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The Madras Journal of Co-operation

Vol XXXII No 10

April 1941

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THE

Madras Journal of Co-operation

VOL. XXXII.] APRIL 1941. [No. 10

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Editorial Notes.

Intermediate Credit.

In his Administration Report, the Registrar of Co-operative Societies has some interesting observations to make on short-term, medium-term and long-term banking. He opines that when the "Central Banks restrict themselves in future almost entirely to short-term loans as repeatedly advised by the Reserve Bank of India, there will be a sensible gap; investors wishing to invest over three years but less than twenty years and borrowers seeking credit for a similar period will not be fully catered for by either class of institution. By taking thought and co-ordinating effort, we should be able to advance to a fully developed intermediate credit system." We do not quite follow what the Registrar means by 'sensible gap.' Nor is it clear how by merely 'taking thought and co-ordinating effort' that an intermediate credit system can be easily built up. Recent economic thought prefers medium-term loans to short-term loans as owing to the 'uncertainty of the results of his enterprise' the agriculturist is not always in a position to return the loan out of the year's turnover. The question of short-term and medium-term credit and the resources from which the various forms of credit should be provided have been discussed at great length in the report of the Committee on Co-operation (paragraphs 177, 178 and 261). We content ourselves by reproducing the Committee's recommendations.

178. In view, therefore, of these considerations we recommend that while short-term loans should be insisted upon to be repaid out of the proceeds of the member's next harvest, the medium-term loan should be repaid, ordinarily in three to five years and in exceptional cases, the period may be extended upto seven years. In no case should it extend beyond this limit.

261. We have already discussed at some length the loan policy of primary agricultural credit co-operatives and recommended that they should dispense only short-term and medium-term credits to their members and that long-lerm (mortgage) credit should be dispensed by land mortgage banks. It is not necessary for us to go over the ground once again. We may simply state that in keeping with the policy of primary societies, central banks also should confine their transactions to short-term and medium-term loans, that the medium-term loans may run normally for five years and in *exceptional* cases, from five to seven years and that *in no case* should they extend beyond seven years. Loans for periods above seven years for genuine long-term purposes should be given by land mortgage banks through floatation of debentures for ten or fifteen years according to requirements. We note that some of the central banks have been attempting in actual practice to work out the policy we have outlined. We wish that they speed up the execution of that policy."

In view of these recommendations, we cannot endorse the view that the Central Banks should restrict themselves in future almost entirely to short-term loans. The policy already in practice in some Central Banks, and approved by the Committee on Co-operation (*vide* para 261 quoted above), is eminently reasonable as it has produced satisfactory results without in any way impairing the efficiency of the financing banks. The orthodox view of the Reserve Bank of India, supported by the Registrar, if strictly enforced, would seriously dislocate the agricultural economy of the province. Those who still hold fast to the orthodox view must suggest alternative ways and means for providing medium-term credit, which plays an equally important part in the promotion of agricultural industry.

Co-operative Education and Training.

In commenting on the need for trained staff we had occasion in our last issue to plead for the settlement of the future of the Central Co-operative Institute and the peripatetic institutes. We are glad

the Government have come to a satisfactory decision in respect of the training institutes. They will cease to be peripatetic in future; each of the institutes will be an independent organisation providing nine months' course, including practical training, and the Provincial Co-operative Union will be the examining body. The terms of Government assistance may be considered satisfactory. We endorse the appeal of the Registrar of Co-operative Societies to make these institutes live centres of co-operative education in their areas providing educational facilities even for the public interested in co-operative matters by maintaining a well-equipped library and a reading room. The circular of the Registrar on the subject published elsewhere gives full information on this subject.

We hope a satisfactory decision will be arrived at regarding the Central Co-operative Institute also and it will soon be raised to the position of a College imparting higher type of co-operative education. In this connection we would refer our readers to paragraphs 379, 380, 381, and 382 of the Report of the Committee on Co-operation. For want of space we regret we are not able to reproduce them. On the question of the control of the College, we are aware there was keen difference of opinion. But we hope it will be possible to arrive at a compromise of the differing views so that utmost benefit may be derived from the College and the co-operation of all may be available to make it a success. The Provincial Co-operative Union must certainly play a leading part in shaping the future of the College and for exercising direction and control a prominent place should be assigned to the Union. May we also take leave to draw the attention of the Government to the recommendations contained in paragraph 384 of the Report suggesting measures for spreading knowledge of co-operation. We have no doubt the Government and the non-official co-operators will also make full use of the methods of visual instruction now adopted in Bombay to which we made reference in our January issue. We hope the Registrar of Co-operative Societies will have no objection to utilise such surplus as is available, out of the funds allotted for the Panchayatdars' Training Classes, for the purchase of propaganda materials such as projectors, films, magic lanterns, slides, etc.

Co-operation in Great Britain.

Elsewhere we have reproduced an article on the progress of Co-operation in Britian during 1939 from the *Review of International Co-operation*. It is needless to say that Co-operation in

Great Britain is essentially a Consumers' movement. A writer reviewing the growth of the Movement raises the following pertinent questions in the *Co-operative News*, the official organ of the Australian Co-operative Movement. The main questions proposed by him are:

1. Whither the British Movement? Does its progress approximate to what co-operators desire of co-operation?
2. Is its high degree of centralisation leading to a lack of co-operative spirit?
3. Has the British movement forgotten its original purpose, and become more a business proposition, fitting into a substantial but convenient niche in the capitalist system?
4. Has the movement not concentrated overmuch on the consumer side, forgetting the important parts that might be played by the primary and secondary producers?
5. Is its entry into politics going to be a good thing in the long run?

Answers to these questions depend on what each co-operator desires of the co-operative system. Even we in India should be interested in these answers as we too may inadvertently and without any design allow the movement to drift in directions which may not be conducive to its growth on right lines and may lead to lack of co-operative spirit.

Co-operation and Rural Reconstruction.

Presiding over the second Conference of the Indian Society of Agricultural Economics at Lahore Sir T. Vijayaraghavachariar delivered a very thought-provoking address on the subject of rural reconstruction. After examining the rural reconstruction programmes of the Punjab, the U.P. and Bombay Governments, he stressed the importance of a greater degree of co-ordination between the various Development Departments which are intimately concerned with the welfare of the agriculturists. In this connection it may be recalled he was referring to the recommendations of the Committee on Co-operation made in paragraph 328 of its Report in which the constitution of Provincial and District Standing Committees was suggested. Sir Vijayaraghavachariar also referred to the appointment of properly trained village guides to serve as a link between the rural population and the officers of the Development Departments engaged in carrying out plans of village uplift. He expressed the view that it would be desirable and economical to have one common agency of village guides for village

panchayats and co-operative societies for the efficient supervision of societies and for the provision of guidance to and supervision of rural work.

Sir Vijayaraghavachariar strongly pleaded for the reorganisation of the agricultural credit societies paying special attention to secondary objects "so as to make them instruments of better farming, better business and better living." He urged that the main efforts should be to reorganise the existing societies and constitute new ones in such a way that a single organisation should serve as far as possible the economic needs of the villagers.

Sir Vijayaraghavachariar stated that the outstanding fact which emerged from his study of the agriculturist conditions in the different provinces was that several provinces suffered from a deficit of food crops and this deficiency was, in his opinion, a potential danger in an unsettled world. He pleaded strongly that the Agricultural Departments should endeavour to increase the output of food crops through the adoption of a well-planned scheme of distribution of improved seed.

Speaking on the subject of agricultural over-population, he suggested that the remedies lay in emigration, industrialisation to bring about a more balanced economy, pursuit of subsidiary industries, nationalisation of agriculture and agricultural colonisation.

Sir Vijayaraghavachariar is an authority on rural problems and he recently presided over the Committee on Co-operation. In his presidential address he was referring to some of the recommendations of the Committee which are yet under the consideration of Government. Time and tide wait for no man. When the decisions will be arrived at and given effect to, it is not known. We are reminded of the lines we read the other day:

> **So runs my dream, but what am I?**
> **An infant crying in the night,**
> **An infant crying for the light,**
> **And with no language but a cry.**

Land Colonisation Scheme.

The Government of Madras have answered some of the criticisms and suggestions made on their land colonisation schemes for which provision has been made in the budget for 1941—42. The Government observe that many of these criticisms and suggestions appear to be based on misapprehensions. That it is not so will be evident to those who have intimate knowledge of the life and conditions of living in rural areas especially of the classes whom these schemes are intended to benefit.

It has been stated that the intention of Government is that the colonist should be able to borrow money for reclamation on the basis of his membership of the co-operative society and the share of Rs. 10 in it granted by Government as a free gift. Let it be remembered that the membership of a society and the share money of Rs. 10 will not always entitle a colonist to secure all the money required for reclamation unless he has other security to offer. Even the grant of takkavi loans for reclamation of land and the purchase of cattle, seed, and implements will depend on the security the society can offer unless the Government are prepared to relax in its case the rigours of the conditions under which their loans are granted. Reclamation is often a laborious process and demands the full time and attention of the colonist. During the period he is engaged in this work he should be enabled to maintain himself and his family and also meet incidental expenses. So unless the Government are prepared to advance the money required for reclamation as a grant, little will be achieved.

Regarding guarantee to the financing banks for the loans advanced to the societies, subject to the limit of the sale value of the lands, the Government do not seem to realise the fact that the lands assigned by them would not possess value till they are brought under cultivation. Moreover, the amount required to meet agricultural expenses in the initial stages may not cover the value of the lands, let alone the fact that no financing bank will ever give loans upto the limit of the value of the lands. The loan can bear a certain proportion to the value of the land. Repaying capacity, which will depend upon various factors, will also be the main consideration in sanctioning loans. While every step may be taken to discourage uneconomic borrowing, the Government should be prepared to guarantee repayment to the financing banks. If it is the Government's intention that the lands should be acceptable security and that loans should be raised on that security, why should not the Government undertake to finance the agricultural operations in these colonies, collect the instalments due as land revenue and take all the risks involved in the transactions? Co-operative banks are business concerns and business principles demand greater caution and security. That is the reason why many Central banks are reluctant to finance the societies for the scheduled classes.

The argument regarding "economic holdings" sounds somewhat curious. What is suggested is that the holdings should be of "such size and disposition as are considered to be sufficient to maintain a normal cultivator and his family in reasonable comfort." There is nothing unreasonable in this demand if the intentions of the Government are to be realised. To expect colonists to continue their employment as agricultural labourers and to cultivate their lands as well is to defeat the very purpose of the scheme. Should not the colonist give his whole attention, time and energy in improving the land allotted to him? Why should his energy be spent in cultivating others' lands for wages and thus fritter away his energy? Should not this colonisation scheme enable him to improve his status and become a member of an independent, disciplined and self-reliant peasantry and thereby gain his economic freedom? This aspect of the question should receive the sympathetic consideration of Government.

We have already shown that in the initial stages the colonist will not be in a position to raise enough to pay his dues to the society. It is too much to expect him to pay the value of the land even if the period of repayment is twenty years. Nor will he be in a position to pay the water cess, even after one year. If the success of the proposed colonisation scheme is to be assured, lands should be assigned free of cost, the assessment and the water cess should be waived till such period as the yield is sufficient to enable the colonist to meet all his demands. What the period should be will depend on various factors and perhaps each case has to be dealt with on its own merits.

Women and Co-operation.

We have published in this issue a communication from the International Co-operative Women's Guild which gives in full an account of the Guild since its inception. It is needless to stress the fact that the success of the Co-operative movement especially the consumers' co-operation depends a great deal on the interest evinced by women. A consumers' co-operative depends on the loyalty of its members in the purchases they make. As it is mainly the women who are the purchasers, this movement, more than any other political or economic organisation, has to rely on the support of housewives. One writer thinks they are the foundation on which a great social movement like co-operation can be built up. While housewives do not lose sight of the economic interests, it should be recognised that they are always more influenced by moral and social considerations because they can never lose sight of the fact that as mothers they must strive to create a new world and a better one for their children. We should ask ourselves what we have done to interest housewives in the movement. Have we made strenuous efforts to enlist women members? What percentage of our membership consists of women? Are women elected at least to purchase committees in the stores societies? It may be in some branches of the Triplicane Urban Co-operative Society there are women on the branch directorate. But greater co-operation of women in the conduct of stores societies should be sought and they should be invariably elected to the purchase committees.

