registrar will infuse fresh life into unions by strengthening the relationship between it and the societies.

It is clear that these unions have outlived their usefulness. It is but proper that financing and supervision should go hand in hand. The banks have therefore rightly taken over the practical control over the administration by the union supervisors being made to work directly under the bank. The unions are treated as more advisory bodies-without resources to work if they will—or give up it unwilling to do so. They rely on the local elected director or Supervisor for opinion or information.

A plea is therefore made out, it appears to me, for abolition of unions. What little grant the bank gives (in this District it is Rs. 100 per annum per union) can be saved for more useful purposes.

Co-operative Farming.

BY P. SUBBA REDDY.

Agriculture in our province is largely in the hands of the poor ryot, who is unable to etablish an economic holding and work it on business lines. In several instances, it is found, he is too poor even to finance the day to day working expenses of cultivation, and purely trusts to chance for the outturn from his farms. Mostly he lives on borrowed capital and it is no wonder that he usually looses his little holding to his creditor.

There is not sufficient enterprise forthcoming for large scale farming. Land is sought by capitalists only as a means for investment and few come forward to turn it to good account. Agriculture, the basic Industry of the country, is, therefore, in a deplorably bad state.

It is time for co-operative enterprise to step in and organise agriculture on scientific lines to save it from further deterioration. Co-operative effort alone can take it out of the hands of the poor, inefficient and illiterate farmer and place it on a large scale basis without the attendant evils of a capitalistic enterprise.

A co-operative organisation can easily marshall sufficient funds to establish its business on a large scale basis and develop it to the full extent possible. It can employ all modern methods of agriculture and attempt both extensive and intense cultivation, which is so greatly needed at the present time. It can avoid the expensive and long process of consolidation of holdings, while at the same time establishing economic units. Regulation and rotation of crops are possible.

Co-operative farms will also serve as model farms to demonstrate and popularise modern methods of agriculture in the neighbourhood and work as seed multiplying agencies for the area.

Co-operative farms besides offering a good chance for the inefficient poor ryot, to get a decent income from his land, will also help to solve the problem of absentee landlords, by enabling them to turn their holdings to good account.

They would also help to minimise litigation among the ryots, arising out of incorrect boundaries, disputed water rights, etc.

It is not true to say that organisation of Co-operative farms will disturb rural economy, increase unemployment among agricultural labourers by the use of machinery, and force the present cultivating class to migrate into the towns or nearby industrial areas to seek employment. Agriculture is at present in an undeveloped state. Co-operative farms, when they are fully organised, will offer greater opportunities for employment and will help to stabilise rural economy.

In short, organisation of Co-operative farms will establish agriculture on a planned basis and help to increase production.

Co-operation in Ceylon.

The movement consisted at the end of the year (30 April 1940) of 1601 societies with a total membership of 62,967 and a total working capital of Rs. 4,029,605. In addition, there were 51 supervising unions grouping in affiliation 802 societies, 3 Central Banks, with which were affiliated 1,065 societies, 4 banking unions with 95 societies.

The new registrations numbering 147 were composed of one banking union, 101 co-operative credit societies of unlimited liability, 15 credit societies of limited liability, 15 thrift societies, 2 consumers' co-operative societies, 3 unions and 10 societies of other types.

Considering the war, special care was bestowed on ensuring the internal security of societies. No society was liquidated which could not be reconstructed, and several old societies with large funds are being gradually brought back to life. The following is a comparative statement showing the progress made since 1936-37 :

Type of Society	Number of Societies		No. of members		Working Capital	
	1936-37	1939-40	1936-37	1939-40	1936-37	1939-40
					Rs.	Rs.
Credit Unlimited	930	1,302	21,303	34,404	15,18,328	18,06,656
Credit Limited	41	93	1,864	3,855	2,13,185	3,90,912
Thrift	70	119	9,285	15,288	9,14,255	14,54,319
Stores	21	26	9,203	12,566	1,11,625	1,76,545
Others	19	61	3,098	3,854	6,10,732	2,11,173
	1,081	1,601	44,753	69,967	33,68,125	40,29,605

The work of special village improvement undertaken by co-operative societies was continued by them with success. When the Food Production Drive was launched, steps were immediately taken to make the societies interested and supply them with all necessary information. The societies realised the necessity of helping their members to develop subsidiary sources of income. In some areas special attention was paid to the rearing of poultry, goats and other live stock.

The year also saw a greater co-ordination established between the Co-operative Department and other departments concerned with rural development. It was, thus, agreed that the villages selected by the Agricultural Department for intensive development should, as far as possible, be villages in which co-operative societies exist, and that the Co-operative Department should be consulted before selections are made. An arrangement was made whereby the surplus of stud cattle bred on experimental farms should be made available through co-operative societies for the improvement of village stock. Another instance of collaboration related to the conversion of the Rural Health Leagues under the Department of

Medical and Sanitary Services into Co-operative Better Living Societies. The Co-operative Department has further collaborated with the Department of Commerce and Industries in the organisation of Industrial Co-operative Societies, and has offered similar collaboration to the Cocoanut Board in a scheme for assisting the cocoanut industry by the formation of curing and sale societies and special credit societies among cocoanut smallholders.

Co-operative Credit Societies.

The number of credit societies of unlimited liability has risen to 1,302. Membership has advanced by 3,445 and the total number of members is 34,404. The total assets of these societies amounted to Rs. 18,06,656. During the year 45,790 loans were granted, to the amount of Rs. 18,91,122. Individual credit is limited to actual needs and it is reported that the extravagant finance which some societies were guilty of in the old days has been definitely ruled out. The principle of small sums for short periods has succeeded in securing even better recognition during a difficult year, and with a stricter attitude towards unproductive borrowing most societies have been able to satisfy the legitimate needs of their members without having to raise their own credit limits. In the sphere of thrift the deposits of members have increased from Rs. 2,45,353 to Rs. 2,48,735. The deposits of non-members have increased from Rs. 67,918 to Rs. 68,937.

The number of co-operative credit societies of limited liability has increased from 78 to 93. The total membership is 3,855. The total amount loaned by the societies was Rs. 4,97,545 and the total number of loans 4,726. The total assets amounted to Rs. 3,90,912. In both types of credit societies the majority of loans were granted for productive purposes, cultivation or trade. Among the unproductive loans the largest percentage has been granted for payment of old debts.

Central Banks and Banking Unions.

The three central banks had a membership of 1,065 societies and the total deposits held by all three at the end of the year amounted to Rs. 6,94,512. The total assets amounted to Rs. 11,03,950 and the total loans outstanding at the end of the year to Rs. 6,93,782.

The number of banking unions has increased to four during the year. The number of societies affiliated to the banking unions is 95. The total assets amounted to Rs. 14,446.

Thrift Societies.

The number of thrift societies has increased from 104 to 119 and the total membership from 14,805 to 15,288. The total of members savings has risen to Rs. 12,75,152. 33 per cent. of the loans granted by the thrift societies were used for medical aid and 25 per cent. for payment of old debts.

In the "salary-earner" societies, the members can save by the automatic reduction of contributions on the monthly paysheet. This effortlessness appears, however, to diminish the value of their savings in their eyes and the Report of the Registrar states that this sometimes leads to improvidence and to incontinent squandering of what the societies have accumulated with care. "The only remedy for this state of affairs", indicates the Registrar, "is a campaign of social education designed to induce in members of thrift societies the proper mental attitude that should go with the practice of thrift. The best solution of the problem of economical purchase of salary-earners is the organisation of co-operative stores, and so far as the thrift societies in Colombo are concerned, the idea of a common store in which all could participate has been commended to their attention."

Consumers' Co-operative Societies.

The total of consumers' societies is26 with a membership of 12,566. The total working capital is Rs. 1,76,546; the turnover Rs. 9,26,812 and the profit made Rs. 57,394. The percentage of members who satisfy all or most of their requirements from their stores is reported to be well over 80. Sales to members amount to 84 per cent. of the total sales Profits made on non-member sales are not appropriated by members but are set apart to be used as share capital by non-members eligible for membership, or are credited to the common good funds.

Other Non-Credit Co-operative Societies.

There are but few agricultural co-operative societies and it seems that without reasonable State support the organisation of co-operative marketing in rural Ceylon does not have much chance of success under present conditions. The report mentions a cocoa marketing society with 92 members, two dairies, a tobacco marketing society, a vegetable marketing society.

The report mentions as well several handicraft co-operative societies especially in the weaving industry. Of the 16 labour societies, only 5 were active during the year. Six better-living societies helped their members to save some money and taught them to keep cleaner homes and to maintain kitchen gardens.

(*International Labour Office—Co-operative Information No. 6*)

Extracts.

From the Address at the South Canara District Co-operative Conference.

By R. Suryanarayana Rao.

Brother Co-operators,

Your district has always retained an honoured place in the Co-operative Movement. That the set-back you refer to in your Silver Jubilee Report was only temporary is clear from the figures you have quoted in your Central Bank's latest Administration Report. The number of shareholding societies now is 379 while it was 418 in 1927. But the outstandings against societies now amount to Rs. 12,64,472, while they were Rs. 11,30,749 in 1927. The deposits too are not much less than what they were in 1927. So I shall be justified in offering my hearty congratulations to those responsible for this resurgence and I have no doubt the rate of progress will be maintained. It is gratifying to note that against the total demand of Rs. 4,03,990-11-0 under principal and Rs. 57,104-6-0 under interest, the overdues were only Rs. 28,858-7-0 and Rs. 155-1-0 respectively. The net profit for the year also increased to Rs. 11,166-10-0 as a result of the development of the loan transactions of the Bank. These are achievements of which any Bank can be justly proud. The Bank has given an impetus to Sales Societies. The history of the Agriculturists' Co-operative Wholesale Society with a membership of 2,526, the total sales of Rs. 9,98,476, in spite of the small net profit earned by it, reads like a romantic tale. The success of such an organisation should not be judged from the amount of net profit earned, but from the amount of useful service it renders to its members. Judged by that standard the Wholesale Society must be considered an unqualified success. Your Bank is also responsible for the organisation and conduct of various types of Societies in the district working for the economic improvement of the people. I am particularly happy to note that 65 out of 74 Societies for the Scheduled Classes are affiliated to your Bank and I have no doubt you will render them all the assistance they need in order to function effectively to serve the community which badly needs assistance in various ways. Mere provision of credit is of no use. Why not labour Societies which provide work and thus facilities for repayment be organised? Unless some serious efforts to promote their economic improvement are made, it is difficult to justify the appointment of the huge special staff. The recommendation of the Committee on Co-operation in this and other points needs sympathetic consideration.