There is great scope for forming women's societies for developing cottage industries especially among the poorer sections of the community. Appointment of a special woman officer as in the Punjab to develope co-operation among women which, at one time, was seriously thought of, seems to have been abandoned. It is well to realise the importance of the question and revive the idea.

Common Good Fund.

There are doubts regarding the use of the common good fund for purposes for which it has been put till now without objection from the Department. Section 36 of the Madras Act VI of 1932 and rule XII are the only provisions which govern the use of the common good fund. Any rule framed in contravention of the provisions of the statute even under general rule-making power vested in the Government must be deemed *ultra vires*. The fact of the matter seems to be, section 36 requires amendment specifying the definite purposes for which the fund can be utilised to avoid frequent and differing interpretation of the words 'the advancement of any other object of general public utility.'

Section 36 of Madras Act VI of 1932.

Any registered society may, after one-fourth of the net profits in any year has been carried to a reserve fund, contribute an amount not exceeding 10 per cent. of the remaining net profits to any charitable purpose as defined in section 2 of the Charitable Endowments Act, 1890.

Rule XII (a) (v) and (d) of Rules framed under the above Act.

(*a*) (*v*) no society shall set apart more than 7½ per cent. of its net profits for a common good fund

(*d*) should a society, whether with limited or unlimited liability, which is competent either under the Act or under the rules to divide a part of its net profits among its members elect to appropriate such portion or part thereof to a 'common good fund,' the purpose designated by the expression 'common good' shall be clearly defined in the by-laws of the society and it shall not be other *than a charitable purpose* as defined in section 2 of the Charitable Endowments Act, 1890.

Section of the Charitable Endowments Act, 1890.

In this Act "charitable purpose" includes relief of the poor, education, medical relief and the advancement of any other object of general public utility, but does not include a purpose which relates exclusively to religious teaching or worship.

Land Colonisation Scheme.

By R. Suryanarayana Rao,
Servants of India Society.

The Co-operative Colonisation Scheme just announced by the Government will necessarily arouse great interest as it is primarily intended to help the land-less people specially those beloneing to communities eligible for help from the Labour Department. There are some points in the scheme which need emphasis while there are others which require further consideration. It is announced that assignment will be made not to individuals but to groups of colonies formed into co-operative societies and that the societies in their turn allot the lands to their members. As stated by the Committee on Co-operation, "this will no doubt prevent the acquisition of transferable right in land by the members," and the members will continue always as tenants possessing occupancy rights only, with no power of alienation either by mortgage or sale or otherwise. In view ot the past disappointing experience when individual pattas were granted, the present method appears to be reasonable and is likely to ameliorate the condition of the land-less labourers. But the amount of money which the societies can borrow from the Central Banks or others on the security of the lands assigned to them, for granting loans to members for agricultural expenses, will depend on various factors such as the position of the lands, nature of soil, availability of irrigation facilities, nearness to the market etc. The assigned lands will possess value only after they are brought under cultivation. So the initial capital expenditure will have to be found as grants rather than as loans. This fact seems to have escaped the notice of Government. Moreover, even if loans can be obtained on the security of these lands, the amounts so raised will comparatively be small especially at the beginning and the societies will not be able to finance the agricultural operations of all the members. There is one other condition mentioned in the Government scheme which will scare away even well-meaning Central Banks. It is stated that if the scheme is a failure, the Government will repay to the financing Banks the sums due to them from the societies *subject to the limit of the sale value of the lands.* (Italics are mine). The fact that the scheme is a failure is itself often a sufficient indication that nothing tangible has been achieved and consequently value of land would not have appreciated to the extent of the loans secured. How can therefore, the Central

Banks be expected to take the risks even if the scheme is sponsored by the Government as long as the return of funds loaned is not assured. The scheme may in most cases share the fate of the societies for the scheduled classes which are suffering for want of finance after the liquidation of the Christian Central Co-operative Bank. The Government should guarantee the Central Banks to reimburse the whole amount due in case of failure of the scheme.

Then again, the Government are generous enough to make a contribution to the society at the rate of Rs. 10 for each colonist to enable him to obtain shares in the society. No doubt this is a good beginning. But what will be the paid up share capital to enable the society to raise the required amount even for agricultural expenses from the Central Bank? It would be better if the Government undertake to pay all the share-money required to entitle the society to raise the full amount required for its members. This would be real help. When the Central Banks fail to provide the necessary finance, the Government should be prepared to come to the help of these societies. This necessity may arise, as it is felt it has already risen in the case of societies for the scheduled classes.

Under the scheme the area to be granted to each colonist may not in all cases be sufficient in itself to support a family. It is not understood why this should be so. Why should it not be an "economic holding?" Why should the colonists be required to work as agricultural labourers instead of giving their whole time and energy in improving the land alloted to them? Why should their energy be frittered away in cultivating lands belonging to others, thereby perpetuate not only their present uneconomic condition but also continue in a state of semi-serfdom? The extent of land made over to each society must be capable of being parcelled out into a number of plots required for all the members comprising the society and each plot should be an "economic holding". What will constitute an 'economic holding' will differ in different places. Larger the extent of land and larger the number of members, the greater will be the turnover and necessarily profits to enable the societies to find the amount required to meet overhead charges which in course of time the societies will have to bear themselves.

As the amount of loan to which a colonist is eligible will depend upon the amount of share-capital owned by him specially in view of the undeveloped land available for mortgage, and as the colonist needs loan not only for agricultural expenses but also for the maintenance of himself and his family during the period of cultivation till the time of harvest, it is doubtful if he will ever be able to obtain loan required for all his purposes. It is also not clear from the scheme whether it is proposed that the societies should pay the agricultural expenses in kind and make recoveries in kind. The Committee on Co-operation opined that "the grant and recovery of loans in kind will not only prevent misapplication of money, but will also ultimately prove to be the first step in the progress of co-operative marketing". On this point there is keen difference of opinion. Even the Conference of the Registrars of Co-operative Societies (1939) was halting in recommending this method. The Conference merely contented itself suggesting that the possibility of encouraging and extending repayment in kind should be explored. Therefore, if the idea is to make recoveries in kind, arrangements should be made for marketing the produce. Even otherwise it is necessary that the society should act as agent for the disposal of the produce of its members. If this and other steps are not taken we might be repeating the mistake committed by the Christian Central Co-operative Bank in the development of Lanka lands in what is known as the Peravaram scheme. So whether the societies proposed should be multi-purpose societies which will finance, supervise and control agricultural operations, supply all the needs of the colonists, take possession of the produce and market it to the best advantage of the colonists, are all points that require careful consideration before launching out the colonisation scheme. The suitability of land for cultivation should also be ascertained. In order the scheme may be successful, it should be inaugurated in places where all circumstances are favourable, including the provision of irrigation facilities. Every care should be taken to confine the scheme only to the land-less people as there is hope of these sticking to the land, appreciate the change in their status which will take place as a result of the scheme and thereby become members of an independent, disciplined and self-reliant peasantry. Entry of other classes in any guise should be carefully avoided by taking necessary precautions even from the beginning. It is gratifying to note from the conditions of assignment announced, the Government are fully alive to this danger.

There is another suggestion which may be usefully considered. Most of these landless people are only accustomed to work as farm labourers under somebody's guidance and supervision. Independent cultivation and farm management they have never known. It is desirable these landless people should be given a short course of training in the nearest Government Farm especially as they will have to deal with virgin soil and in some cases undertake reclamation also. Such a system is in vogue in Japan when Japanese farmers are sent to develop new lands in countries like Manchuko. This system may be usefully copied with distinct advantage in the interests of agricultural development on improved lines.

In spite of the defects pointed out, which it is hoped will be rectified, there is no denying the fact that the scheme attempts to bring into existence a system which may be termed as 'cultivating ownership' by abolishing tenancy as ordinarily understood, by assimilating ownership with cultivation and by imposing checks on the transferability of land including sub-letting. It seeks to put an end, to use the words of a recent writer, 'the divorce between the man who supplies not only labour but the experience, the capital, the knowledge and the skill and the man who reaps the reward'.

Supervision of Co-operative Societies.

BY RAO SAHEB M. S. SESHACHALA IYER.

In the early periods of the movement the societies were ver few; they were organised, started, loans recommended, collection made, and even accounts written by the departmental staff. The when large number of societies were started in each district, Distric Banks (now Central Banks) were organised to finance them. It wa not possible for the departmental staff to scrutinise every loan appli cation from societies and pass loan orders to the Central Bank: Central Banks were issuing loans only on the strength of the loa orders issued by the Assistant Registrars. The Assistant Registrar felt at least their moral responsibility and could not be satisfied witl the propriety of passing such orders unless they were recommende by their trusted subordinates who were only a few. They could no also speedily attend to them. There was very long delay in gettin loans and it was said that loans applied in co-operative societies fo marriages will be got for Sreemandham at least.

Then the starting of supervising unions was contemplate with statutory powers of supervision over affiliated societies and to recommend loans to the Central Banks and to attend to the collec- tions of dues in societies. For this service the Central Banks were asked to pay a rebate of eight annas for the interest of Rs. 100 col- lected. The societies were contributing supervision charges of 8 annas per cent. on their working capital. The supervising unions acted as agents of the Central Banks both for disbursement of loans and collection of loans to Central Banks without having any finan- cial responsibility. Then the system of Banking Unions was tried. The Bank itself exercised supervision over the societies financed by them through the union. But the final evolution was to have a supervising union for a compact area, say one taluk and to feder- ate them with individuals in a Central Bank for the district.

The supervising unions were working very satisfactorily and were manned by energetic and selfless workers. Every provincial administration report appreciated their work. The Government too thought of transferring some of its statutory duties to these institu- tions or their representatives and as a trial four Honorary Assistant Registrars were appointed from among the office-bearers of these unions; and organisation, starting and arbitration were referred to them. Then came the downward march of the movement. Co- operation became a transferred subject. As every other transferred department had it, co-operative movement had its invasions and captors. Patronage was substituted for merit and societies and unions were started in places where no working material was available or there was no possibility of success, simply to provide position and status to busy party men to gain strength for elections to local and legislative bodies. How unions multiplied by ten-fold for getting Honorary Assistant Registrars for each union and how new societies were started only to facilitate formation of new unions, how recklessly the societies were financed to satisfy the wants of individuals and how the entire fabric cracked and collapsed in some districts are things best known to co-operators.

Well-conducted unions were multi-sected depleting their resources and no union was able to do any useful work. Appointment of supervisors was a grand attraction in unions to patronise their own kith and kin. This was taken by a Federation which was to spoon-feed and command the unions. A number of good workers in the field left the movement either dejected by the policy of hate or having been driven out by party politics. Without knowing all these causes, a cry was raised that unions have failed and that they should be abolished. The Central Banks were asked to take the supervision work in the place of Federations liquidated.

The department was watching these developments with interest and felt the movement was going astray and did not hesitate to take efficient steps at least to arrest the increasing decay in the movement. A number of unions and societies were liquidated.

Attempts were made to have one union for each taluk so that it may have necessary resources to run the same, successfully. A controversy is still going on among the co-operators that the supervising unions must be abolished and the entire control over societies must be exercised by the Central Banks. Apart from the principle that finance and supervision must be separate, we must consider whether the Central Banks have the facilities and scope far undertaking the various functions now assigned to the unions. Unions failed because of 1. want of adequate finance, 2. want of efficient staff, 3. the scarcity of real workers among the governing bodies, 4. jealousy of the Central Banks, 5. bad state of the affiliated societies. As these unions were split up into a number of small unions adequate finances were not forthcoming and no efficient staff could be maintained or reasonable expenditure incurred for exercising supervision. Supervisors were entertained by the Central Banks mostly from among the relations of the office-bearers and members of the Board of Management. Even the Training Institutes had their own discretion of selection of candidates for training. Such supervisors

could not be expected to work satisfactorily when they have their relatives in the committees and control over them was not possible. The societies were represented in the unions and the big men who are the worst offenders are representing societies and are elected to governing bodies of unions and thereform go to the committees of the Central Banks. The whole burden is thrown on the paid staff and they are not properly controlled. The paid staff is often employed in election work of local bodies and the like, and they neglected their legitimate work. Thus the societies have become dormant on account of heavy overdues caused by indiscriminate lending, action deferred by the influence of the defaulting members in the unions and in the Central Banks, even arbitration references delayed for years by such influence of a number of loans barred by limitation and of members with properties alienating their properties or withdrawing from the society to save themselves from the operation of unlimited liability.