One of the lessons you mention which you learnt from your past bitter experience is the need for a change in the loan policy of your Bank. You have come to believe that mortgage and produce loans are safer and a better index of the actual purpose and the repaying capacity of the borrowers. While this may be true in most cases, you will allow me to say that as a general proposition this is not wholly correct. What is required is the realisation of the truth that co-operative credit is essentially controlled credit in as much as the societies are to influence borrowers towards the true use of credit. Even if mortgage offered is sound, it ceases to be co-operative credit if loans are granted for unproductive purposes or if they encourage social extravagance. You will permit me to quote here an extract from the Report of the Committee on Co-operation.

> "The important point about a co-operative credit society is that loans are only granted to a member whose moral standing, honesty and solvency have been scrutinized by all the other members of the group before his admission, and only for specific objects approved by the administrative board as being of service to the borrower and in keeping with his means and the security he could offer; lastly, as a rule, a guarantee by one or more members is required. A close watch is kept on the use made of the sums lent and the society has to be satisfied that they are being applied for purposes intended and are really improving the farmer's position and not simply increasing his indebtedness."

From your Administration Report it is seen that your Bank has adopted the policy of gradual elimination of individual share-holders and you have quoted the authority of the Committee on Co-operation in support of this step. You may be already aware that this recommendation was arrived at by a majority decision. The proposed amendment to Rule 26 practically accepts the minority view though in certain important respects it goes further. It is not known why this policy of elimination of representatives of individual share-holders whose presence on the Board has, if at all, assisted the Movement should be sponsored with such vehemence. Apart from the moral and material support which these individuals bring, is it not an advantage to have a point of view different from that presented by the representatives of borrowers? Is not their presence helpful in infusing confidence in the investing public? In the years to come we look forward to expansion of the Movement and we need the good-will and support of all interests in this great task. I plead for the retention of representatives of individual share-holders on the Board of Management. But the proposed amendment to Rule 26 contemplates a procedure different from that now observed. Power is taken to fix the proportion of individual members who shall hold Fixed Deposits to total individual members. It is also laid down that the proportion of individual members who shall hold Fixed Deposits to total individual members shall be fixed at not less than 25 per cent. of the latter. As the explanatory note states the object seems to be to

secure representation to depositors and it is proposed that a certain proportion of elected individuals should be from among individual members who hold deposits in the Bank and these should be those who invest in Fixed Deposits a certain minimum amount prescribed by the Registrar. It is also the intention of the proposed rule that if the deposits held by individual directors fall short of the minimum amount fixed they shall cease to hold office. One could very well understand the present Rule 26 which provides representation to individual share-holders. It is highly objectionable on principle that depositors as such should have representation on the Board. The purpose for which some of us have been pleading for representation of individual share-holders is not so much to provide representation for an interest but to secure the presence on the Board of men of ripe experience who possess knowledge of banking or co-operation. The proposed amendment does not meet the objection regarding the method of election obtaining at present by which the representatives of societies take part in the election of individual directors. I am one of those who strongly feel that if the individual directors are to be persons we cannot be swayed by the point of view of the borrowers, but would deal with all questions from the correct point of view, it would be in the interests of the Movement that the representatives of borrowers should have no voice in the election of individual directors. My objection to the present or the proposed method of election of individual directors is greater if the representatives of borrowers are allowed to poll as many votes as the number of shares held by them. This practice obtains in the Madras Provincial Co-operative Bank. This is unco-operative and violates the principle to which co-operation attaches great value *viz*: "One Man, One Vote."

Intermediate Credit.

I have no doubt your attention has been drawn to the proposed new Rule VIII A. I am sure all of us are equally anxious to promote co-operative banking on sound banking principles. But the application of those principles should be governed by practical considerations. No purpose is served by sticking to orthodox views when in practice their adoption impairs the efficiency and usefulness of the Movement. Those like the Reserve Bank of India who are sticklers for principles should suggest ways and means for providing intermediate credit. I must confess I was one of those who held views similar to those of the Reserve Bank of India. But after careful investigation, study and discussion I have come to believe the recommendation of the Committee on Co-operation on this subject arrived at after careful consideration, is the most reasonable one. Any attempt to impose unreasonable restrictions on the periods of loans given by the financing banks and co-operative societies would affect the progress of the Movement. Those who have intimate knowledge of the agricultural economy of the province and have had considerable experience in the working of co-operative banks and societies hold the view that it is necessary to give short-term loans upto 18 months and that the intermediate loans normally for 5 years and in exceptional cases to 7 years and that rigourous restrictions as to the proportion of short-term and the medium term loans by means of a rule is absolutely unnecessary. I am sure I am voicing your opinion when I plead that the proposed rule may be abandoned and the practice now existing in some Central Banks may be allowed to continue. The Provincial Co-operative Conference in a resolution rightly pointed out that if the rule as proposed is enacted it would considerably affect the transactions of the co-operative institutions and that the ryots will be put to great hardship in view of the fact that the Land Mortgage Banks are not in a position to satisfy all their requirements. If this point of view does not commend itself to the authorities and those who pin their faith in the financing bank and the co-operative societies confining their activities to short-term transactions, they should suggest some other method to provide intermediate credit. It is necessary to examine what proportion of short-term deposits could be used for intermediate loans or whether deposits could be separately obtained for this purpose and ear-marked. It will be seen the problem is not so simple as to be solved by the mere enactment of the rule of the kind proposed as its repurcussions are serious.

Problem of Indebtedness.

This leads me to the consideration of the question of co-ordinating the activities of various credit agencies to avoid overlapping. You are aware the Government at setting apart every year certain amount for the relief of prior indebtedness under the Agricultural Loans Act. A limit for such loans has also been prescribed. It is necessary to consider if the Land Mortgage Banks should also deal with loan applications for the relief of prior indebtedness in respect of amounts available from Government. The Government should examine why the credit facilities offered by them are not taken full advantage of by the ryots and alter the rules or the procedure to encourage loan applications. The Land Mortgage Banks themselves cannot wholly solve the problem of indebtedness. Any number of agencies are required to tackle it effectively. All that is necessary is to co-ordinate the activities of such agencies so that each may function within the sphere allotted to it. The Government should not hesitate to afford all reasonable facilities to such agencies as they too are engaged in rendering useful service to the community and they are undertaking a responsibility which should normally be the concern of the State. In this connection I strongly plead that the Government should increase the guarantee, whenever it is necessary, to

enable the Central Land Mortgage Bank to meet the growing demand. The Government should also undertake the collection of instalments due as arrears of land revenue as they would in any case adopt that procedure in regard to loans advanced under the Agricultural Loans Act.

The working of the Debt Conciliation Act has revealed some defects to which the Honourable Judges of the High Court have drawn pointed attention. To realise the purpose for which it was enacted, it is necessary to amend it suitably removing the defects noticed. The Debt Conciliation Boards are constituted to provide simple method of settlement of debts and to avoid expenses of litigation incidental to proceedings in Civil Courts. Unless compulsory conciliation of debts and application of the principles of the Agricultural Debt Relief Act for scaling down debts are provided these Boards cannot function effectively in solving the problem of indebtedness. The Government should also come to an agreement with the Land Mortgage Banks to deal only with loans above the limit fixed for their loans as two agencies dealing with the same class of debtors will lead to overlapping, thereby depriving benefits to a larger number. The Conciliation Boards at least should be linked with the Land Mortgage Banks by associating office-bearers of these Banks with the Boards. It is needless to emphasise unless the linking process is seriously attempted, there will be considerable delay in the disposal of applications and clearance of indebtedness.

There is a class of agricultural debtors who are hopelessly involved that no amount of scaling down will rehabilitate them. But they should be relieved of their burden to enable them to follow their occupation. To afford them relief a simple rural insolvency law is necessary. In their case it is necessary to provide that they shall not be deprived of their implements of husbandry, cattle, seed grain and such an extent of land as is absolutely necessary for the maintenance of himself and his family. This concession is sought in the interests of the community as otherwise they would become a burden and a problem not easy of solution.

Only the other day a friend of mine, a prominent co-operator, wrote to me about the need to bring the co-operative institutions under the operations of the Agricultural Debt Relief Act. I was one of those who pleaded for their inclusion at the time the legislation was on the anvil. My voice proved a cry in the wilderness. But it must be recognised that the Registrar of Co-operative Societies himself had taken action imploring co-operative societies to adopt steps to scale down debts due from members and the exemption granted by the Act was aquisced in. But some years have elapsed since then. It is not known to what extent the principles laid down by the Registrar have been given effect to. The

Government should call for a special report on the subject and if there is a case for withdrawing the exemption they should not hesitate to do so. But it is in the interests of financing banks and co-operative societies to settle the outstanding debts instead of allowing them to accumulate. It is far better to act willingly than be forced to yield to legislation. While on this topic let me congratulate your Bank for endeavouring to fall in line with the spirit of recent legislation by lowering the rates of interest. I hope you will continue the lowered rates of interest instead of yielding to importunities of authorities who seem to put too much stress on the need for a wider margin.

Official Interference.

Recently we have been hearing a great deal about official interference. Whether there is needless official interference or how far such interference was inevitable or necessary, it possible to judge only from circumstances of each case. But as long as non-official co-operative institutions are dependent on official report and support for the transaction of even their normal business, our complaint loses much of its force. Till the other day loans were not sanctioned by the Madras Provincial Co-operative Bank unless they were recommended by the Registrar. I have been told that in a few cases urgent loans granted were re-called when the Registrar did not recommend them. Is it any wonder that the Registrar and his assistants, if they are so disposed, can exercise enough influence even in the conduct of the Central Banks? It is just possible some of the Deputy Registrars may allow their enthusiasm to outrun their discretion and sometimes play an active part in the management of co-operative institutions knowing their word always carries weight with the financing institutions especially the Provincial Bank. Therefore, the solution lies in the Provincial and Central Banks becoming independent of official guidance by employing their own staff to report on the working of their affiliated institutions and relying on such reports. If the position of institutions which can afford to be independent is rendered so very dependent, is it not too much to expect the primary societies to exhibit any vestige of independence. At the same time I cannot also help mentioning to my official friends that often indirect influence is more effective than direct interference and they will do well to confine their interference to occasions warranted by the Statute and the rules framed under it. Then the non-officials themselves will voluntarily seek their friendly advice and guidance.