Having reduced the unions to become skeletons and lifeless, they could not be expected to function efficiently. Then why blame the unions? There cannot be a better substitute for a union for this supervision work. Central Bank has no local knowledge of men and things and the control exercised by it over the field staff will not be so effective as that of a union which will actively watch the movements and work of the supervisors. The opinion of the governing body of a union in the matter of recommending loans is more valuable than that of a committee of the Bank which may not have any knowledge of the locality. The supervising union is a necessary organisation and its working on proper lines is responsible for the well-being of the activities in the area. The unions for reasons shown are for the present in a moribund state and they are to be reconstituted and fresh life should be infused. The following methods may be adopted to make the unions efficient.

1. The jurisdiction of the Union may be one full taluk.

2. Each supervisor may be given not more than 15 societies.

3. A senior supervisor may be in charge of the Headquarters societies and will be the manager of the union. He will maintain all records and attend to regulating work of the other supervisors.

4. The Bank will exercise control over the supervisors only through the unions.

5. The governing body of the union will be elected only from 'A' class societies.

6. The Bank will contribute liberally for the expenses of the union.

7. There will be an executive officer who will inspect the unions and societies and check the work of the supervisors and report to the unions and banks.

With these improvements the unions may be raised to their former position and will become a useful and unavoidable link in the edifice of the Co-operative Movement.

Reform of the Co-operative Movement.

BY RAO BAHADUR A. VEDACHALAM IYER.

Retired Deputy Collector.

The initiation of the Co-operative Movement was made by Government and a regular department was created with the object of the co-operative enterprises being launched out in suitable places and at suitable times, wherever capable and honest people could be procured to handle such enterprises with selflessness, skill and efficiency. The Department had to find suitable men and had to train them in businesslike and efficient management of the concerns floated under the auspices of and with the help of Govt. resources. The question for consideration now is whether after 36 years of the start of the movement, such people have been found and Government Department was able to get sufficient number of competent men to run the enterprises themselves unaided and on their own strength. Whatever may have been the failings of the Department and its staff, however bureaucratic its work may have been conducted, there can be no doubt in asserting that the people have imbibed co-operative principles in towns and villages and the Co-operative movement is a power to be reckoned with in the economic, social and moral uplift of the urban and rural population and to this extent at least, the credit of the present position is due to the activities of the Government department and to the large number of selfless workers in the Co-operative Movement drawn from the non-officials who have worked ungrudgingly for the amelioration of the rural population.

The result thus far attained may be very small and therefore every one (Government and Non-official agencies) must shoulder the responsibility for some more time to achieve the goal. Government help must continue to be given to the extent of its capacity and the non-officials must double their energy to see that the co operative movement does not go under during any economic or financial crisis. The Government Department should give up, if it has any, patronising spirit and seek the aid of all and sundry whose sole object is the economic uplift of the people. The non-officials should not be obsessed by political partisanship and the Government department ought to be singularly free from such bias which, it is feared, has operated for a number of years.

The Departmental officials must get into closer touch with the co-operators in urban and rural areas and must give up the standaloofness and dignity some time exhibited when Government officials meet "the rural or rustic co-operators." The rural population requires greater help in the inculcation of business principles. Hope of reward or fear of punishment must not be the incentives for the people to approach Government officials. Love, expectation of sound advice must be the guiding factors.

The Departmental officials must pay undivided attention to disposal of papers by personal contacts with the co-operators rather than carry on endless correspondence and dispose of files with office-notes by clerks.

The non-officials of every calibre, profession and varied intellectual capacity should be brought into the movement at the top (Central Banks), at the middle (trade, commerce) and at the bottom in rural villages, and capital should not be set up against labour and middle men set up against producer. These are necessary factors, evils if one chooses to call them, in the rural economic sphere, and will continue to be so for a long time to come. Producers should as far as practicable, confine themselves to production in an efficient state and distribution must be co-operatively undertaken by a different agency apart from producers.

The local rural arrangement for actually carrying on the work should be on a paid basis, establishment charges being levied from the borrowers at a certain percentage if and where necessary.

A local union of the same constitution as at present can get on but only that union should have a Clerk and a Supervisor. The pay of these may be determined in regard to local supply and need not be on any lavish scale as in the case of Government inspectorate with time scale.

Such union's work should be watched and brought to an efficient state by the Central Bank which should keep adequate administrative and inspection staff on a moderate pay.

If, as the Registrar observes, the unions have not worked as efficiently as could be wished, I fail to see how one union representative for each union becomes automatically a Director of the Central Bank, competent to get into the Executive Committee of the Central Bank and even act as President or Secretary. This system of

Directorate election should go. There should be no distinction between society shareholders and individual shareholders in the matter of filling up of Directorate seats or the seats on the Executive. The share capital of rural societies which mostly comes out of *borrowed money* should not be allowed to be invested in the Central Bank and we must put a stop to this pernicious practice as soon as possible. Separate money as share capital not withdrawable must serve as share capital security and must necessarily be from non-borrowers. I would therefore, advocate the return to the system of pure individual shareholders with a medicum of shares being taken by primary societies from out of money subscribed by individual members of primaries so as to secure knowledge of the working of the financing banks. 2 out of 7 seats on the Directorate can be earmarked for society shareholders and the rest to individual shareholders. The present process of rectification must be in the direction of elimination of primary society share capital.

A similar process must be applied to the Provincial Bank by eliminating the Central Banks share capital to a reasonable extent.

Share Capital of Provincial Bank	...	Rs. 6,65,000.
Central Banks	...	„ 49,52,979.
Primary Societies	...	„ 54,80,429.

Almost the whole of share capital in the Provincial Bank comes from the Central Banks.

Almost the whole of share capital in the Central Banks comes from agricultural primaries, individual shares being almost a negligible quantity in some banks.

The expenditure incurred in the Central Banks on establishment, honoraria, etc., are disproportionate to the transactions. Every attempt should be made to reduce the expenditure to a low extent.

The profit to be allowed as dividend to shareholders in the Central Bank shall not exceed the rate at which money is lent by the Central to the Primary.

Amount actually recovered as interest by primaries should be remitted as interest due to Central Bank and this alone will serve as a factor for calculating divisible dividend among shareholders in the Central Bank.

A brief memo. on how to work rural credit organizations as it strikes me is appended.

VILLAGE CO-OPERATIVE ORGANIZATION.

II

(1) Everyone, rich or poor, agriculturist, field labourer, artisan, trader, store-keeper or cattle broker and money-lender can become a member.

(2) Dispensation of pure credit for various purposes mainly productive and protective shall be administered by a Panchayat of five persons composed of competent persons and solvent and the President or Secretary or whoever keeps accounts and attends to scriptory work can be paid a small salary determined by the general body each year proportionate to the income accrued from transactions during the past year and even where necessary by the levy of a fee. The paid man will be the responsible clerical executive to collect dues on the prescribed dates and when the crops are harvested. Payment of honorarium, if there be profit, is unworkable and must be stopped.

(3) Panchayatdars must, in the case of each loan, record in writing, the reasons for which a loan for a certain amount can be given, value of the security, the character of the borrower and all facts which have to be borne in mind when a loan application is to be complied with or when it is to be rejected. Such recommendations should be considered in a Panchayat meeting and passed and such resolutions should be signed by the Panchayatdars present. All cases in which immovable property is given as security, the title and value of the security offered should be verified by Panchayatdar who will become responsible if he neglects his duty and encumbrance certificate must be obtained in each case before grant of loan.

(4) Crops offered as security must be verified as to its prospective value by a responsible Panchayatdar and no harvesting should be allowed except when any of the Panchayatdars is present.

(5) Cash credit will be allowed on the offering of a security of immovable property as a continuation mortgage, after getting encumbrance certificate.

(6) No collection in the Primaries (rural) should be reloaned.

(7) No loan should be given over Rs. 100 without immovable property as security.

(8) President and Secretary should be selected as far as possible out of members who have property at least valued at Rs. 500.

(9) Distribution of credit must be verified in each case by a Supervisor before the lapse of one month from the date of issue of

loan: (1) loan was given on proper security, (2) the purpose was productive or protective, (3) loan was utilised for the purpose.

(10) Union General body will meet once in a half year (January and July) to review the work of the past period and to forecast for the future.

(11) Business principles must be scrupulously observed in all co-operative concerns. No relaxation should be allowed in any case. Unless this is done, fraud will dominate and co-operators will never realize that borrowing must be resorted to when there is a certain background of repayment and faithful keeping up of obligations incurred.

(12) The Tamil Nadu Federation and the Andhra Federation should regulate the work of the administrative sections of the Central Banks and local unions, the Provincial Co-operative Union representing the top of the non-official organization for the presidency covering all activities.

Co-operation in Mysore—What it has Achieved.

In many quarters, there are whispers that the Co-operative Movement has not proved a success in India. To such critics perhaps may be pointed out what has been actually accomplished in Mysore, by Co-operation, what new force it has created and what changes it has brought about in the economic condition of the people. Within a comparatively short time we have had achievements to our credit which are sufficient to make us pin our faith to it with a heart hopeful of greater and better results.

Looking at the Administration Reports of the Co-operative Department for the past thirty-five years we come across a huge mass of statistical material which to the lay man, may mean nothing. But they have their own story to tell.

The number of Co-operative Societies in the Mysore State at the close of 1939-40 was 1,895. These Societies had a paid-up share capital of Rs. 53.11 lakhs and deposits of Rs. 126.04 lakhs, making a total of Rs. 179.15 lakhs. Leaving aside the deposits held by Central Financing Institutions (about Rs. 34.26 lakhs), which may be taken to be made up mostly of investments by Capitalists, the balance of nearly Rs. 144.89 lakhs may be held to represent mostly the savings of the poor and the middle classes. But for the creation and preservation of this huge fund of thrift by the persistent teachings of the Movement, its incitements, exhortations, and even compulsion, where would all this money have been? The membership of the Movement is 1,42,934 and it gives a saving of Rs. 101 per member, and makes an addition to the average wealth of nearly Rs. 2 per head of the population of the State. Can this be said of a person of similar circumstances who has not been a member of a society? In collecting these petty savings of persons, the majority of whom know "but a meal a day", has not the Movement saved so much for them which would otherwise have been wasted away? This great effort at thrift has created a capital huge and powerful in the aggregate, which without being hoarded, is being put in circulation to meet the needs of the same needy poor and middle classes otherwise without much credit.

Look at the large funds of the Central Institutions. Their paid-up share capital and deposits amount to Rs. 38.19 lakhs drawn from the comparatively wealthy section of the population. But for Co-operative organisation, would all this money have reached the debt-burdened labourer in the fields, the mill hand, the poor craftsman, the petty trader and the small urban industrialist, and supplied him with the where withal needed by him on reasonable terms for his eking out a living or lightening his debt burden?

Take another aspect of the Movement. The Co-operative Societies in Mysore have lent out during these thirty-five years, a sum of Rs. 20. crores. These loans usually bear interest, on an average, of about 9 per cent, while the usual ruling rate outside the Movement has been 15 to 18 per cent. Thus by reason of this movement there has been even on the fractional transactions taken up by the Societies a saving in interest charges to the borrower of the huge sum of nearly Rs. 1.5 crores. Can it be considered a trifling benefit conferred by the Movement on the poor borrower?

The Reserve Fund built up by Co-operative Societies in Mysore amounts to Rs. 36.56 lakhs. This is a common, indivisible fund brought into existence and kept intact by the Movement without which it would have found its way into the pockets of the money-lender. It is not only a growing source of strength to the Movement during its existence enabling it to make its loans relatively cheaper, but on the dissolution of a society, so much money is available for objects of public utility. Nearly thrice this amount has been given back to the borrower as profits, or for charities, or other objects of local amelioration.

The Societies have been spending every year, by way of establishment charges and honoraria to Secretaries, nearly Rs. 2 lakhs. To this extent, they have created employment in these days of growing unemployment. The amount spent is not a sufficient indication of the hands employed, the remuneration being, on account of the missionary nature of the Movement, very much less than the normal. The Movement figures as a big employer and finds bread and butter for many a small man and his family.

Lastly, the Movement, with its aggregate working capital of Rs. 2.64 crores, has come to be considered quite a powerful organisation not without influence in the financial world.

This, in short, is the story of the figures relating to the Movement in this State. But this is not all. The indirect beneficial effects of the Movement are also equally important. It is universally acknowledged that the Movement has succeeded in bringing down considerably the level of interest rates, and also able to ease the interest burden on debts other than its own.

The educative effects of the Movement have been far to much diffused to be capable of direct measurement or definite assessment. It has inculcated, in however small a degree, better business habits; has made the unthinking and improvident ryot and the artisan more circumspect, more prudent and more thrifty. It was said by an ex-Governor of Madras that Co-operative Societies were the best schools for teaching Self-Government. For improving the moral calibre of the people, for enlarging their outlook, for raising their standard of life, for creating a

better feeling of fellowship among common people and a spirit for teamwork and for teaching the value of organization, the Movement has shown great potentialities.

Better measurable though not in exact terms and figures are the local amenities which societies have provided by their funds and their teachings, the charities they have made possible and the philanthropic moves they have supported. The contributions they have made for reading rooms, for flood and famine prevention, for earthquake relief and for aiding poor boys at school, cannot be described as inappreciable. Can it still be considered then that the Movement has done nothing and achieved nothing? Of all the various devices invented so far by the civilised world for the economic improvement of the agriculturist, and the small man, this Movement has, because of its inherent strength, survived the longest and spread the widest, and until a better substitute is found it would be unwise to abandon it. Very many eminent and well-informed persons and a number of Commissions and Committees of Experts have expressed their faith in it, and spoken of its possibilities in India. In his speech on the occasion of the opening of the Dasara Exhibition in October 1907, His late Highness the Maharaja Sir Sri Krishnaraja Wadiyar said, "Under the Co-operative system, any local body of craftsmen or agriculturists, however poor and however limited in number, has the means of acquiring gradually and from small beginning, sufficient capital to provide for immediate needs and for future progress, and I would urge on all educated and enlightened men, whether immediately concerned or not, with agriculture, crafts or commerce, the duty of promoting these Societies to the extent of their ability. Apart from the material return which is their immediate object, such societies have, in every country, where they have taken root, proved great moral educators, and promoters of mutual confidence, self-reliance and honest enterprise."

The Royal Commission on Agriculture has advised all local Governments that they "must regard the Movement as deserving all the encouragement which lies within their power to give." The Indian Central Banking Enquiry Committee says that "there is no better instrument for raising the level of the agriculturist of this country than the Co-operative effort."

These pronouncements, if not our own convictions, should prompt us on, towards the furtherance of the Movement, in every way that lies in our power. (*Silver Jubilee Souvenir of the Mysore Provincial Co-operative Apex Bank, Ltd.*)

Conferences.

VIZAGAPATAM DISTRICT CO-OPERATIVE CONFERENCE.

Resolutions Passed.

1. This conference requests the Government to reorganise the rur co-operative credit societies on limited liability basis.

2. Resolved that a co-operative society on limited liability basis shall be organised for each group of villages within a radius of 5 or miles.

3. This conference is of opinion that supervising co-operative unions are essential for the development of the movement.

4. This conference resolves that the existing system of representation for the individual members of Provincial and Central Banks on their Boards of management should continue.

5. This conference resolves that the Provincial Banks should be divided on linguistic basis.

6. This conference is of the opinion that the Madras Provincial Co-operative Union should be a federation of linguistic Unions and that the by-laws of these institutions should be amended accordingly.

7. This conference exhorts all Central Banks, Unions, Land Mortgage Banks, Urban Banks, and other primary and central societies to disaffiliate themselves from the Madras Provincial Co-operative Union and affiliate themselves to the linguistic unions serving their respective areas.

8. This conference is of opinion that co-operative education and propaganda should be exclusively in the hands of non-official co-operators.

9. This conference is of the opinion that a separate Audit department should be established for the audit of co-operative institutions as in the case of Local Bodies and Municipalities.

10. This conference resolves that special societies should not be started for scheduled classes and exhorts the members of such class of societies to join as members in village societies serving their respective areas.

11. This conference is of opinion that persons possessing experience and training alone should be appointed as Registrars and requests the Government that an Andhra Registrar should be appointed separately for Andhra Desa.

12. This conference resolves that the Committee of no co-operative society should be superseded without the concurrence of the financing Bank.

13. While opining that the rule disqualifying a member from being a director of an Urban Bank for a period exceeding 3 years constitutes an obstacle to the healthy growth of the movement and is manifestly unjust, this conference resolves to request the Government that the said rule be not enforced.

14. This conference is of the opinion that the rule forbidding the construction of buildings from the building funds of co-operative societies without the permission of the Registrar is *ultra vires*.

15. This conference is of the opinion that the draft rule precluding a member from becoming the director of a co-operative society wherein his relatives are employees is ill-concieved.

16. This conference is of the opinion that the draft rule forbidding the use of buildings of co-operative societies for purposes beyond the objects of the respective societies is opposed to the fundamental tenets of the movement.

17. While opining that the introduction of the obsolete system of nomination in the organisation of the fire insurance co-operative society is opposed to the basic principles of co-operation, this conference protests against the move in that direction.

18. This conference resolves that, in the interests of economy, the existing executive committee of 9 directors of the Central Land Mortgage Bank for sanction of loans be scrapped and a small committee consisting of the President of the Bank, the Registrar and the legal advisor be constituted for the purpose.

19. This conference deplores the proposal to sell the Vuyyur Co-operative Sugar Factory to a foreign joint stock company as it militates against the interests of the agriculturists and of the country and requests the General Body of the society to throw out the said proposal. This conference further resolves that co-operators in general and Andhras in particular should carry on unceasing agitation against any attempt to surrender a premier co-operative Industrial organisation into the hands of foreigners.

The International Co-operative Women's Guild.

What it is and What it Does.

It was in 1913, at the last International Co-operative Congress bef the war that the first step was taken towards international collaborati among the various national Women's Guilds. English and Austrian wom took this opportunity of exchanging experiences and views and even af war broke out the two organisations did not entirely lose contact. 19 saw the first international resolution adopted by women co-operators wh the English, Austrian, Dutch and Swiss Guilds circulated a joint app calling upon the women of the world to work for reconciliation and peace.

Then when the next International Congress was to take place at Basl in 1921 the English and Austrian Guilds sent out joint invitations asking th various national Unions to make it possible for women from their Move ments to attend an informal international meeting of women co-operators t be held during the Congress days. As a result 26 delegates from 6 countri gathered together in a small room and enthusiastically approved th immediate formation of a co-operative women's International. The I. C W. G. was born!

Aims and Objects.

The first essential was for the new organisation to get into touch with all existing national women's co-operative groups and its next objective was the formation of new groups in other countries. Several of the newly-created States had had to organise completely new Co-operative Movements and this gave a good opportunity for the inauguration of more women's Guilds.

As soon as a sufficient number of members had been got together th International Guild had to decide what methods of international collaboratio were likely to be most effective and helpful and it was finally agreed tha from time to time specific subjects should be chosen for discussion and action in the member countries. These were for the most part initiated at the Triennial International Co-operative Women's Conferences. At each Conference papers were discussed which later formed the basis for discussion and activities in each individual country. Investigations were made beforehand by each Guild to ascertain the position in their land and the data collected were collated and then summarised in memoranda that provided the Conference with material for discussion and future activities.

In the Guild Rules its aims are stated as follows:

To unite the women of all countries in order to further the principles and practice of Co-operation; to raise the standard of domestic life and to work for Peace.

These objectives provide the framework for the agenda at the triennial Conferences and among subjects discussed have been the following. Life or Death; which showed the part women must play in work for Peace.

(Ghent 1924.) Good Food and How to Get It; Low Prices or High Dividends. (Stockholm 1927.) Mothers of the Future; Would Women prefer Family Allowances so that they would not need to be wage-earners, or communal services—creches, dining-rooms etc.,—so that they could play their part in industry: The Legal Position of Women and Their Rights in Co-operative Societies (Vienna 1930). Present Economic Tendencies; How they Affect the Housewife; The Meaning of International Co-operation for Women: (London 1934). The Position of Women in the Co-operative Movement: Youth and Co-operation; (Paris 1937).

This list only includes the most important questions but it will serve to show that the I.C.W.G. concerns itself with all questions touching women's interests. Everything possible is done to ensure that the majority of member Guilds take part in these campaigns so that different points of view find expression and each national organisation feels itself responsible for carrying out the decisions arrived at and making the aims of the Guild known in its particular country.

Public Work.

Any organisation which seeks to gain adherents must strive for relations with other organisations and with public bodies, so one of the immediate tasks of the young International Guild was to establish contact with the recently inaugurated League of Nations and International Labour Office. Private organisations cannot of course be directly represented on these bodies but the I.C.W.G. was able to achieve a very helpful and satisfactory collaboration with them. Memoranda based on international data were prepared for submisssion to the Secretariats and appropriate Commissions at Geneva, individual Guilds making investigations in their own countries and the results being then collated and circulated by the International. An example of this work was the Memorandum on Maternal Mortality. Questionnaires filled in by the national Guilds provided valuable information as to the effect of home and economic conditions on maternity and the I.C.W.G. then asked the League of Nations to initiate a special inquiry into these hitherto neglected factors in the rising mortality rate among mothers. The Memorandum aroused considerable interest among medical circles and certain Associations asked for copies to be circulated to their Executives.

Another question with which the I.C.W.G. has been deeply concerned is Nutrition. From its early days it has given considerable study to this subject and has always urged it upon the attention of the League of Nations. When the latter set up its Special Committee of Inquiry, Guildswomen prepared a Memorandum showing what contribution the various Guilds had made towards ensuring a higher standard of nutrition among the masses of the people. This report also aroused considerable comment and gained a wide circle of readers.

The position of the I.C.W.G. as regards the L.O.N. and the I.L.O. has been greatly influenced by the fact that Frau Freundlich, President of the

Guild since its foundation, sat on the reparatory Committee for the first World Economic Conference and as a member of the Austrian delegation was the only women official delegate at the Conference itself. Later she was nominated to the Advisory Committee appointed to carry out the Conference decisions and was able to ensure a very satisfactory collaboration between the I.C.W.G. and the institutions of the League at Geneva. This has been of the greatest help in our international development.

In order to keep the national Guilds conversant with world events and enable them to profit from the excellent research activities of the various League Commissions, etc. the I.C.W.G. has issued several memoranda and reports for circulation to its members. Among these are surveys of the valuable investigations conducted by the League and the I.L.O. into the Legal Status of Women and The Position of Women in Industry. The exhaustive and scientific reports of the League on Nutrition were also made available to the Guilds through resumes and articles in the Press. Other recent memoranda include a study of the Trusts and Their Influence on the Co-operative Movement; Lines for Guild Peace Activities, etc.

The relations of the I. C. W. G. with other women's organisations of a political or social character has varied according to circumstances, but it has always been in close touch with the Women's Peace & Disarmament Committee, which was set up in Geneva to support the Disarmament Conference and is still doing valuable work for Peace.

Peace and Disarmament.

Both the I. C. W. G. and its member organisations did all in their power to bring about the success of the Disarmament Conference and Mr. Henderson repeatedly declared that if Governments had worked for Disarmament as keenly as the women the Conference would not have failed. The I. C. W. G. has years of constructive work for Peace behind it and although these efforts have not been successful in avoiding war there can be no doubt that the international understanding built up among Guildswomen will help to ensure the demand for a just and reconstructive Peace. In 1936 the international Guild adopted a Peace Programme which formulates the basic political and economic principles and conditions which alone will make international Peace a reality. Hundreds of copies have been sold in many countries and even though certain amendments in detail may have to be made to bring the programme into line with present circumstances the significance of its basic principles remains unaffected.

At the present time the I. C. W. F. is concentrating on preparing the way for the new Peace. This it can do both by continuing its work and keeping its members in constant touch with one another's thoughts and activities and by definite and careful study of all the possibilities as regards the settlement of world problems. It is thus that co-operative women can help towards the setting up of an international body that will be more

curely founded than the League of Nations, and at the same time bring about among all nations that willingness to be bound by laws and principles which alone can make world peace possible.

The Constitution.

The I.C.W.G. is directed by an Executive Committee composed of one member from each affiliated organisation whatever its numerical strength may be The general affairs of the Guild are conducted by the Secretary and the Triennial Conferences. Between Committee meetings collaboration among the member Guilds is achieved by means of periodical Circular Letters from the Officers, while a Bulletin of Information appearing every two months keeps local branches and interested individuals informed as to International activities. The price of this Bulletin is 1/—per annum, post free.