Propaganda.

Recognising the importance of propaganda for the propagation of co-operative ideals and ideas, various schemes have been considered and carried out in the past. So far experience gained has not enabled us to

consider any scheme as perfect. I am afraid this will be so as long as we have no compulsory elementary education in our province. Education has been acknowledged all over the world as the foundation for all progress. So the task of the co-operative propagandist in a country steeped in ignorance is an uphill one and if the results have not been commensurate with the efforts made, we have to look for the cause elsewhere. However, we cannot afford to sit with folded hands. We must continue our efforts as best as we can. I have watched with some interest the working of the scheme for the education of members and the training of Panchayatdars. While gratefully appreciating the efforts of those enaged in this good work, I may be pardoned if I venture to state that the results are not commensurate with the time, energy and money spent for the purpose. A few weeks of propaganda in the year is not likely to bring about satisfactory results. The agency for propaganda should be at work all round the year and the Central Banks should give as much importance to propaganda as they would give to administration and supervision.

May I avail of this opportunity to congratulate those responsible for the editorial management of the *Sakakari* on the excellence of its production, for the variety of topics dealt with and for the sane and progressive views it expounds. I have often wished its circulation and clientele had been wider and so influence co-operative opinion all over the province. As things are, its sphere of influence is narrowed down by linguistic limitations.

Supervision.

As you may be already aware I am one of those who believes with the Townsend Committee that the unions provide the ideal organisation for supervision. They are also the best agencies for spreading co-operative knowledge and providing local talent opportunities for co-operative service. In my opinion their abolition would spell disaster to the Movement. If some of them have failed to serve the purpose for which they were brought into existence, the causes for their failure lie elsewhere. If only the Central Banks evince some sympathetic interest in their working and provide the necessary facilities, they are sure to prove great helpers to them. They are the best embodiments of the ideal of mutual supervision. It is gratifying that the Provincial Conference expressed its opinion that the unions should be reorganised to ensure their efficient working. The Committee on Co-operation by a majority decision left the decision on the question of retention or abolition of unions to the discretion of the Central Banks. The trend of official opinion seems to be in favour of their retention and re-organisation. I hope your Bank will not decide to dissolve such Unions as they still exist. I find you have liquidated three Unions last year leaving only six in existence with 175 societies affiliated to them. I feel it is necessary to revive all the unions and see every society in the district is affiliated to some union. I have been trying to gather opinion on the lines on which re-organisation should take place avoiding past defects. I must confess I am yet undecided in my views. I hope to learn much from the discussions which will take place during your sittings.

I do not wish to weary you further by dealing with more topics. Some of them may prove controversial, while others may appear common-place. There may be eternal wrangle on policies and methods of work. Those differences do not matter as long as we realise the unity of the Movement and have abiding faith in co-operative principles. As long as we retain these, there is every hope of carrying on the Movement with 'enthusiasm and fervency of spirit.' The President of the 1940 British Co-operative Congress declares that co-operation needs now the missionary enthusiasm more than ever if it is to survive as a progressive Movement and become the determining force in the social and economic life of the British nation. It is equally true of us. No doubt actual war conditions have not disturbed our normal activities or created new problems. It is cheering to know that despite a multitude of difficulties and many drastic changes in the social life of the people the Movement in Britain has remained rock-like in its stability and has adapted its vast organisation to ever-changing conditions in a manner which has not been surpassed by any other form of trading. But there are dangers ahead of the Movement. We should also guard ourselves against them by watching every trend carefully and taking precautions before it is too late. Every effort should be made to sink our differences in the common cause so that such service we may render may prove beneficial to those whom we wish to serve. What is wanted is disinterested service. No field of human activity affords greater scope for this than the Co-operative Movement.

Co-operative Societies and Pai etaries.

Effects of Draft Rule XXVII 'A sed.

By B. VENKATARATNAM, MA TAM.

The draft amendment to Rule 27 publishe the *Fort St. George Gazette* is certainly not a matter of passing int o co-operators in general and to those that are actively associated wit institutions affected by the said rule in particular.

The amendment now sought to be introd deals with the question of appointing paid secretaries to societies wi mited liability of different classes on the basis of their working capital the minimum fixed differs from one type of society and another. For .nce the term 'societies with limited liability' as defined in the rule ir .es a Central Bank, an Urban Bank and a Primary Land Mortgage Bank. But in the strict sense of the word even Loan and Sale Societies and the like are not excluded. The number of these three kinds of Banks will be few and if only Government cared to send out the draft amendment to them individually these Banks would have tendered their considered views on the subject and any decision taken by Government on receipt of such opinion would be really sound. Again Government contemplate fixing the limit of working capital in the case of financing banks, and other credit societies at one lakh of rupees while in the case of Land Banks only the limit was fixed at Rs. 3 lakhs in point of loan outstandings. In their explanatory note Government observe that whatever may be the conditions of the system of Honorary Secretaries the difficulties inherent in that system and abuses to which it has led are too numerous to allow it to continue any longer......' It is apparent, therefore, that Government are definitely for dispensing with the system of Honorary Secretaries as a rule; and the draft now proposed is sought to begin with the process of removing Honorary Secretaries starting from Central, Urban and Land Banks. If that be their view it must be said that Government have prejudged the issue. However, as they have invited criticism, it must be met so as to impress Government, who are believed to possess an open mind in the matter with the opposite view. When Government say that Central Banks with working capital of one lakh shall have paid Secretaries it means the rule will cover all Central Banks in the presidency for no Central Bank has a Working Capital of less than Rs. 1 lakh. Perhaps there may be a large number of Urban Banks also coming within the operation of the proposed rule; and out of such Banks only 2/3 of the total are yet to be covered by this rule according to Government's observation since already 1/3 are said to have paid Secretaries. Government state that 'it is also clearly undesirable that the Secretary's post should be subject to the vicissitudes of an annual election......'. When Government speak beyond facts for the term of office of Directors and Office-bearers is in all cases of Central Banks and Land Mortgage Banks and big Urban Banks three years and not one year and model by-laws clearly state it even as the actualities of organization prove it.

If thus the emphasis is on the word *Annual* the bottom is knocked out of Government's argument.

In their explanatory note Government further state that the Rule now proposed is in consonance with the recommendation of the Committee on Co-operation (1939-40). The Committee after a good deal of labour has presented its report to the Government and the latter find it easy to adopt such of the former's recommendations as are convenient to them and leave the rest. For instance the draft rule 25 published was only on the basis of a mere suggestion of Mr. K. Bhashyam, one of the members of the Committee (1939-40). That too as an option. Yet Government chose to adopt it. In fact the country and the co-operators eagerly look to the Government for a clear and unambiguous statement of their mind with regard to the report of the Committee and not piece-meal enactments and rule-making of the sort in question, having no regard to the Committee's Report or its recommendations.

There are 119 Land Mortgage Banks in the presidency. Of these only 28 Banks or roughly 22 have a working capital of Rs. 3 lakhs and more each. There are 8 Banks out of the 28 Banks that make a profit of between Rs. 1,000 and Rs. 2,000 each; and 2 Banks making a profit of less than Rs. 1,000 each. The rest of 18 Banks make each a profit of Rs. 2,000 and more. The contemplated rule therefore strictly applies to the 18 Banks referred to herein. These 119 Banks - big or small and whether they make profit or loss—are bound to go on in all times no matter whichever Government is in power. Those that make a profit are expected to pay some dividend or other to their members and also build good reserves. That way no Bank making a profit of less than Rs. 2,000 could afford to spend a minimum of Rs. 600 under one head of paid 'Secretary' per annum. It will be therefore clearly seen that the contemplated rule will not cover any appreciable number of Banks for the purpose of its enforcement. If Government are of the view that irrespective of profits a certain type and size of Banks should have paid secretaries regardless of their capacity to maintain them, one should only wonder if Banks thrive at all. Out of 119 Banks in the Presidency 41 Banks are running on loss and this works at about 33 per cent. It is therefore the duty of every co-operator, and the Government as well, to see that those 41 Banks are first placed on a stable basis before any policy of systematisation or Administrative reform is thought of. Let us agree that the cost of paid Secretaries will not be small and 111 of 119 Banks shall not have them even granting the new rule is approved and given effect to. Then is it wise or worth Government's while to make a rule that is no likely to have any tangible effect?

Again the working capital in the case of financing and Urban Banks and loan outstandings in the case of Land Mortgage Banks have no significance for the purpose of this Rule as it is amply evident that the foremost Bank in point of loan outstandings, namely, Bhimavaram, which has a loan business of 8.3 lakhs had made only a profit of 3.5 thousand. The next

best is Alamur the loan business of which is 7.19 lakhs and whose profits are only 4.7 thousand. In the former case the profit made is just sufficient to create the statutory reserve of 25 per cent. of the divisible profits and pay its members a dividend of 5 per cent. the maximum allowable at present. In the latter case, after creating the statutory reserve the balance left is sufficient to pay 5 per cent. dividend and probably may leave a little surplus too. In this view the working capital is not the standard to judge the proposed rule and any arrangements of the kind contemplated can best be left to the Banks concerned and if necessary to the joint consultation of the Central Land Mortgage Bank and the Primary Banks rather than making it a hard and fast Rule.

Moreover, the Primary Banks' Conference only recently expressed itself against payment of any Honoraria to office-bearers of Primary Banks. The one consideration that weighed with the Conference was that these Banks are too small to spend their moneys on any such items and that the working of the majority of Banks does not warrant such a commitment on the part of the Banks. That decision clearly shows that the persons charged with the management of the Primary Banks are reluctant to use the Banks' moneys for their personal benefit and that only speaks of their sense of duty to the Banks with which they are associated. Possibly it may also be said that it is an act in a spirit of sacrifice and grace on the part of the workers. That was a decision of very recent months and it is indeed surprising that Government should venture to come out at this stage with a proposition that the Societies of a type and size '*Shall*' have paid Secretaries.

Of late Government of Madras are resorting to amending the rules and introducing new rules too frequently and with inadequate notice to the public. Mere publication of a draft in a Gazette that is seldom looked into by most people, however much technically it may be in order, is not offering an adequate opportunity to those that are interested in, or affected by the Rule that is sought to be passed. If only Government desire to have a real and considered opinion of an individual or an institution concerned reasonable opportunity should be given to him or it and send the draft as published to all those concerned or affected or likely to be affected before the rule is confirmed. In fact certain vital rules—new or amended—will have a far-reaching effect and the community affected or interested may possibly examine the question individually or in a conference and arrive at a conclusion and present its view-point to the Government with any suggestion or modification. Unless this is done in a way free from ambiguity or room for complaint no rule passed by a Government post-haste shall have the desired effect. The Registrar of Co-operative Societies has a duty on him to apprise the Government of these and other facts as the head of the Department and see that the Government are well advised in such matters as this.