There is a Special Section of the I. C. W. G. open to organisations which are not fully self-governing or do not as yet represent an entire country or national unit. These members have restricted rights and duties and pay only half the annual dues fixed for full members.

There have been considerable changes in membership during recent years. Events in Europe have taken from us some old and active members while new Guilds have joined us from other continents. Our losses include the Austrian, Czecho-Slovakian, Sudentenland, Polish and Polish-Ukrainian Guilds, new affiliates being Australia and New Zealand as full members, and Finland, Canada and Estonia as members of the New Section.

Membership now includes: Austrlia, Belgium, Bulgaria, Canada, England, Estonia, Finland, France, Ireland, Norway, New Zealand, Scotland Switzerland, Sweden, and the U. S. S. R. The Guild is also in close touch with the growing Guild of the U. S. A., which hopes to affiliate this year, with the Japanese Guild and with co-operative women in India and several other Asiatic and South Amirican Countries. In these, however, there are as yet no organisations actually affiliated to the International although we collaborate with various groups and send them reports as to our activities and decisions.

[Since this note was prepared there have been more losses to the I. C. W. G.—Editor.]

Thank You!

A Chinese student of the University of Michigan who memorized phrases from an etiquette book had his first opportunity to try them out at a reception given by President Ruthven. When a cup of tea was handed to him, he solemnly responded, "Thank You, Sir or Madam as the case may be."

Reviews.

We are obliged to the Registrar of Co-operative Societies for the revi of Societies given below. Due acknowledgment is made where st reviews are from other sources.

The Mill Labourers' Co-operative Stores Societies in Coimbatore District.

In the Coimbatore District, there are 27 Spinning Mills and 6 Spinnin and Weaving Mills giving employment (work) to nearly 26,185 labourer The scope for co-operative organisation of welfare activities among th labourers, and particularly for consumers' co-operation is practically unlim ted. The findings of the court of enquiry appointed by the Government o Madras for the socio-economic advancement of the labourers led indirectly t the starting stores societies. The lead in the matter was given by th Pankaja Mills and a Stores was started for its labourers and employees o 27-10-38.

2. Gradually the benefits derived by the labourers from stores societie and the cordial relationship between the employer, the management and th labourers, resulting from their working convinced both the management o mills and the labourers of the utility of these institutions. The outbreak o the war in Europe in September 1940 and consequent rise in prices gave a impetus to the growth and multiplication of stores among mill labourers.

3. There are now 15 mill labourers' stores 1 at Tiruppur, 1 at Peria naickenpalayam, 2 at Udumalpet, 11 in and around Coimbatore. There ar 6234 members with a paid up share capital of Rs. 26,308-7-0 in 14 of th stores societies. Five stores have been financed by the management to th extent of Rs. 9,175-6-10 and two stores have taken deposits of Rs. 424-6- from members. Most of the societies are yet in their infancy, not havin completed the first year of their existence.

4. The special features in the working of the Mill Labourers' Store are that the Managing Agents are, as a rule, Ex-Officio Presidents, adequ ate representation is given to labourers on the Board of Management and recovery of credit sales out of monthly or weekly wages is guaranteed. Though borrowings from outside is permissible under the by-laws, none of the Stores has borrowed from the financing Bank.

5. The interest evinced by the management in promoting the Stores is well exhibited in the financial accommodation with nominal or without interest, given to the Stores by them, lending free premises to locate the office of the Stores, placing at its disposal facilities for transport of goods in the conveyances owned by the Mills and also the furniture and other equip ment required for the Stores, free of cost or at a nominal cost.

6. The working of the Stores societies, in most of the Mills, has tended build a bridge of sympathy between the employers and the employed and aproving factory morale opening the avenues for industrial efficiency. As ready observed, most of the stores societies are still in their infancy and et to develop. In the older mill stores societies, the payment of bonus on urchases, as in Pankaja Mills, has inspired fresh confidence in the minds of ıe labourers that the Stores society is their own and that profits are returned o them in the shape of bonuses and not appropriated by any individual as n capitalistic concerns. This has dispelled wrong notions which prevented hem from joining the stores previously. They are now seeking membership n larger numbers. The membership in Pankaja Mills which was 441 on 30-6-39 has now risen to 568 on 20-2-41. The general feature obtaining in he Mills is the free supply of tea to the labourers through the Tea Cess Committee at the cost of the management. The Pankaja Mills Co-operative Stores has taken up the work now. The other stores societies, it is expected, will follow suit, here again, with the cessation of the period of con-tract of the Tea Cess Committee. The experiment of the Mill Labour Stores has paved the way gradually for the starting of a co-operative credit society for the employees of three mills put together. A Junior Inspector is the Secretary of the Credit Society. With the experience gained in running Co-operative Stores and the credit institution, and the experience of Bombay and Madura, the starting of housing societies, one for labourers of each Mill, has to be tried. Then there is hope to bring more welfare activities under the co-operative organisation and control for the well-being of the work people, the essential feature of industrial progress.

Sale Societies in the Salem District.

A special feature in the working of the sale societies in the Salem District is the importance given to the marketing aspect in preference to advancing loans on the pledge of produce. There are 7 sale societies working in the district and a new sale society has been registered for the benefit of the ryots of the Attur Taluk. Practically all the taluks in the district except Harur Taluk are catered by these sale societies. Another aspect of work of these sale societies is the help given to the ryots in the supply of improved strains of seeds and other domestic requirements of the ryots as an agent. The help these sale societies render in the marketing of the finished goods of the Weavers' societies working in this district and in other dis-tricts is also commendable. The Tiruchengode & Rasipuram and Namakkal Sale societies co-operate with the activities of the Agricultural Department in the matter of developing the cotton seed multiplication scheme in the taluks of Tiruchengode, Rasipuram and Namakkal. Three sale societies working at Rasipuram, Salem and Tiruchengode have got their own pucca, imposing godowns constructed on uptodate model with extensive yards for drying and for conducting auctions. Another important feature in the working of these sale societies in the development of Controlled Credit

System. As many as 238 societies have availed themselves of accommo tion under this system to the extent of 1.20 lakhs and the area brou under the scheme was 12,816 acres. The estimated value of produce expe to be raised by ryots in the lands brought under the scheme is 5½ lak The loans under this system are granted not only for commercial crops also for food crops.

There are 3,575 members in these sale societies. The total advanc made to members during the calendar year 1940 amounted to 1.19 lakhs.

Marketing of the produce of members is done by auction system, negoti tion with whole sale merchants and also tender system. Auction is conduct either weekly or daily in the presence of the producers. Local mercha and merchants from other parts of the district and adjoining districts al attend and bid at the auctions. Produce to the extent of 7.29 lakhs h been marketed by all the sale societies in the District.

Besides the usual establishment necessary for the working of the societies, the Government have lent the Salem, Rasipuram and Tiruchengo sale societies each with a Junior Inspector to serve as a Ware House offic half of whose cost of maintenance is borne by the respective societies. Th Salem District Urban Bank has placed the services of its staff to serve Ware House Officers in some of the Salem societies. The help which th Central Bank is affording in the matter of development of the sale societ and the scheme of Controlled Credit deserves mention.

Propaganda is being carried on to enlist more members and to enlarg the activities of these sale societies.

The Salem City Milk Supply Union.

The Salem City Milk Supply Union commenced supply of milk in Ju 1939. The Union consists of individual members and societies. Membe of 4 Primary societies and 5 individuals supply milk to the Union. T ensure supply of pure milk to its customers, great care is bestowed by th Milk Supply Union for the proper supervision of the milking operations. Th supply is made to customers only in sealed bottles and delivery is made at the residence of customers by cycles. The union supplies to its custome not only milk but also milk products such as, cream, butter, curd and palgo The Milk Supply Union has also undertaken to supply milk to the Distric Head-quarters' Hospital and Queen Alexandra Hospital. It also suppli milk to some of the restaurants. During the initial stages, considerabl difficulty was experienced in tackling the problem of surplus milk. Wit the gradual increase in the number of customers this problem is not so acutely felt.

During the 6 months of its working in 1939, the Union purchased 25,789 Madras measures of milk to the value of Rs. 8,275 and it was able to supply to its customers milk and its products to the value of Rs. 8,195.

During the Calendar year 1940, the society developed its business considerably and 74,163 Madras measures of milk were purchased and 65,370 Madras measures of milk were supplied while the rest were converted into by-products. The value of milk purchased and sold including the by-products amounted to Rs. 21,049 and Rs. 24,300 respectively. On an average, the Union distributes every month as milk 9354 Madras measures to 215 customers.

The Anamalai Government Cinchona Plantation Employees' Co-operative Stores, Ltd., No. K. 823, Valparai.

The above stores was registered on the 19th September 1939 and started its work on the same day. There were 383 members on the roll with a paid up share capital of Rs. 526 at the rate of Re. 1 per member each instalment of payment being 4 annas. Except seven members who are employees of the Government Chinchona Plantations all others are labourers.

The only borrowing amounted to Rs. 1,209 on 30th June 1940 out of which Rs. 805, is a loan taken from the sister thrift society and the balance of Rs. 404 is from staff security deposits. Provisions are purchased on immediate settlements and the sales are effected mainly on cash which is the recognized principle of service to the members who are steadily encouraged to live within their means. In case of credit the obligations are discharged promptly and there is no case of default on record. With the small capital made available it to be worked that the turn over for 9 months of the first year is Rs. 40,800, earning a gross profit of Rs. 2,671-3-1 and the net divisible profit of Rs. 1,215-8-2. The gross profit works out to 6½ per cent of the sales.

The management of the stores consists of 9 honorary directors of whom the Superintendent of the estate Mr. F. X. Miranda is ex-officio President and Sri S. Ramalingam its able Secretary. Other members of the estate staff and 4 labourers make up the directorate. Due to keen interest of the Superintendent for the welfare of the poor labourers working under him, the society is doing a very useful service to them. The directorate is imbued with the spirit of enthusiasm and service to the poor committed to their charge which combined with the co-operation from and appreciation of all members augurs well for the society's future. (*Contributed*).

Strange Times.

"Eat More Fruit" said the Government in years of plenty. Now the Ministry of Food is at pains to explain that apples, for instance, have no outstanding food value!

Growth of Co-operative Societies in Japan.

Introduced in Japan in 1892 in the form of credit societies to impro economic conditions and to employ savings of its members to useful end the system of co-operative societies as known in the West has since th progressed steadily till now in cities, towns and villages all over the Emp they have reached a total of 15,000.

Responsible for largely stabilizing rural economy, co-operative cred societies obtained a legal standing in 1900 when the Co-operative Associa tion Law was promulgated by the Imperial Diet. This law as amended o various occasions has given great impetus to the movement and expande the co-operatives' business transactions. Aside from merely handing saving of the families of their members, they may also handle the savings of person who are not their members but who reside inside the same boundary. I this way, they may be called people's banks in city areas.

Aiming principally at setting up the co-operative economic system on nation-wide basis, the co-operative credit societies are being followed by similar formations of societies for the purchase of requisites, sales, utiliza tion of such necessities as machines, factories, storage facilities and the like At present a co-operative consumers' movement has not as yet fully deve loped in Japan.

Another interesting development of the co-operative movement is th appearance of co-operative medical centres throughout the country. Th rapid growth of co-operatives has been spurred by every depression while t has grown parallel with that of capitalism.

According to Japanese Law, a co-operative society is a corporated juri dical person organised for the purpose of promoting industrial and economi advancement of its members through the following activities: (1) Credi Society: to lend money to its members for the financing of industry and to afford them facilities for depositing savings; (2) Sales Society; to sell these articles produced by its members with or without further processing; (3) Purchasing Society; to sell those articles needed by its members, either purchased, manufactured, or produced by the Society; (4) Utility Society to make available to its members either machines or facilities required for the development of industry or the alleviation of their economic plight.

Type of Societies.

A single society may embrace one, two, three or all four of the objects mentioned above. Such a society is called a compound society. A feder ation which has a legal status is formed by at least two co-operative socie ties. There are then naturally four kinds of federations, depending upon the type of societies from which they were formed.

The qualifications for membership are prescribed in the by-laws of each society. Eligibility is generally confined to those persons who are economically independent. Seldom is it restricted to persons of a particular calling.

Considering the nature of the work they do, all the co-operative socie ties are necessarily composed of persons of small means and are being largely formed in rural districts with farmers of limited means. (*Eastern Economist, March 1941.*)

British Co-operative Progress in 1939.