II

Sree Kamalambika Co-op. Urban Bank, Ltd., Tiruvarur.

The proposed amendment constitutes a serious encroachment upon the autonomy of co-operative institutions and tends to officialise the management of the said institutions to a degree and in a manner wholly foreign to the ideals of co-operation.

Whatever may be the necessity or justification for a Paid Secretary in the case of a Central Bank, there is absolutely no justification or warrant for insisting on the appointment of a Paid Secretary in the case of Urban Banks. Most of the big Urban Banks are working on their own deposits without borrowing from the Central Banks. Only when the management of such Urban Banks is efficient and honest, it is possible for them to attract deposits. The fact that an Urban Bank is able to find its working capital from deposits from its constituents without having recourse to any financing Bank, is proof positive that its management is sound, not in need of any official interference. The area of operations of such Urban Banks are limited to towns and cities wherein plenty of enlightened members with genuine spirit of co operation are available. When such material is available for working the institutions on an honorary basis, there is no justification for compelling such institutions to entertain Paid Secretaries.

Another important objection to the proposal is that the appointment of a Paid Secretary in a good Urban Bank is sure to make it less popular with strength dwindling and deposits falling. A popular non-official Secretary is sure to be a point of attraction for members. He will also be able to inspire public confidence and induce members to deposit their savings in the Bank. A Paid Secretary, on the other hand, may successfully carry on routine administration, but the spirit of accommodation and adjustment, which is quite essential for the successful working of a big Urban Bank, will be lacking. The touch between administration of the Bank and the general body of members will be lost altogether. The office of the Urban Bank will be like any of the Government Offices with a touch-me-not look and an air of aloofness. These features, it is submitted, are wholly alien to a co-operative institution. The popularity of the institution will go down rapidly and the number of members will diminish and in course of time the Banks concerned will lose touch with the co-operative public and will have to depend for its working capital on the financing Bank. From this aspect also the proposed amendment is highly objectionable. In the case of Urban Banks wherein there are Paid Managers who have given substantial security, the insistence on the appointment of a Paid Secretary is absolutely unwarranted. The proposed amendment may, at any rate, make an exception in the case of Urban Banks with paid managers.

The limit of one lakh of working capital in the case of Urban Banks is such as to bring even small Urban Banks within the rule to be enacted. If the amendment is to be carried out at all, the limit may be made to depend, as in the case of Land Mortgage Banks, on the outstandings rather than on the working capital. The outstandings may be fixed at two lakhs. For Urban Banks with less than 2 lakhs outstandings it may not financially be possible to entertain a Paid Secretary on a decent salary. Paid Secretaries with low salaries will be a menace to the institutions concerned instead of a source of security. This aspect also must be taken serious notice of by Government.

In the light of the observations made above, it is submitted, on behalf of the Tiruvarur Sree Kamalambika Co-operative Urban Bank that:

(*a*) In view of the varying local conditions between one Urban Bank and another, appointment of Paid Secretary should not be a rule. It must be left to the discretion of the General Body of the Banks concerned.

(*b*) In case the Government desire to introduce compulsion in the matter of appointing Paid Secretaries to Urban Banks, Banks which have at present competent Managers, who have given sufficient security, they should be exempted from the operation of the proposed rule. Only in the absence of the existence of paid competent Managers the appointment of Paid Secretaries should be insisted on. The rule must be so worded as to make it possible for an Urban Bank to choose between the appointment of a Paid Secretary or of a competent Manager with prescribed qualifications. Giving such an option will minimise the harm likely to arise from the proposed amendment.

(*c*) The limit fixed in the proposed rule *viz.* one lakh of working capital is too low. The limit should be made to depend not on the working capital but on the total outstanding loans due to the Bank. Such outstandings must be fixed at 2 lakhs and not at one lakh.

The above objections and suggestions, we trust, will be taken notice of by Government before enacting the rule proposed. The rule as proposed by Government, if enacted in the present form, will give a death blow to the existing Urban Banks in the Presidency.

The International Co-operators' Day.

BY T. RAGHAVENDRA RAU.

A writer in the American Bankers' Magazine defines capitalism as "Democracy at work". He goes on to explain that the salary or wage earner, inspired by ideas of thrift, saves systematically a portion of his earnings and invests them with a Bank and which money is lent out by the Bank for the use of the many. The definition may be correct if only the savings of salary and wages alone form capital. But there are other serious factors that go to make it up.

Another prominent and interesting but little known personality—the Prime Minister of that little country Portugal, describes the present crisis in the following terms:—

> " It is a moral rather than an economic crisis that is troubling the world.
>
> There exists in the life of modern societies a crisis more serious than the crisis of currency, of exchanges, of credit, of prices, of public finance; more serious because it is the source of all of them; the crisis in economic thought, that is, the crisis in the principles which underlie economic life.
>
> That which is in crisis and which provokes the crisis is the exhaustion, neglect and disregard of the rules which govern human life, the breaking up of the moral structure of civilisation; and the worst is that many think that they can invent other rules and impose them on the world."
>
> "WEALTH, possessions, production are not ends in themselves; they have to serve both the individual and the collective interest; they are meaningless if they are not subordinated to the preservation and improvement of human life.
>
> WE are not fascinated nor satisfied by wealth or mechanical luxury or inventions by which man is diminished, or by the mania for machinery, the colossal, immense, unique, mere brute force, unless they are touched by a breath of the spirit and subordinated to the service of rendering life ever more beautiful, more noble and more refined."

Then he goes on to condemn the three fallacies in the following devastating manner:—

> " Many said: Let us abandon the common weal to political passion, to the whims of the greatest number—Life subordinated to

> politics—that was the Democratic formula. There were others who cried: Let us produce wealth without care or method so that everyone in the end shall benefit—economic values were held higher than those of life under the Liberal regime. Another group demanded: let us divide among ourselves the present wealth and that which may be—created in our time—Socialism subordinated economic life to social. The fallacy of these systems was amply demonstrated by the constant party warfare, the injustice of Liberal economic life, the devastation worked by Socialism."

He then goes on to say which method to choose :—

> " Now, as in all critical times, it is necessary to choose, to know how to choose and to sacrifice the accidental to the essential, matter to spirit, grandeur to balance, wealth to justice, extravagance to economy, class strife to co-operation."

Under the Capitalistic regime predominance is given to production which often exceeds consumption. All sorts of devices are adopted to stimulate consumption and if they fail finally destruction prevails.

In Co-operation, emphasis is laid on consumption, that is, the satisfaction of an economic want by the production of an economic good which may either be in the shape of an article produced or service rendered. A genuine need or state of usability or utility should precede the need or state of productivity, thus avoiding all over-production and consequent destruction. But consumption and production are not co-eval. They are projected into space and time. Thus comes the necessity for distribution which forms a link between productive centres and consuming centres. Production being solely guided by the limits of consumption, consumers have the power of governing production.

Thus in each country and under every clime co-operative production, distribution and consumption form a unit of Neutral zone and a closed circuit—Neutral as against the economic activity favoured by the Government of the country and a closed circuit against the onslaughts of other forms of economic activity prevalent in the country. But these Neutral zones and closed circuits of each country are open to form Alliances and get into contact with co-operative organizations working under the same principles in other countries. National Co-operative Alliances federate into an Inter-National Co-operative Alliance.

It is to proclaim a living faith in the potentialities of the Co-operative Organizations throughout the world, during war as in peace, that the International Co-operators' Day is celebrated and the aim of this evening's meeting is to affirm that faith.

Speech of Srimathi Kamaladevi on the International Co-operators' Day at Mangalore.

The principles of co-operation have always attracted me, partly because I am definitely opposed to the present economic system, and co-operation offers an alternative to it. The only reason, I suppose, I was asked to speak to-day was in that the course of my tours I became interested in the experiments that are made in the east and west in co-operation. I am not speaking as a technical expert. I shall speak of a few things that I have seen when I travelled. I was in Europe just on the eve of the war. I found Europe in a condition of economic and social collapse. It was long my desire to find a solution to these conditions while new social experiments were made, in order to meet the kind of confusion which has ultimately overtaken Europe. And it was with this purpose that I went to the Scandinavian countries. The first country I visited was Denmark. This was my second visit to that country after about an interval of 10 years. Denmark is of special attraction because generally speaking it has a kind of rural appearance, but as you see from the statistics it is not such a rural country as you imagine. It has a population of a large number of farmers. The Scandinavian countries started co-operation much more readily than the central countries or England, and therefore have been forewarned of the glaring defects of the capitalistic order. We have here a very honest attempt made to build up co-operation not merely as a credit system on a large scale. It was a very difficult task. One of the things that strikes us there as the result of having a very dominant co-operative system is the harmonious co-operation between producers and consumers which is so strikingly absent in many other countries. Denmark is mainly a dairying country. It depends on dairy products. It is not a country that consumes milk. The large amount of produce of milk has produced pigs, because pigs are fed on milk. Their milk production itself is one of the most highly specialised industries. Special kinds of milk products are made for children, adults, invalids etc. I never saw anything of that kind on that scale anywhere else. Then also about marketing, every one of their commodities is sold on co-operative lines. There are also the farmers who have the problem of getting manure. There are the seed growers, the seed suppliers. Then we have the food factories, the most interesting. They make special kind of bread—whole wheat bread etc. All of them blend into a whole co-operative system.