The general conditions prevailing during 1939 especially in the second half of the year when the international crisis grew more and more acute, eventually resolving itself in war, created many obstacles and difficulties in the way of co-operative progress in Great Britain, as elsewhere. They have, however, not been able to stop or reverse the continuous growth of the Movement, though war rationing and restrictions have naturally slowed down the expansion of co-operative trade.

An increase in membership is a reliable indication of co-operative progress at times when trade figures, owing to price fluctuations and restriction of consumption, lose much of their value, and a Movement which commands the confidence of its members is an unconquerable stronghold. Almost a quarter of a million of new members in a war year, bringing the total up to 8,643,238, testify to the ever-growing popularity of the Movement among the masses of British Consumers and to the undiminished strength of the appeal of the co-operative idea. Taking as a guide the figures of consumers registered with Co-operative Societies for certain rationed key foodstuffs, it is estimated that the Movement is the supplier of between a quarter and a third of the population of the country, the proportion of co-operative registrations in the total number of ration books issued amounting to over 30 per cent. for sugar 26.5 per cent. for butter and 24.5 per cent. for bacon. The co-operative registration figure for meat, however, represents only about 13 per cent. of the population, as the meat trade of the Movement has not yet been developed to the same degree as grocery and provisions. The coal registrations with Co-operative Societies, on the other hand, reach the comparatively high level of more than 20 per cent. of the population.

With the exception of the Irish section, by far the smallest in the Union and the membership of which has been stagnant or retrogressive for some years, all the sections participated in the membership increase. The largest advance was in the Southern Section—81,099 new members out of the total increase of 238,545—which, with 2.4 million members, now represents almost 30 per cent. of the Movement; ten years ago its proportion in the total was only 20 per cent. The Southern Section includes the London area, formerly regarded as the co-operative desert, but where Co-operation has developed at an extraordinarily rapid pace within the last fifteen years; the membership of London's three principal Societies has increased since 1925 from a quarter of a million to nearly one million and a half.

Of the six British Societies with over 100,000 members at the end of 1939, three were in the London area: the London Society, the largest in the world, with 794,637 members—since then the 800,000 mark has been passed; the Royal Arsenal Society, Woolwich, with 381,737 members; and the South Suburban Society, Croydon, with 198,790. The other three the Birmingham Society, with 233,189 members, Liverpool with 131, and Leeds with 128,802. In addition, there were 22 Societies with a membership of between 50,000 and 100,000.

The average membership per Society is steadily increasing from year year; at the end of 1939 it reached 8,025 as compared with 7,746 in 19 Within the last decade it has increased by over 50 per cent. owing to influx of new members and to a slow, but continuous, decrease in the number of Societies, as a result of amalgamations. In 1939 there were 1,0 Retail Societies against 1,085 in 1938 and 1,234 in 1929.

The total sales of Societies increased in 1939 by £9,028,442 £272,293,748, or by approximately 3½ per cent. which was partly due to rise in prices. The real increase, that is an increase in the volume of goods handled, amounted to about 1¼ per cent. which roughly corresponds to the estimated general increase of retail sales in the country. In the first nine months of 1939 the cost of living, according to the official index, was some what lower than in 1938, but in the last three months of the year it jumped to 10,13 and 17 points above the 1938 level, reaching 173 in December against 156 in December, 1938 (1914=100.)

The smaller increase in trade volume compared with the rise in membership—2.84 per cent—indicates a slight quantitative reduction in the purchases per member, though the value of the average purchases per member showed a slight increase from £ 31.32 to £31.50 for the Movement as whole. The Scottish Section led, as usual, with an average trade per member of £46.46, or more than 50 per cent above the Movement's average while the Southern Section, with its great number of members who have only in recent years become co-operators, had the lowest average £ 25.15.

The financial stability of the Societies has been strengthened by an additional £3,043,477 of share capital, bringing the total up to £157,645,606 and by an increase in loan capital of £2,989,624 to £43,867,696, while reserve and insurance funds rose by £ 975,546 to £ 15,257.787. The Societies gross surplus was £ 32,019,854-£875,809 more than in 1938; after deduction of £5,202,200 for interest on share capital, there remained a net surplus of £26,817,654 as against £25,972,026 in 1931.

The number of employees increased by 3,823 to 243,742. Of these, 150, 622 were engaged in distribution, 43, 427 in production and service, and 49, 693, in transport. While the number of distributive and transport workers increased by 3,500 and 1,300, respectively, the number employed in production and service was reduced by 1,000. Total wages paid were £33,797,757 against £32,556,035 in 1938.

The trading results of the two Wholesale Societies were more favourable than those of the Retail Societies. While the turnover increase of the latter was £ 9 million (at retail prices), the two Wholesale Societies together

recorded an increase of £11, 8 million (at wholesale prices compared with a 52 weeks' average in 1938). According to the Board of Trade I dex the monthly average of wholesale prices in Great Britain was 102.6 in 1939 against 101.4 in 1938 (1930=100), while the wholesale price index of the *Economist* shows a bigger rise from 77.8 to 80.3 (1929=100). As the divergence between the wholesale and retail price development is not very marked, the greater increase of co-operative wholesale trade, compared with retail, was probably due to greater purchases by the Retail Societies in the first months of the war, in order to accumulate stocks for emergencies.

Total sales of the English C. W. S. amounted to £ 131 357,439 in 1939 against £125,015,316 in the 53-week business year of 1938—the increase being 8.25 per cent. when compared with a 52 weeks' average for the preceding year. The output of the productive works of the Society was £47,205,585 as against £46,844,554 in 1938, or an increase of 4-1/8 per cent. on the basis of a weekly average comparison. The smaller rate of increase—compared with the advance in total trade—was largely due to the price development. The price for flour for instance, one of the most important co-operative products, was considerably lower in 1939 than in 1938, whereas had prices remained unchanged the turnover of the co-operative flour mills would have been greater by between £1 and £1½ million; actually the nine flour and provender mills showed a decline in money turnover of over £1 million, in spite of an increase in quantity turnover of over 4 per cent. Other factories of the C.W.S. suffered from the abnormal market conditions, shortage of raw materials, scarcity of certain supplies, &c., but, on the whole, its productive works were able to maintain their regular supplies to Societies. The Banking Department also increased its turnover in 1939, deposits and withdrawals reaching £832.5 million, which was £43 million—or 5-3/8 per cent.—more than in 1938.

The capital resources of the C. W. S. have been augmented by an addition of £ 2 million to own funds—share capital increased from £ 14,734,826 to £ 14,740,954 and loan capital from £107,548,071 to £109,521,925. The number of employees was 60,769 compared with 59,412 in 1938

Scottish Wholesale Society reported a total trade of £ 24,617,902 in the business year 1939, which was £ 1,675,610, or 6.4 per cent. more when compared with a 52 week's average of the previous business year, comprising 62 weeks, when total sales were £27,354,272. The productive output was £ 7,132,330, an 8.5 per cent. increase compared with the previous year (52.weeks). The tobacco factory alone, which increased its output by more than a third, accounted for almost half of the increase of the productive works, while the jute works and the twill mill, with an increase of 53.2 and 52.6 per cent. respectively, also contributed substaintially to the year's good results of the Society's productive works.

Capital resources of the S.C.W S. were somewhat lower than in While share capital, amounting to £1,967,642 as against £1,945,827, a slight increase, loan capital decreased by £300,000 from £10,739,6 £10,459,579. The number of workers employed was 14,264 at the e 1939 against 14,170 in 1938.

The English and Scottish Joint C.W.S., which handles the tea and purchases of the two Societies, sold goods to the value of £ 83,98,497 pared with £ 8,762,085 in 1938. These figures are included in the total of the two Wholesales through which the products of the Joint C.W.S. sold.

In addition to the wholesale societies, there were 25 District Federati —among them a number of dairies—constituted mainly for wholesale p chase and distribution of goods. Their total trade was £ 1.7 million, about £ 150,000 more than in 1938.

Of the 89 productive and service societies operating in 1939, some primarily associations of consumers and other workers' productive socie which mainly—but not exclusively—consisted of industrial workers. Ab half of these societies belonging to the co-operative productive federation Leicester. They had a membership of 18,811 and share and loan capital £ 5.4 million, while their total trade increased from £ 7.1 million in 1938 £ 7.4 million in 1939.

The great unity of the British co-operative movement is demonstrat by the fact that 1,140 societies—distributive, productive and wholesal were affiliated to the co-operative union, representing 93.75 per cent of a existing societies of these types, with 98.10 per cent of the total co-operati membership, 99 per cent of share capital, and 98.71 per cent of the tot co-operative trade. The extent of the co-operative economic structure ca perhaps best be judged by the number of workers employed in the moveme a total of 352,675 in 1939, of whom 136,580 or 38.73 per cent were engage in production and services, 164,135, or 46.54 per cent in distribution, an 51,960, or 14.73 per cent, in transport.

The unity and strength of the British co-operative movement, togethe with the strict preservation of essential co operative principles, are the bes bulwark for the British consumer in the present difficult period, when much depends on the just and equitable, as well as efficient and economic distribution of supplies.

(*The "Review of the International Co-operation" Nov.-Dec. 1940*)

Land Colonisation Scheme

PRESS COMMUNIQUE.

Dated, Fort St. George, the 20th March 1941.

Land Colonisation Schemes.—Provision is made in the budget for 1941—42 for financing co-operative colonziation schemes in Tanjore, Kistna and other districts.

Purpose of the schemes.—Representations have been made to the Government from time to time that a good deal of the land which has in the past been assigned to the landless has soon found its way into the possession of rich and influential neighbours. The Government have decided that a special attempt should be made to ensure that land is assigned to the really poor and is retained in their enjoyment. To this end, assignment will be made not to individuals but to groups of colonists formed into co-operative societies. Assignment will be made of compact blocks of land, each block being assigned to one or more co-operative societies cosisting of members of the landless poor specially organized for the purpose. The main objects of these societies will be—

(1) to hold land from Government, divide it according to a scheme of colonization approved by Government and distribute the holdings among the members;

(2) to arrange for the reclamation of lands, if necessary, and to ensure their cultivation;

(3) to purchase or own implements, machinery and cattle for hire to members; and

(4) to borrow funds from the Central Banks or others on the security of the land assigned to them, to be utilized for granting loans to members for agricultural expenses, including reclamation of lands.

2. *Tenure of the society.*—The society will hold the lands on ryotwari tenure and will be responsible for paying the assessment and water-cess due to Government as well as the taxes due to local bodies. Government will have the right to resume the lands without compensation and re-enter the lands or any portion thereof in case of breach of any of the conditions of assignment or if the scheme is a failure but will, in that event, repay to the financing banks the sum due to them from the society subject to the limit of the sale value of the lands.

3. *Selection of members.*—The society will allot the lands to its members. For this purpose preference will be shown to persons with an agricultural bias resident in the village where the lands lie and belonging to communities eligible for help by the Labour department, next to other landless people of the village and finally, to persons belonging to the 'eligible'

communities from neighbouring villages who may be willing to settl the block.

4. *Government contribution.*—Government will make a contri to the society at the rate of Rs. 10 for each colonist as a free gift so th may use it to obtain shares in the society. On the basis of his membe he will be able to borrow money from the society for the reclam improvement and cultivation of his land.

5. *Implements.*—Government will also advance to the society money required for the purchase of agricultural implements. The so will purchase implements and hire them out to members for a small fee, proceeds of which will be utilized for repaying the amount borrowed from Government. A substantial portion of the net profits of the society will be carried to a special fund called the "Implements Fund" which will utilised for replacing the implements when necessary.

6. *Tenure of members.*—Each member will be bound by the conditi laid down in the by-laws of the society and will have occupancy right in holding so long as he cultivates it, pays his dues and carries out instructions of the society regarding the cultivation of his holding. If he f to abide by these conditions and is consequently expelled from the society if he relinquishes his holding, the contribution of Rs. 10 made on his beh by Government and the lands in his enjoyment may be transferred to a fre member on payment of the amount already paid towards their value. P of this amount may be paid to the expelled member unless the society unable to find a substitute in which case the land will revert to the Gove ment and he will not receive any payment. A member will have no right sublet or mortgage or otherwise encumber his holding. The holding will al be impartible and will on the member's death pass on undivided along wi the member's interest in the society to his nominee or failing a nominee his senior male heir; failing such heir it will revert to the society.

7. *Payment of land value, assessment and water-rate.*—Valuab lands will not be given free though the full value may not always be levie The amount to be charged will usually be settled so as not to exceed a su which the member should normally be able to pay up in twenty annual in stalments, taking into account the net income that he may be expected derive from cultivation. In cases where the land has to be reclaimed th assessment will be waived for the first few years, not exceeding five. I cases in which such a concession is considered to be necessary, water-ce will also be waived in full for the first year of irrigation and levied at hal rates for the next one or two years and at the full rates thereafter.

8. *Area of holding.*—The area to be granted to each colonist may ne in all cases be sufficient in itself to support a family, but is expected th the colonists will mostly work also as agricultural labourers in the neigh bourhood.

9. It is proposed, to start with, that the above scheme of colonisation should be tried in certain blocks of land available in the Tanjore and Kistna districts. A Special Deputy Collector will be employed with the necessary staff to establish colonies in these districts and later to extend operations to suitable areas in other districts. The selection of colonists, the allocation of the land and the starting and initial running of each co-operative society will be in the hands of a Co-operative Inspector under the supervision of the Special Deputy Collector or the Revenue Divisional Officer. Touring Officers of the Agricultural, Veterinary, Revenue, Co-operative, Labour and Public Works departments will advise and help the colonists where necessary.

Government Reply to Criticisms.

The Government of Madras have issued the following Press Note.

The attention of the Government has been invited to some remarks which have appeared in the Press on the Land Colonisation Schemes for which provision has been made in the Budget for 1941-42. Some criticisms and suggestions have also been received from members of the public. The Government observe that while the introduction of the schemes is generally welcomed there has been some criticism of their details. Many of the criticisms and suggestions appear to be based on misapprehensions which probably arose from the novel nature of the schemes.

Suggestions have been made that land value should be waived in all cases. The orders of Government are that the full value of the land need not always be levied, and that the amount to be charged will usually be settled so as not to exceed a sum which the member should normally be able to pay up in twenty annual instalments taking into account the net income that he may be expected to derive from cultivation. The Government do not anticipate that collection of land value fixed on these principles will jeopardise the success of the proposed colonies.

It has been suggested that assessment should be waived for five years in all cases. The orders of Government provide for the waiving of assessment for a period not exceeding five years where the land has to be reclaimed and for the waiving of water-cess in full for one year and its levy at half rates for the next one or two years where necessary. The Government consider that these concessions are adequate for the purpose.

One suggestion made is that the money required for reclamation should be given as a grant. The intention of the Government's scheme is that the colonist should be able to borrow money for reclamation on the basis of his membership of the society and the share of Rs. 10 in it granted by Government as a free gift. The Government will also be prepared to grant takkavi loans to the societies for reclamation of land and the purchase of cattle, seed, and implements. The Government believe that the necessity for repayment of loans will be conducive to the growth of a spirit of self-help among the colonists.

In the event of failure of a colonisation scheme the Government has agreed to repay to the financing banks the sum due to them from the socie subject to the limit of the sale value of the lands. One suggestion made that this limit should be abolished as it will tend to restrict loans by su Banks. The Government observe that the suggestion would involve a li bility on their part to pay any amount borrowed by the society in excess the value of the land. It is the Government's intention that the land shou be acceptable security and that loans should be raised on that security. T suggestion made is financially unsound as it would encourage uneconom borrowing, and relieve Banks of their proper duty to grant loans only o adequate security.

The most general suggestion made is that the holdings should be large and should be economic holdings. The schemes are designed to assist th landless poor, and the colonists are to be selected first of all from member of the classes eligible for help by the Labour Department resident in the locality. The colonists will therefore generally be already employed as agricultural labourers and will be able to continue that employment and to cultivate their own lands as well. The size suggested for economic holdings, viz., 10 to 15 acres, would necessitate considerable reduction in the number of colonists and would greatly curtail the number of persons benefited by grants of the not unlimited quantity of land available and suitable for such colonies.

Orders and Circulars.

Draft amendments to rules under the Madras Co-operative Societies Act.

Fort St. George, March 1, 1941 (*G. O. Ms. No. 393, Development.*)

No. 152.

The following draft of certain amendments to the rules published in Development Department Notification No. 264, dated the 1st August 1933, at pages 1178 to 1185 of part I of the *Fort St. George Gazette*, dated the 1st August 1933, as subsequently amended, which it is proposed to make in exercise of the powers conferred by section 65 of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), is hereby published as required by sub-section (3) of the said section, for the information of all persons likely to be affected thereby.

Notice is hereby given that the draft will be taken into consideration on or after the 4th May 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 AMENDMENTS.

1. After rule V of the said rules, the following rule shall be inserted, namely :—

"V-A. The Registrar may by order in writing direct any society to get any or all the accounts and books required to be kept by it under rule V written up to such date, in such form and within such time as he may direct. In case of failure by any society to do so, the Registrar may depute an officer subordinate to him to write up the accounts and books. In such cases, it shall be competent for the Registrar to determine with reference to the time involved in the work and the emoluments of the officer deputed to do it, the charges which the society concerned should pay to the Government and direct its recovery from the society."

2. For sub-rule (5) of rule VII of the said rules, the following sub-rule shall be substituted, namely :–

"(5) In case of failure by any society to submit any statement or return specified in sub-rule (1), (3) or (4) within the time directed by him, the Registrar may depute an officer to prepare the necessary statement or return. In such cases, it shall be competent for the Registrar to determine, with reference to the time involved in the work and the emoluments of the officer deputed to do it, the charges which the society concerned should pay to the Government and to direct its recovery from the society."

No. 234. *Fort St. George, March 27, 1941* (*G. O. Ms. No. 623, Development*)

Notice is hereby given that the draft will be taken into consideration on or after the 1st May 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 AMENDMENTS.

1. In rule XXVII of the said rules—

(i) in sub-rule (1) after clause (*f*) the following word and clause shall be added, *viz.* :—

"or

(*g*) is interested directly or indirectly in any sale or purchase made by the society privately or in any auction or in any contract made with the society or in any or transaction of the society (other than investment and borrowing) involving financial interests, if the contract or transaction is subsisting or if the contract, transaction, sale or purchase be not completed."

(ii) in sub-rule (2), after clause (*f*), the following word and clause shall be added, *viz.*,

"or

(*g*) becomes interested directly or indirecty in any contract made with the society or in any sale or purchase made by the society privately or in any auction or in any contract or transaction of the society (other than investment and borrowing) involving financial interests, or purchases directly or indirectly any property of a member of the society brought to sale for the recovery of his dues to the society."

2. After rule XXIX of the said rules, the following, rule shall be added *viz.* :—

"XXX. (1) No officer of a society shall have an interest directly or indirectly.—

(i) in any contract made with the society, or

(ii) in any sale or purchase made by the society privately or in any auction, or

(iii) in any contract or transaction of the society (other than an investment or borrowing) involving financial interests.

2. No officer of a society shall purchase, directly or indirectly any property of a member of the society brought to sale for the recovery of his dues to the society."

R. C. 8583/40 C. *February 25, 1941.*

Sub :—War Risks (Goods) Insurance Ordinance—Applicability to co-operative societies.

Deputy Registrars and Assistant Registrars are aware that under the War Risks (Goods) Insurance Ordinance IX of 1940 published at page

1170-1171 of the *Fort St. George Gazette*—Part I dated 10-9-40 all persons who hold for sale commodities (other than exempted commodities) to the value of Rs. 20,000 or more within any district or Presidency Town should insure such commodities for their full value. As there was a doubt whether co-operative sale societies and stores were exempt from the operation of the Ordinance, the Registrar requested the Government to clarify the position. Extracts from the orders of Government are communicated to Deputy Registrars and Assistant Registrars and they are requested to explain the position to the sale societies and stores in their charge.

Extract from G. O. No. Ms. 256, Development dated 10-2-1941.

(2) Whether Co-operative sale societies are exempt from the provisions of the Ordinance: *Co-operative sales societies are not exempt* from the provisions of the ordinance. On the other hand if the property in the goods concerned does not vest in the societies but in their individual members, as appears to be the case, the goods will, subject to the proviso to sub-section (1) of section 7, be insurable in relation to the members qua owners under section 4 (a) (i), and not in relation to the societies.

(3) Whether Co-operative Stores Societies can be deemed sellers of goods under the Ordinance: On the facts set out in the Madras High Court's judgment enclosed with your letter under reference, it is clear that no sale is involved in the transactions mentioned therein between the societies and their members. It follows that there is no relevant carrying on of business as a seller of goods under the ordinance, and consequently no liability or capacity to insure thereunder.

R. C. 9906/39. B. *March 13, 1941.*

Sub :—Reserve Fund—Urban bank—Investment in the debentures of the Central Land Mortgage Bank—permission—Instructions issued.

Under rule XIII of the rules issued under the Madras Co-operative Societies Act, the reserve fund of registered societies should be invested in any one of the modes mentioned in section 34 (1) of the Act. It has been the practice generally for societies to invest their reserve funds in the central banks in whose jurisdiction they are working, though in a few cases, urban banks have invested portions of their reserve funds in Government paper also.

2. Representations were recently made by certain urban banks that they might be permitted to invest their Reserve Fund elsewhere than in the central banks, and more particularly in the debentures of the Central Land Mortgage Bank. On examination of the need for a change in the existing policy and the possible effect it would have on the long-term resources of central banks, the Registrar came to the conclusion that urban banks might be permitted to invest a portion of their reserve fund in the debentures of the Central Land Mortgage Bank without seriously affecting the central banks.

long term resources. On the recommendation of the Registrar, the Government in G. O. No. 288 Development dated 14-2-41, have permitted the investment by urban banks of a portion, not exceeding twenty-five per cent, of their reserve funds in the debentures of the Central Land Mortgage Bank.

3. Deputy Registrars and Assistant Registrars may, therefore, permit urban banks in future to invest portions of their reserve funds that will accrue hereafter in the debentures of the Central Land Mortgage Bank. For this purpose, they may give a direction in the audit certificates that the Reserve Fund may be invested either in the Central bank concerned or in the debentures, care being taken to ensure that the amounts so invested do not exceed 25 per cent of the total reserve fund in any case. The balance sheet of the urban banks should also exhibit the Reserve Fund under the following heads :—

Amount invested in the Central Bank
do debentures of the Central Land Mortgage Bank,
do elsewhere (specify)

R. C. No. 1879/41. A. *March 18, 1941.*

Sub :—Funds-Co-operative Societies-Expenditure on purposes outside the scope of their objects.

Ref :—Registrar's Circular R. C. No. 936/41. A. dated 31-1-1941.

In the Registrar's Circular cited above, Central Banks and Societies were informed that expenditure on certain purposes which were outside the scope of their objects would not be passed in Audit. The question has now been raised whether it is the intention of the circular to prohibit expenditure from the funds of a society even for purposes like the celebration of its Silver Jubilee. The Registrar agrees that the Silver Jubilee of an institution is a land-mark in its history and that the expenditure incurred in connection with its celebration is one which is incidental to its business, just like the expenditure incurred for the establishment of a branch of new office of the institution. The Registrar will have no objection to accept in audit *any reasonable expenditure* of this kind.

D. 2031/41-B. *March 22, 1941.*

Sub :—War-Defence Savings Bank to be opened by the Post Office—Popularisation of.

The attention of Deputy Registrars and Asst. Registrars, Central Banks, the Provincial Co-operative Union and the Language Federations is invited to the news item appearing in the "Madras Mail" dated 1-3-41, announcing that a Defence Saving Bank would be opened at all Post Offices from the 1st April 1941. This special savings bank will be open only to those who wish to invest funds to help the war effort and the sums invested will carry interest at 2½ per cent. per annum, free of income tax, i. e. 1. per cent. more than the interest allowed on deposits in the ordinary postal savings bank. Sums invested wil be allowed to be withdrawn only a year after the termination of the War. The minimum deposit that will be accepted is Rs. 2 and the maximum for an individual is Rs. 10,000. The scheme is intended only for private persons in their individual capacity.

2. Deputy Registrars and Asst. Registrars, Central Banks and other institutions are requested to bring these facts to the notice of members of Co-operative Societies in general, so that they may avail themselves of the special facility for investment of their savings, offered by the new scheme.

R. C. 216/41-D. *April 3, 1941.*

Sub : Co-operative education —Co-operative Training Institutes—Establishment of.