As we go up, we get into Sweden where we have a different type of industry, mostly large scale industries. And as we go on to Norway we find that it has also built up very big industries on a co-operative basis. Co-operation is not taken as an amateur kind of business. There are very special attempts made to educate people in the principle of co-operation. Many of these centres run classes themselves and people attend these special courses and qualify themselves. Apart from that there is a very wide programme for educating people in the principles of co-operation. Another thing here is the

folk schools. These are of the Scandinavian countries. These folk schools are specially for the general masses of people. It is here that much of the education on co-operation is imparted. Of course the reason why co-operation has grown up is that they are able to maintain a society—a powerful productive society. It is because of this intensive education of the people who have vowed themselves to follow co-operative principles. When a man, goes into a business, he will stand by co-operative principles. Whether he is a producer, whether he is a salesman or any other kind of workman, there is a kind of comradeship. They will deal only with the co-operative society. It is a kind of trade unionism. That the whole people in any country should abide by the co-operative principle is creditable. No doubt there are people who will say that they are a small population. I personally do not think so as I have seen a second country where co-operation has been attempted on a gigantic scale. One of the results of this co-operation is the high standard of living that they have been able to achieve. There is no poverty, no unemployment, no difference between rich and poor. The distribution of wealth is more just. The wages are higher. These are the two countries that do not allow cheaper stores. Their standard of wages is much higher than that of England. Along these particular lines, the development of co-operative principles has helped them to build up an economic and social order and has helped them to attain a much higer standard of living. To-day the Scandinavian countries are in a plight. When they are able to emerge from this temporary state of affairs they will certainly be in a position to meet this new situation because of this new social co-operation.

As I came to America I began to appreciate much more of what I had seen in Scandinavia. America has enormous gold 60 per cent. of the gold of the world. Their standard of living is high. But it is a country with eleven million unemployed and about ⅓ of the population living below par. The whole thing seems more or less utterly crazy to-day. It is the whole system that is wrong.

In China I was able to see what a decisive factor co-operation has been. In the first six months after the outbreak of war in China, she lost 80 per cent. of her factories. In fact it was an economic collapse that was going to bring about capitulation. All that stared them in the face was surrender. In Shanghai the people got together one day and said, 'it is a question of a few hours'. Someone made a brainy suggestion. Why not build up on the co-operative system.

We can have mechanisation and decentralisation. Mr. Ford believes that he could best realise his purpose by decentralisation. He distributes his factories in villages. But in China it is not so. It was a question of having to build small industries where it is difficult to get even primitive tools. Continuous bombing was going on everywhere. It was really unique in the entire history of the co-operative movement that a whole country of four million people should have been saved by this co-operation. When they started migration to the west to the mountains they started co-operation.

The first year when they moved west, that was in 1939, that winter they were facing a complete collapse on the military front. They could not find blankets. Because Japan held all the routes, India could not supply them with blankets. That was the first challenge to the co-operative movement. If they did not supply blankets, they could not continue war. They did not have the requisite material. In four months time they turned out four thousand blankets. The quality was not excellent. But it showed the value of co-operative movement. They have taken very seriously to this movement. I feel the co operative movement has come to stay in China. It is taking very deep roots. Think of these people who went to a strange country and started the whole thing all over again. It is only this movement that made them useful citizens. This co-operative movement produces half that China needs. These co-operatives operate not only in one or two centres, but all over the whole China. They have three different types for heavier industries, mobile industries and cottage industries. A great thing about this movement is the loyal support of the millions of people. Here are these industries which workers themselves organise. The minimum number is seven. You can form a little society. They feel that it is their own industry and many of them are content to take wages just enough for their existence, so that they can put their money back and make the industry grow. That is why the development has been so very rapid. They have not been able to attain the skill of Indian cottage industries.

Then they have got factories that actually operate in the fighting line. People pass in and out of the firing line, are getting in and supplying people behind the Japanese line. It is unprecedented in history. There is one such factory in the north which is known as 'No-man's Land'. And they have certain principles which they observe in addition to the ordinary ones. No co-operator should run away in the face of the enemy. They must develop their industries. Only those who can work can become members of the organisation. They do not employ others. That is a very strict condition. It is understandable because they want to mobilise the entire nation and build up their whole economy on the principle of co-operation. That merely is not only going to enrich China but it is going to be a great moral saving force.

* * * *

The co-operative movement is an alternative solution for the social evils of the economic system. What I would like to show is how far co-operative movement in other countries should be helpful in tackling the Indian problems.

In India 75 per cent. of the population depend on agriculture. Practically every three out of four depend on land. How are problems of the land

to be tackled ? You are aware of the co-operative movements. It was started in England. Their distinctive mark is that they are very successful in the store movement. The speaker referred to the co-operative movements in Italy, France and Denmark. In those countries it has given the agriculturists all sorts of amenities for their work. Whether we could adopt them and improve our lot is the main thing. Our agriculturists in India are mostly indebted, and ignorant. They are not willing to take to new implements. They are ignorant of the latest developments. They have no money to purchase implements.

One defect in our agricultural system is they have got uneconomic holdings. They cannot make a tolerably good livelihood. Attempts have been made for securing econom c holdings. This could be done by farmers by a system of co operation to enable them consolidate their holdings which are scattered all over the village.

Agriculturists depend on the uncertainty of rainfall. Here also the co-operative movement could help them by irrigation. Water supply should make the industry of agriculture more stable and economic. In India we have made a great attempt to supply with short term credit. They want long term credit. If they cannot get this they cannot improve agriculture. For that time there are land mortgage banks. Good tools and seeds can also be supplied by co-operative societies. The other great disadvantage of agriculturists is the existence of middlemen. Their produce is pledge to the money-lenders. They have to suffer unnecessarily. Better marketing facilities are therefore required.

It is estimated that rural indebtedness is nine crores. Agriculture is seasonal. It can employ the cultivator only for six months. His income should be supplemented by starting cottage industries. The cottage industries should be of such a nature as to suit the locality and to supplement his income in the slack season.

In my opinion no other remedy could be so effective as the co-operative movement for India, not even socialism. Socialism is quite alright in a very industrialised country. In countries like India, many things could be done by the co-operative movement. The Indian temperament is conducive to it. The movement would really bring in a new social order and would be much more useful than any solution suggested by the socialists.

Reviews.

Report of the working of societies—Baroda State 1939—40.

The total number of societies and members increased from 1,244 and 60,379 to 1,297 and 65,920 respectively, and the working capital increased from Rs. 95.32 lakhs to Rs. 101.98 lakhs. During the year loans amounting to Rs. 27.25 lakhs were made as against Rs. 24.38 lakhs last year. The total overdues have come down from Rs. 16.00 lakhs to Rs. 15.40 lakhs. Rectification and consolidation of societies was continued during the year.

There are two kinds of financial institutions, Central Banks and Agricultural Banks. The former finance only societies, while the latter finance individual members also. The Government have taken half the share capital in the latter and have two representatives in the Directorate. The nine Central Banks had Rs. 3.33 lakhs as share capital and Rs. 16.03 as working capital at the end of the year; and the four Agricultural Banks had Rs. 1.77 lakhs and Rs. 7.18 lakhs as share capital and working capital respectively. The Government have given a cash credit of Rs. 3.80 lakhs to these Banks and a deposit of Rs. 40,000 for the Kodinor Bank to meet immediate needs.

The Agricultural societies increased from 996 to 1,026, and their working capital from Rs. 36.36 lacs to Rs. 38 40 lacs. About 300 and odd societies are now managing only with their accumulated reserve funds and deposits. Loans of rupees 250 and over are now being given only on mortgage security. The overdues have come down from 35.2 per cent. to 31.9 per cent. The rate of interest in some societies is so low as 6¼ per cent. and less.

There were 258 non-agricultural societies with a working capital of Rs. 40.42. The overdues have increased here from 3.12 per cent. to 3.70 per cent.

The Non-credit side of the movement also has some good record. The total sales in the 34 cotton sale societies amounted to Rs. 19.59 lacs, during the year. Improved cotton seeds are being distributed in many village societies. There were 7 societies for the supply of household articles. The co-operative Ginning factory made a profit of Rs. 15,558. There were also 11 milch cattle societies, 11 societies for irrigation, an insurance society and 2 ground-nut sale societies.

The societies for consolidation of holdings did practically no work. 26 of them are under liquidation.

A society for electric supply has been registered during the year.

The movement is reported to have definitely turned the corner and is on its way to re-establish itself on sound lines.

V. S. R.

Report of the working of societies—Holkar State (Indore) 1939-40.

The total number of societies and their membership increased from 830 and 27,606 to 847 and 29,974 respectively, while their working capital decreased from Rs. 92.42 lakhs to Rs. 89.82 lakhs.

Loans amounting to Rs. 14.39 lacs were made during the year, and the outstanding amount at the end of the year was Rs. 68.47 lacs. It is reported, that the problem of overdues and bad and doubtful debts, is engaging the attention of the authorities. Detailed figures are not available in the report nor in the A and B statements published at the end as Appendices. But statement C showing the operations of Non-agricultural societies, gives the figures for overdues. It is found that in Limited societies out of Rs. 17.04 lakhs, Rs. 3.41 lakhs are overdues, and in unlimited societies which may probably represent the weavers societies practically the entire amounts are overdue.

There are six central banks in the State of which one is about to be liquidated. The Indore Premier Co-operative Bank, as its name implies, is the Apex Bank. In addition to the usual financing of societies, it also seems to finance individual members also on the security of loose cotton and such securities. Although it seems to have got money cheap, average 3.8 per cent. it has paid only Rs. 68,222 for deposits amounting to Rs. 22.05 lakhs and lent at 9 per cent. the profits of the year did not allow any distribution of dividend. Perhaps this is accounted for by its not utilising to the full its resources. As much as Rs. 13.17 lakhs out of Rs. 25.50 lakhs of the working capital had not been utilised in lending. A careful examination of its working must result in substantial good.

The special features of interest are:—

1. Reorganization, expansion, and development are being planned and worked out.

2. The Audit is being reorganized. As reported by the Registrar the staff seems to be 'utterly inadequate'. One Auditor has been given 167 societies, a Central Bank and an Urban Bank. This is certainly too much.

3. There is a co-operative council to assist the department on matters of policy and principles.

4. There is a move to introduce internal supervision and control in societies. This will produce good results.

5. Certain reforms are contemplated in the Central representative association, and the transfer of the Secretary Pay Fund.

6. The unlimited societies do not have any share capital at all. Perhaps a small share capital from every member may bring in a pretty large sum of stable owned capital into the movement.

It is hoped that the contemplated changes will result in the progress of the movement.

V. S. R.

Conference.

SOUTH KANARA CO-OPERATIVE CONFERENCE, KARKAL.

Resolutions Passed.

1. This Conference requests the Government to publish early their decisions on the various recommendations of the Committee on Co-operation. It also feels that action by way of amendments to the Rules or the Act before such publication is undesirable.

The Conference is not in favour of the rule sought to be introduced restricting the period of loans to be issued by co-operative societies and Banks other than Land Mortgage Banks to three years, and supports the recommendation of the Committee on Co-operation in the matter of short-term, long-term and intermediate credit.

The Conference also protests against the amendment to Rule 25 which proposes to introduce a new and needless principle by providing for representation to depositors in the management of financing Banks.

This Conference fails to see the necessity for the amendment proposed to Rule 14 regarding the utilisation of the surplus funds of liquidated societies and would urge the retention of the Rule in its present form, or the extension of the jurisdiction within which such funds may be used, to the area of operations of the financing Bank to which the Society was affiliated.

2. This Conference recognises the great potentialities for good in the Consumers' Co-operative Movement and therefore urges co operators to inquire carefully into the causes for the present weak condition of the Stores in the District and decide on ways and means of strengthening them. It would suggest a linking up of credit in primary societies, specially in urban and semi-urban areas, with the Stores, and a larger use of the provisions for joint purchase which are to be found in the bylaws of all societies. This Conference further requests the Government to exempt Co-operative Stores from Sales Tax altogether and of audit fees at least during the initial stage.

3. This Conference is of opinion that for improving the condition of the Scheduled Class Societies in the District a change in their activities is necessary—the main object to be kept in view being the securing of permanent employment to their members. It, however, feels that the gradual merging of these special societies in the ordinary rural and urban societies should be attempted wherever possible.

4. This Conference resolves that attempts be made to bring more women into the Co-operative Movement, especially as this would strengthen

consumers' institutions like Co-operative Stores and also assist in encouraging cottage industries. The Department and the Central Bank are requested to consider if, towards this end, it is necessary to employ women organisers.

5. This Conference expresses its conviction that the building up of different kinds of rural industries, both primary and subsidiary, is essential for the economic betterment of the ryot, and would therefore appeal to co-operative societies to assist in encouraging such industries and to form societies for suitable handicrafts after careful scrutiny. It would specially invite attention to the possibilities of a widespread movement for the production of hand-spun and hand-woven cloth. The District Advancement Society is requested to enquire into the question of cottage industries and take necessary steps to start or improve some in consultation with the Central Co-operative Bank.

6. This Conference feels that there is need for a more active drive towards expansion of the Movement in the district by the formation of more societies and by the enlargment of the activities of the existing ones. In particular it would encourage the introduction of grain transactions and the popularisation of agricultural improvements. The Conference resolves that a definite programme of such development be drawn up by the Central Bank in consultation with the District Advancement Society.

7. This Conference, while expressing its satisfaction at the development of produce pledge transactions in rural societies in the district, desires to impress on societies the necessity for co-operative marketing. It also feels that the construction of godowns at convenient centres will greatly facilitate such development and requests Government to continue in a larger measure the aid by way of free grants and cheap loans for such construction.

8. This Conference considers that co-operative propaganda is essential for the healthy growth of the Movement and urges the Central Bank and the Advancement Society to look upon this as one of their main functions. A systematic plan of continuous education of members of societies should be formulated, and the Government be requested to continue the financial assistance that they have been giving during the last five years, from the Rural Development Grant.

9. This Conference feels that the thrift aspect of co-operative societies deserves to be given much greater attention than hitherto. It would in this connection appeal to co-operative societies to try the various proposals made by the Committee on Co-operation to encourage savings and commend the popularisation of the South India Co-operative Insurance Society and its schemes for small policies.

10. This Conference, while deploring the present condition of Local Co-operative Unions, realises that such Unions are the best institutions for mutual supervision, co-operative propaganda and for enlisting the help of

influential local workers. It is therefore necessary to devise ways of making them more useful institutions.

11. This Conference feels that the reconstruction of rural life in all its aspects is a legitimate goal of co-operative societies and therefore suggests that rural uplift schemes should be tried in selected centres in the different taluks after thorough surveys. It is of opinion that the financing of such schemes is one of the best objects for which the Common Good Funds accumulated in our societies could be utilised and therefore suggests that small pool of such funds may be created—to be administered by the Central Bank and the Advancement Society.

12. In view of the abnormal prices of yarn due to war and consequent unemployment of thousands of weavers all over the country, this Conference urges the Government to immediately control the prices of yarn and effectively check the middlemen's profiteering and save the starving handloom weavers from utter destruction.

13. Resolved to request the Government to grant loans and subsidies to the Central Wholesale Stores to put up godowns as in the case of Sale Societies.

Orders and Circulars.

Fort St. George, October 13, 1941, (G. O. Ms. No. 1861, Development).

DRAFT AMENDMENT TO RULES UNDER THE MADRAS CO-OPERATIVE SOCIETIES ACT.

No. 715.

Notice is hereby given that the draft will be taken into consideration on or after the 21st November 1941 and that any objection or suggestion which may be received with respect thereto from any person before the date aforesaid will be considered by the Government of Madras.

DRAFT AMENDMENT.

After rule XXVII of the said rules, the following rule shall be inserted, namely:—

"XXVII-A. Every financing bank, every registered society with limited liability and a working capital of not less than rupees one lakh and every mortgage bank which has advanced loans to its members to the extent of not less than rupees three lakhs shall appoint a paid secretary. The paid secretary shall be disqualified for being appointed as, and for being, a member of the committee of the financing bank, the society or the mortgage bank, as the case may be."

EXPLANATORY NOTE.

In 1928, the Townsend Committee on Co-operation recommended that central banks should either have a paid secretary or a competent manager, if the secretary was honorary. With the increase in the volume of business, the need for a technically qualified officer who can devote his entire attention to the business of the banks has become urgent. Whatever may be the advantages of the system of honorary secretaries the difficulties inherent in that system and the abuses to which it has led are too numerous to allow it to continue any longer in those institutions which can reasonably afford to pay a qualified officer for a post which provides full time occupation. An honorary officer cannot be expected to devote his whole time to the duties of the post and it is difficult for the management to take any action in the event of neglect on his part. It is also clearly undesirable that the secretary's post should be subject to the vicissitudes of an annual election or that the officer should depend for the retention of his office on the goodwill of one faction or another when these exist in a bank. It is therefore considered that necessary provision should be made in the rules issued under the Madras Co-operative Societies Act to require every central bank to employ a fully qualified paid secretary. Many Central banks have already adopted this course and the others should not find it difficult to fall in line with them.

For these reasons there is need to appoint paid secretaries in some of the big urban banks also. The Committee on Co-operation in Madras (1939-40) has made such a recommendation and the draft rule makes provision for it. About a third of the banks which will be affected by this rule already employ paid secretaries.

Land mortgage banks do not employ paid secretaries at present but as their transactions develop, it will be necessary for them to do so. It is considered that it will not be difficult for land mortgage banks which have advanced loans to the extent of rupees three lakhs and more to have paid secretaries besides the supervisors employed by them. It is therefore proposed to apply the new rule to land mortgage banks also, coming under this category.

Provision of Remittance Facilities.

EXTENSION OF REMITTANCE TRANSFER FACILITIES TO PROVINCIAL ÇO-OPERATIVE BANKS.

Amendment of the Scheme.

With a view to further extending the remittance facilities available to the provincial co-operative banks under the Scheme of Remittance Transfer Facilities. It has been decided to amend the scheme by the addition of the following note after sub-para (iii) of para 4 of the memorandum.

Note : " A branch of the Provincial Bank or an affiliated central bank at a place where there is no branch of the Imperial Bank will be granted the facility of making remittances under sub-paras (ii) and (iii) from an acco nt which it maintains with a branch of the Imperial Bank at a nearby place. This facility will be available only from one branch of the Imperial Bank and will be granted on the provincial or central bank declaring to the office of the Reserve Bank at which the principal account is maintained, the place at which it is to be enjoyed".

2. The Managers or Currency Officers, will, immediately on receipt of a declaration from a provincial or central bank, in terms of the above note, intimate the same to this Department.

Hard the road,
Long the mile,
Ease the load,
Wear a Smile.

Worries come,
Troubles pile,
Don't be glum,
Wear a Smile.

This and that
Often rile,
Don't say "Drat!"
Wear a Smile.

Grim but gay,
All the while,
That's the way,
Wear a Smile.

Ameliorative work and recreational activities in Prohibition Districts.

(a) *Land colonization societies.* The colonists at Mettupatti, Woddapatti and Kanvoipudur in Salem District have commenced agricultural operations. The prospects of a good harvest are reported to be very fair. The proposals for forming a colony at Manganurpatti in the same District are well advanced and as soon as the District Urban Bank agrees to finance the colony the Land Colonization Society for this area will be registered.

The survey and splitting up of the land in Valkalntham in the Tirupattur Taluk of the North Arcot district proposed for colonization by ex-tappers have been completed. Proposals for the assignment of the land are awaited by the Government.

(b) *Co-operative societies.* The Societies formed for the manufacture of jaggery from sweet toddy continued to function. The societies formed for promoting the various kinds of cottage industries generally continued to work satisfactorily. An Egg Production and Marketing Society has since been formed at Krishnagiri. The Chennur Betel Leaf Growers' Society in the Cuddapah district has not been working of late. The Kodur Fruit Growers' Society in that District did good business. It is expected that with the recent opening of a grading station equipped with a grading machine at Kodur the society will do even better.

The Loan and sale co operative societies and the milk supply unions in all the Prohibition Districts generally continued to function with various degrees of success.

(c) *Thrift.* The Hundi box system continued to work satisfactorily and steps have been taken by the local officers to popularise it.

(d) *Recreations and counter attractions.* Rural amusements, sports and games were organised and conducted as usual and the villagers continued to evince keen interest in them. Physical instructors gave training in rural uplift work to village sangams. The village sangams continued to carry on various forms of beneficent activities such as the provision of amusements, settlement of factions and disputes, closure of insanitary pits, construction of roads, street cleaning and the conduct of high schools. District and divisional Tournaments were held in all the Districts and aroused considerable enthusiasm.

(*Press Communique No. 65. Revenue Dept. Govt. of Madras. 14-11-1941*)

P. C. U. Examination Results.

Results of the Madras Provincial Co-operative Union Examination held in September 1941 at Tanjore, Anantapur and Chittoor centres.

I CLASS.

Regd. No.	Name of Candidate.	Regd. No.	Name of Candidate.
1198	Vaidynathan S. P.	1230	John T. M.
1201	Krishnamurthy T. K.	1231	Kaliappan R.
1202	Lakshmanan B.	1250	Pichaiya R.
1204	Manickam Pillai V. A.	1281	Subba Rao M.
1207	Rajagopalan K. V.	1287	Seshaiah A.

II CLASS.

1181	Balakrishna T. R.	1232	Mathuranayagam S.
1182	Balasubramaniam S.	1233	Muthiah S.
1184	Karupuswamy K. G.	1234	Muthusundrasamy N.
1185	Lakshmipathi S.	1235	Maruthu Pandian P.
1187	Natarajan S.	1236	Sethuramalingam M.
1189	Pranatharthiharan N.	1242	Kuthalingam C. K.
1191	Rajagopalan S.	1243	Narayanasamy C.
1192	Seshan N. V.	1246	Arumuganainar C.
1194	Sivaprakasam S. V.	1247	Ganapathy Ram A. V.
1195	Sundaresan V.	1248	Mathuram John R.
1196	Swaminathan S.	1251	Ramachandran D.
1197	Swaminathan N.	1259	Bhaskara Menon A.
1206	Panchapakesan G.	1260	Chandrasekharan K.
1212	Varadachary R. S.	1261	Ganganna A.
1214	Venkatachalam K.	1271	Ramji Rao M. S.
1218	Gopalan M.	1272	Ramaiah V.
1219	Kannayeram C. S.	1277	Shankarappa H. G.
1220	Krishnaswami N.	1279	Sreenivasulu G.
1222	Muthiyan K.	1280	Sreenivasa Rao N.
1226	Sambandam R.	1285	Venkata Reddy K.
1227	Subbaratnam R.	1286	Hari Rajah K. N.
1228	Balasubramanian M.	1288	Ramakrishnan M. S.
1229	Dharanidharan T. R.	1290	Thangavelu P.—(Supplemental candidate)

PASSED IN PART I ONLY.

1223	Pichaimuthu S.	1267	Krishnan Naidu B.
1244	Somasundaram T.	1273	Ramachar A.
1262	Gururajachar T.	1275	Sankara Rao D.
1265	Kotrappa G. B.	1276	Sankara Rao K.

PASSED IN PART II ONLY.

1193 Sivasubramanian A.

Supplemental Candidates.

(PART I PASSED AND COMPLETED.)

1296 Sukirthi Rai B. | 1298 Appadurai K. M.

*1304 Radhakrishnan S. R.

(PART II PASSED AND COMPLETED.)

1299 Shanmugam R.

* Private Study.

News & Notes.

Obituary.

It is with deep regret that we report the death of Sri K. Venugopala Mudaliar, President of the Conjeevaram Co-operative Central Bank, Ltd., Conjeevaram after a brief illness on the 25th November 1941. He was connected with the co-operative movement for nearly 30 years, having entered it in 1912. Besides his activities in the co-operative movement, he was the President of the Taluk Board and rendered very useful service to the general public of the District. He was elected as President of the District Federation in the year 1927 and continued till 1937 when he became the Vice-President of the Bank and subsequently President of the Bank. He was one among the several pioneers of the Movement in the district. In his death the Bank has lost the services of veteran co-operator.

Co-operative Consumers Conference.

A conference of the Primary Co-operative Stores of the Tinnevelly District was inaugurated by the Registrar of Co-operative Societies on the 9th November 1941. Mr. J. L. P. Roche Victoria, President of the conference in the course of his address said that co-operative movement was not a curious sideline but an element of outstanding importance to the national life of the country and that the success or failure of the movement in the district should rest in the elimination of the usual difficulties pointed out times without number, namely, lack of efficient management, absence of true spirit of co-operation disloyalty of members, credit sales, selling lower than market price. He appealed for the removal of co-operative illiteracy, for the bringing of women into the co-operative fold and for the linking up of the co-operative movement with the Adult Education Movement. He asked co-operators to take stock of the situation arising out of the war and wanted them to devise news methods of working and safeguarding against the coming troubles.

Appreciation of Workmanship.

It is gratifying to learn that the Modayur Stone Image Workers' Co-operative Society was the recipient of an appreciation and award of a price of Rs. 20 for the workmanship of the images supplied by the Society to the Mambalam Sommarge Samavardhini Sabha, Thyagarayanagar. This Society is recommended to those who are in need of good and excellent idols of fine workmanship and quality.

Rural Conditions in Mysore.

Under the scheme of economic survey which has been sanctioned by the Government of Mysore on the recommendation of the Census Superintendent, it is proposed to select 300 villages at the rate of 30 per district on the basis of their situtation, size, proximity to industrial and commercial centres, nature of crops grown, preponderance of any particular community in them, medical and educational facilities and with any other special features in them like the existence of sericulture or handspinning. The selection, it is understood, will be confined to places where competent men who are educated and who wield influence in the village and command confidence of the people are available. It is proposed to give an honorarium of Rs. 10, 20 and 30 based on the size of the village.

Middle Class Housing Scheme.

The Standing Committee of the Madras Corporation, it is understood, has accepted the suggestion of the Commissioner to address the Government with a view to getting permission to take up the works beyond the city limits for improving the land owned by the Corporation. The land which was purchased at Amjikarai in 1902 for the Isolation Hospital and which idea has since been dropped, it is now proposed to use for the construction of houses for the middle classes. The scheme it is estimated will cost approximately Rs. 1.66 lakhs including cost of land and amenities. Many of the corporation employees have ready applied for sites for construction of houses. On the whole there will be 340 blocks each of 1½ to 2 grounds and if the scheme materialises it will go a great way to solve the housing of the middle class Corporation employees.

Depressed Classes Conference.

At a conference of the members of the Settlements of the Depressed Classes held on the 6th and 7th inst. at Perundurai, Rev. H. A. Popley presiding, papers on "Rural Economic Improvement," "Agriculture and Co-operation," "The duties of Panchayatdars" and "Disabilities of the Depressed Classes" were read by Messrs. N. Lakshmanan, K. Ramaswami Aiyar, Agricultural Demonstrator, Erode, the Deputy Registrar, Coimbatore and Mr. N. Lakshmanan, respectively.

Health and Rural Improvement Week.

The Health and Rural Improvement Week was inaugurated in all the taluk centres and in many of the bigger villages in Salem in compliance with the circular of the Collector for undertaking propaganda work among the village folk in order to stimulate their interest in rural uplift problems and the working of the Prohibition Act.

Co-operative Stores Conference.

A Conference of directors and employees of co-operative stores in and around Palni was held in Palni under the presidentship of Mr. K. Sarvothama Rao, Deputy Registrar of Co-operative Societies. The conference discussed the work of the various stores and their assistance to price control committees, and also suggestions to extend the activities of the wholesale central stores and make it a wholesale dealer as well.

Industrial Research.

The Madras Government have constituted a Committee for Industrial Research to work in liaison with the Board of Scientific Industrial Research set up by the Government of India last year. The Committee will be composed of the Adviser to the Governor in charge of the Industries Department, as Chairman, the Director of King Institute, Guindy, a representative of the University of Madras and the Director of Industries and Commerce as Secretary. The Committee will be an advisory body and will bring to the notice of the Central Board problems of research that might arise or proposed in this province, and suggestions for investigation at laboratories. The Committee will examine all schemes which are submitted to it and advise the Central Board thereon. The term of the non-official member will be two years and the Committee will have power to co-opt suitable persons, if necessary.

Industrial Expansion in India.

In opening the factory of the National Screw and Wire Products, somewhere in the suburbs of Calcutta Sir Guthrie Russell, Director, General Munitions Production said, that more important contribution must be the enterprise, energy and ability of Indian industrialists, and that India had now greater opportunity for developing her existing industries and the introduction of new ones. In this development of industries India had the satisfaction of knowing that every advance she

made meant another nail, or another screw in the coffin of the common enemy of all free and peace loving nations. He hoped that the screw industry will make real contribution to India's industry and war effort.

Co-operation and the Consumer.

At the Branch Day of the Triplicane Urban Co-operative Society, Sri T. T. Krishnamachari, who presided on the occasion, said that that Society should work on definitely socialistic lines and pointed out that they could not compete with the private businessman—himself being a trader—that one of the secrets of a private trade was to undersell certain standardised and well-known products to gain the goodwill of the purchasers and make up this in the sale of non-standardised goods. He pointed out that a co-operative society could not afford to do that and if they attempt at it, they would have to close down. The Society should impress upon the members that it was not merely a place for things to be bought but certain other facilities could also be had. The key-note of success of any institution, much more of a society like the T.U.C.S. must be that it should always have a policy of expansion. Mr. K. P. Viswanatha Aiyar who spoke on "Consumers' Co-operation" on the occasion, pointed out the unique position of the T.U.C.S. and how steps should be taken to remedy the lethargic attitude of the members as some of them do not make any purchases in the society. He suggested that an organisation should be set up to keep in touch with the members and the motto of the stores must be quality first, quality second, and quality last. He also suggested that the society might take up the possibility of making home deliveries and studying how things were being done in foreign departmental stores.

The Registrar at Rajahmundry.

Mr. S. A. Venkataraman, I.C.S., Registrar of Co-operative Society, Madras, was presented with an address by the members of the Handloom Weavers' Co-operative Societies in the East Godavari District. In the address they pleaded for the control of the price of yarn. He visited the Harijan colonies also and the Harijan local leaders urged for suitable arrangements for constructing houses for Harijans on a co-operative basis. He opened the sales emporium attached to the District Commercial Museum. In the village of osakayalapalli he held discussions with the member of the village society and consulted the leaders of the locality regarding the organisation of a fruit growers' society. He then visited the Ramadas Co-operative Training Institute and opened the Godavari Central Co-operative Stores in the premises of the Central Bank.

Model Village Scheme

At the quarterly conference of the District Officers and members of the Legislature held under the presidency of Mr. R. M. Sundaram, I.C.S. Collector, it was decided to make Panamarathupatti (a village seven miles from Salem) as a model village and to appoint a rural development officer for effecting agricultural improvements and for undertaking other connected works. Among other things discussed at the conference was the consideration of the report of the Special Development Officer regarding adult education, transport facilities, and the continuance of night schools. It was also resolved that the District Board might be addressed to give contribution of one half of the estimated cost for reconstruction work.

Proposals of Committee on Co-operation.

In the Second South Kanara District Co-operative Conference, which was held under the presidency of Mr. Suryanarayana Rao a resolution urging the Government to publish their decisions on the recommendation of the Committee on

Co-operation at an early date was passed. A resolution for bringing more women into the Movement for strengthening consumers' institutions was also passed.

Malabar District Co-operative Bank, Ltd.

The paid up share capital and borrowings of the Bank for the year 1940-41 were Rs. 115,704 and 11,09,476; when compared with Rs. 1,13,799 and Rs. 10,96,945 respectively of the previous year. The balance outstanding against individuals and societies was Rs. 8,35,789 at the end of the year. Over dues under principal amount to 50·3 per cent of the demand if book adjustments are excluded. The borrowings of the Bank also increased during the year under report 146 societies affiliated to the Bank were liquidated and a sum of Rs. 3,32,584 is due from them. The work done by the loan and sale society is satisfactory. In the field of education, the Bank conducted training classes for panchayatdars and members of societies at 22 centres. The Bank earned a net profit of Rs. 3,048-6 for the year. The Reserve Fund of the Bank with the addition of the profit of the year under report comes to Rs. 5,80,007-2-0.

Burmah Shell Employees Co-operative Society, Ltd.

The report of the society bears good testimony to the good working of the society. The number of members fell from 511 to 485 which was due to the withdrawal of members residing in Indian States, while the share capital Rs. 16,427 on 30-6-41 as against Rs. 16,528 at the beginning of the year. The loans outstanding at the end of the year amounted to Rs. 81,203. The loans granted and collected during the year amounted to Rs. 1,22,667-8 and Rs. 1,22,814 respectively. The society had to borrow Rs. 4,000 from the Madras District Co-operative Central Bank to meet the demand for loans which remained steady while there was a fall in deposits. The society, apart from its normal work, was doing joint purchase and on this account earned a profit of Rs. 25-12-8 out of a total purchase of Rs. 302-6. The net profits of the society for the year amounted to Rs. 1,935-8 and the increase in the profits is, due to low audit fees charged by the Government on a different basis. The Reserve Fund of the Society at the end of the year was Rs. 3,687. The society has also instituted a Provident Fund for the staff.

Conference of Supervisors

A conference of Supervisors of the North Arcot District was held under the presidentship of Sri P. S. Rajagopal Naidu, Vice-President of the Central Bank. The Deputy Registrar of Co-operative Societies, who delivered the inaugural address, made a brief survey of the existing state of affairs of the societies in the district and urged upon the supervisors to work heart and soul with a missionary zeal for the uplift of the masses. He said that genuine and constant propaganda among the villagers and by freely moving with them and talking to them on all matters concerning their life, they should make themselves welcome in the villages in their charge. He laid special stress on revival of dormant societies, speedy completion of work in manager societies, prompt attention to departmental work and rendering help to liquidation staff in all possible ways etc., Mr. Somasundaram Iyer Secretary and Mr. Chinnaswami Pillai also addressed the supervisors. Many important day to day routine matters were discussed at length and decisions arrived at.

New Building Opened.

Mr. S. A Venkataraman, I.C.S., Registrar of Co-operative Societies, Madras, in opening the new buildings of the Tindivanam Co-operative Urban Bank, Ltd. observed that the progress of the Movement in the province was sound particularly in urban co-operation and that Madras might compare favourably with other provinces in this. He wanted the directors to increase the volume of transactions by making the Bank more useful to the small traders, artisans and others by the introduction of loans on pledge of jewels and produce since Tindivanam is a big commercial centre. Speaking about the reduction in the rate of interest the Registar observed that there should be sufficient margin between the borrowing and lending rates and that it was not possible to reduce the rates lower than those prevailing at present, and he pointed out by saying that we should not adopt the policy of "killing the geese that lay the golden eggs". He said that with great inflow of deposits at low rates of interest it would be possible to give money at low rates of interest. It was a happy augury for the Bank that the Registrar who laid the foundation stone should open the new building.

List of Societies Registered and Cancelled.

List of Societies Registered in October 1941

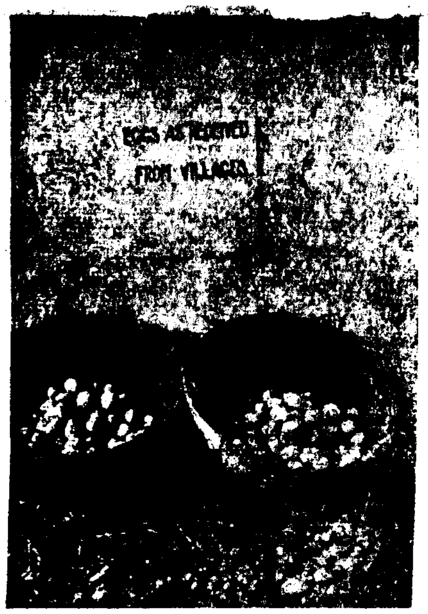
S. No.	Name of Society.	District.
1	The Madanapalle Co-operative Stores Ltd. ...	Chittoor

List of Societies Registered in November 1941

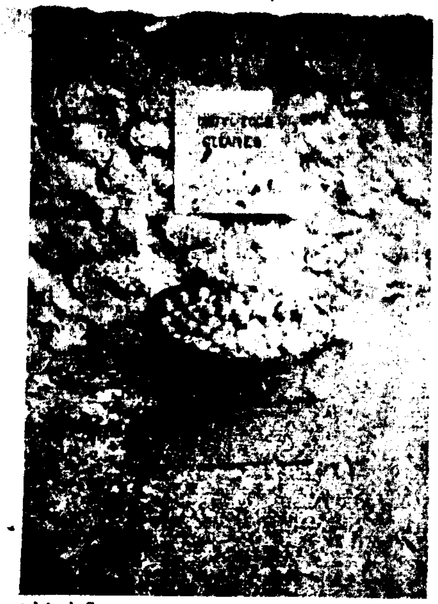
1	Sri Sai Baba Co-operative Sale Society Ltd. ...	Vizagapatam.
2	The Geddanapaliy Co-operative Credit Society ...	E. Godavari
3	Kalavapudi Mokhasa Co operative Credit Society ...	Kistna
4	Vadlamudi Co operative Credit Society ...	Guntur
5	Velpur Co-operative Credit Society ...	,,
6	Garapadu Co operative Credit Society ...	,,
7	Dondapadu Christian Tenants' Co-operative Society...	,,
8	Borupalem Christian Tenants' Co-operative Society...	,,
9	Ganapavaram Co-operative Credit Society ...	,,
10	Gudalur Public Servants' Co-operative Stores Ltd. ...	Nilgiris

List of Societies Cancelled during November 1941.

S. No.	Name of Society.	District.	Date of Canceliation of Registration.
1	Lakshmi Insurance Employees' C. S ...	Madras ...	4-11-41
2	Madura Co-operative Industrial Credit society ...	Madura ...	8-11-41
3	Nadukaru Co-operative society ...	Vizagapatam ..	11-11-41
4	Puttur Co-operative Building Society ...	South Kanara...	12-11-41
5	Ayakolathur Panchama C. S. ...	Chingleput ...	,,
6	Vayalanallur Co operative Society ...	,, ...	,,
7	Guntur Government Mohammadan High School Students C. S. ...	Guntur ...	,,
8	Thenmalai Duraiswamipuram C. S. ...	Tinnevelly ...	,,
9	Bhasura C. S. ...	Vizagapatam ...	,,
10	Marur C. S. ...	Anantapur ...	,,
11	Rajam Weavers' C. S ...	Vizagapatam ...	,,
12	Paravai Milk Supply C. S. ...	Madura ...	,,
13	Pamidi Panchama C. S. ...	Anantapur ...	,,
14	Attoor Co operative Stores ...	Madura ...	,,
15	Thandeswaranallur Field Labourer Co-operative Society ...	South Arcot ...	,,
16	Padamutikona C. S. ...	Cuddapah ...	,,
17	Padamatiyaleru C. S. ...	Anantapur ...	,,
18	Pittapalem Co-operative Stores ...	Malabar ...	17-11-41
19	Pillaiyarpalayam Sri Ananda Rodreswaram Weavers' Purchase and sale society ...	Chingleput ...	,,
20	Ellapalayan Adi Dravida C. S. ...	Coimbatore ...	,,
21	Navabupeta C. S. ...	East Godavari.	21-11-41
22	Gandulur Sri Chennakesava C. S. ...	Cuddapah ...	25-11-41
23	Kambhotlapalem C. S. ...	Guntur ...	,,
24	Nandikotkur Mohammadan C. S. ...	Kurnool ...	,,
25	Batlagundu Christian C. S. ...	Madura ...	,,
26	Periapudur Nadar C. S. ...	Salem ...	,,



First Stage. The photograph on the left shows dirty, cracked and stale eggs as received from villages. The other on the right shows village eggs after sorting and cleaning.

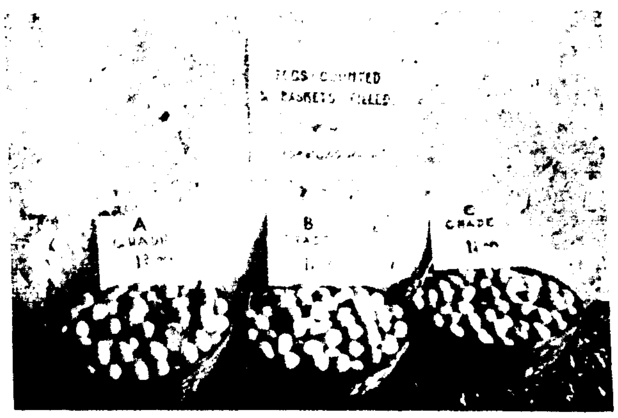


Second Stage. The eggs are [illegible].

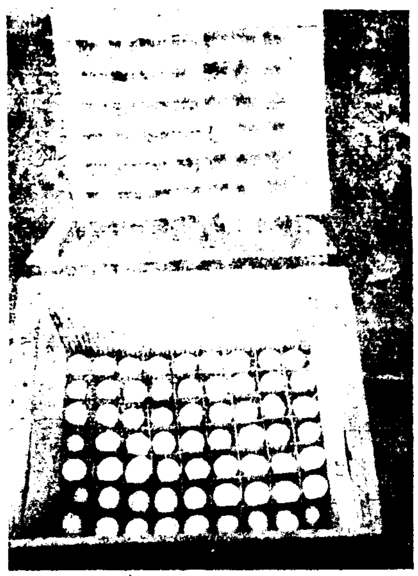
Third Stage. The eggs are graded.

Fourth Stage The eggs are stamped with AGMARK.
Note the grading machine on the left.

Fifth Stage. The eggs are packed according to the grades.



Photographs from the Report on the Marketing of Eggs in India and Burma (1938).



Egg baskets, being piled with safety, at Kottakara (Travancore State).

Box used at some farms.


EGGS