Ref : G. O. No. 615, Development, dated 26-3-1941.

Government have ordered the following arrangements regarding the future working of the co-operative training institutes in the Province:—

(1) The three Institutes at Rajahmundry, Tanjore and Coimbatore will hereafter be on a permanent basis and will conduct the classes annually. The Institutes at Anantapur will, however, be run to start with, only once in two years.

(2) Each of the four Institutes will be an independent organisation The Local Deputy Registrars should serve as ex-officio members on the committee entrusted with the management of the Institutes.

(3) The syllabus and the appointment of the Superintendents, Lecturers and Instructors should be subject to the approval of the Registrar.

(4) The Madras Provincial Co-operative Union will be the examining body.

(5) The Institutes should provide a 9 months' course including practical training, and in addition, the institute should arrange to get local men to give occasional lectures on technical subjects.

(6) Short refresher courses for the departmental Inspectors, supervisors and office-bearers of village societies can also be conducted.

(7) The Institutes should build up libraries with reading rooms attached to them.

(8) Government assistance will be given, where necessary, either in the form of the loan to each Institute, free of cost, of the services of a Co-opertaive Sub-Registrar as Superintendent or in the form of a cash subsidy equivalent to his actual cost. If in any year, however, the fees and other income derived by an Institute should exceed the expenditure incurred in running it, the surplus should be paid to the credit of the Government towards the cost of the Co.operative Sub-Registrar employed or towards the subsidy paid by them.

II. The institutes concerned are requested to take the necessary preliminary steps so that the classes may begin in the first week of July 1941. Admission to an institute should be open only to the holders of S.S.L.C., and not more than 40 candidates should be admitted to each class. The selection of candidates may be taken up in June so that there may be no delay in starting the classes in July. The institutes may charge a fee of Rs. 40 for the entire course. The syllabus for the course of training theoretical and practical will be settled by the Provincial Co-operative Union with the approval of the Registrar and communicated later. The Institutes should arrange for the appointment of the Superintendents and the Instructors on the terms contained in the G.O.

III. Government has said that the local Deputy Registrar shall be on the committee of the Institute. Where there is no provision at present in the by-laws of any Institute for the Deputy Registrar to be an *ex-officio* member of the committee, the Institute is requested to make the necessary amendments to its by-laws.

IV. The Registrar need hardly emphasise the fact that institutes are not expected to confine their activities to the training of candidates for employment. They should be live centres of co-operative education in their areas. The should arrange to have a well equipped library and a reading room, located in a good building where, students and other persons interested in co-operative matters may read the latest literature on the subject. Lectures by leading co-operators and other public gentlemen on important co-operative topics, and meetings for discussing problems connected with the movement, may also be periodically arranged. The institutes may also run short courses of training for un-officials interested in different types of activities, for instance, special classes may be run for employees of stores societies, urban banks, or other special types of societies like co-operative dairies each course extending over a few weeks. Training in the methods of account-keeping, etc. may be given to the office-bearers of societies in the neighbourhood of the institute, if a sufficient number of men are forthcoming. Where there is a demand for it, classes may also be conducted for the teachers or other persons who may be interested in acquiring a knowledge of co-operation and other rural subjects. It is also the idea that, if possible, the refresher classes for the Inspectors of the Department might be conducted under the auspices of the institute in districts where the institutes are located. At such classes, apart from the course of instruction that may be given by the Deputy Registrar, the instructors, and other unofficial gentlemen might be invited to attend and deliver lectures. The idea is that the institutes should establish themselves as centres to which co-operators can look to for practical instruction and guidance and not as bodies intended merely to turn out trained candidates for employment in co-operative institutions. The Registrar hopes that this ideal will be quickly realised.

What we ought to know.

A.—Statement Showing the Loss of Excise Revenue in the Four Districts in which Prohibition is now in Force.

Annual loss of Excise Revenue.

A. On the basis of actual revenue realised in the year before the introduction of prohibition :—

	Rs. Lakhs.
Salem	26·53
Cuddapah	6·87
Chittoor	9·00
North Arcot...	21·67
Allowance made for loss of revenue in other districts ...	2·00
Total ...	66·07

B. On the basis of average revenue realised during the period of three years prior to the introduction of prohibition :—

	Rs. Lakhs.
Salem	28·81
Cuddapah	6·45
Chittoor	8·50
North Arcot...	20·15
Allowance made for loss of revenue in other districts ...	2·00
Total ...	65·92

C. On the basis of average revenue realized during the five years prior to the introduction of prohibition :—

	Rs. Lakhs.
Salem	28·93
Cuddapah	6·31
Chittoor	8.77
North Arcot...	19·56
Allowance made for the loss of revenue in other districts ...	2·00
Total ...	65·57

	Rs. Lakhs.
Total of A, B, and C is ...	66·07 65·92 65·57
Grand Total ...	197·56
Average ...	65·85

Note :—(1) This figure of loss of revenue does not take into account the revenue realised in prohibition districts by the sale of opium to addicts and under the Prohibition Act which will be small.

(2) In calculating the loss of revenue, the savings due to the abolition of the Excise staff have been taken as set off by the additional expenditure on Police staff for the enforcement of prohibition.

B.—Statement showing the Receipts and Expenditure under the New Taxes and the Surplus Yield after Meeting the cost of Prohibition.

	Accounts 1939-40 Rs. Lakhs.	Revised Estimate 1940-41. Rs. Lakhs.	Budget Estimate 1941-42. Rs. Lakhs.
(a) RECEIPTS—			
1. The Madras Entertainments Tax Act ...	8.10	12.48	12.48
2. The Madras Electricity Duty Act ...	5.00	6.23	6.09
3. The Madras Tobacco (Taxation of Sales and Licencing) Act ...	13.03	22.55	22.70
4. The Madras Sale of Motor Spirit Taxation Act ...	15.76	15.99	15.99
5. The Madras General Sales Tax Act ...	33.97	67.25	59.00
Total Receipts ...	75.86	124.50	116.26
(b) EXPENDITURE—			
1. Entertainment Tax including commission payable to local bodies ...	.50	1.07	1.33
2. Compensation payable to local bodies ...	"	2.78	1.67
3. Charges for collecting Electricity Duty ...	"	.05	.05
Commercial Taxes—			
4. Tobacco and Sales Taxes ...	7.57	12.40	12.14
5. Motor Spirit Tax ...	.13	.06	"
6. Charges in England ...	.07	.09	.07
Total Expenditure ...	8.27	16.45	15.26
(c) Net yield (a)—(b) ...	65.59	108.05	101.00
(d) Cost of Prohibition ...	55.50	65.09	65.00
Net surplus (c)—(d) ...	12.09	43.05	36.00
(e) Net total for the years 1939—40 to 1941-42 ...		91.14	

(From Budget Memorandum, 1941-42).

Publications Received.

The Canadian Co-operator—December 1940.
Co-operative Review—December 1940.
The Journal of the Jamaica Agricultural Society—October, November and December 1940.
The Millgate—January and February 1941.
Co-operative News—December 28, 1940.
International Economic News Service No. 12 (December 12, 1940).
Co-operative News Service – No. 11 (21-12-1940), 11 and 12th January 1941, 1, 29-1-41.
Co-operation and Markets News – November 29 and December 1940.
Insurance Herald—Nos. 42, 43, 44, 45 and 46.
Indian Farming—March, 1941.
The Madras Law Journal—Nos. 11, 12, 13, 14 and 15.
Kotturavu (Tamil)—March 15 April 1 and 15 1941.
The Co-operators' (Jammu) Bulletin No. 3.
The Madras Agricultural Journal—March, 1941.
The South Indian Teacher—April, 1941.
The Indian Journal of Adult Education—April, 1941.
The Travancore Co-operative Journal—No. 11 and 12.
The Village Panchayat Journal—No. 12.
Review of International Co-operation—November and December 1940.
International Co-operative Women's Guild Information Bulletin—January, 1941.
Co-operative Information (I.L.O.) No. 7, 8 and 9—1940.
The Co-operative News—March, 1941.
The Co-operative Official—January, 1941.
The Agricultural Gazette of New South Wales—February and March, 1941.
International Labour Review—December, 1940.
The Maritime Co-operator—No. 22, 23 and No. 1.
Digest of the Co-operative Press—January, 15, 1941.
Bombay Labour Gazette—February, 1941.
The Bihar and Orissa Co-operative Journal—October—December 1940 (No. 4).
Parasparasahayi (Malayalam)—March, 1941.
Sahakaramu (Telugu)—April, 1941 (No. 10).
The Mysore Economic Journal—April, 1941.

News and Notes.

New Machinery invented and designed.

A New type of large steel trolly for portable irrigation plants, to take engines upto 20 B.H.P. and 10 inch. pumps has been designed and manufactured by a local firm in the Malda District (Bengal). This portable plant reduces the costs of irrigation to minimum, and is very profitable especially when cheap crops, which require large volume of water, are concerned.

Film on Agriculture.

The annual report (1939-40) of the Propaganda Officer of the Department of Agriculture, Government of Bengal, states that a monthly Bulletin of the Department is being published in Bengali, and a film "Bhuler Phasal" dealing with the activities of the Department was exhibited at various places. It was so much appreciated that they had to prepare a number of copies of the film at the cost of the Department for their display by the National Welfare Units.

Servindia Rural Centre.

The 7th Anniversary of the Servindia Rural Centre, Mayanoor, was celebrated on March 30, 1941, under the presidency of Mr. A. V. Chandrasekhara Iyer, Municipal Chairman, Karur. The Superintendent gave an account of the year's progress in Agriculture, Poultry and Textile—weaving. A portrait of Mr. D. N. Strathie, I.C.S., was unveiled on the occasion.

City Propaganda.

The Madras City Co-operative Movement Propaganda Committee arranged for a big meeting under the auspicious of the Peddunaickenpet Co-operative Society on Sunday March 30, at 5 P.M., at the Jamnabai Dharmasala, George Town, for bringing the Co-operative Movement nearer to the masses who have not yet taken advantage of the help given by the Co-operative Department.

Mr. V. Manikka Mudaliyar of Madras appealed to the audience to take full advantage of the Co-operative Movement and eliminate the Sowcars and other money-lenders for taking loans. The meeting terminated after three hours of lively proceedings.

Cattle Mortality in the Presidency.

There was a fall in the incidence of cattle mortality from contageous diseases in the province during January 1941 as compared to December 1940 states a Press note issued by the Director of Veterinary Services, Madras. There was a fall in the incidence of mortality from rinder pest also.

Demonstrations in Agriculture.

The exhaustive scheme framed by the Director of Agriculture for concentration of Agricultural demonstration by co-ordinating the activities of various departments recommended by the Government for adoption, was considered by the District Periodical Conference, Kurnool, at its meeting held on March 3, 1941 with the District Collector in the chair.

Distribution of Co-operative Inspectors on Territorial Basis.

On the recommendations of the Registrar of Co-operative Societies, the Government of Madras have ordered an important change in the administration of Co-operative Societies. The Inspectors of the Co-operative Department are proposed

to be distributed on a territorial basis instead of on a functional basis, as at present. The proposal is to start with 9 districts at present (Madura, Ramnad, Guntur, Cuddapah, Anantapur. Tanjore, Malabar Bellary and East Godavary). It will be the duty of the Inspectors to attend to all items of work in a compact area except audit and supervision of Non-credit and other special types of Societies. Each Inspector will have about 40 societies in his charge.

Cottage Industries.

A suggestion for the establishment of a cottage industries Board attached to the Department of industries to look after the interests of the various cottage industries of which the handloom cotton industry is the most extensive and important, is made in the Report on the Handloom and cotton industry in Bengal by Mr. D. N. Ghosh, Industrial Intelligence officer, Department of Industries, Bengal. He further points out the need to start a Provincial Society to eliminate middlemen.

* * *

The view that the maintenance of the position already attained by cottage industries such as handloom cotton weaving, button making, brass and bell metal and the development of new industries require more than anything else, the early initiation of a sound marketing scheme, is expressed by the Bengal Industrial Survey Committee in an interim report submitted recently to the Government of Bengal on marketing of cottage industry products.

Handloom Weavers' Society.

A deputation appointed by the Madras Provincial Handloom Weavers' Conference held at Pateru last month met Mr. H. M. Hood, I.C.S., Adviser to H. E. the Governor of Madras, and voiced their objections to the proposals of the Sub-Committee set up by the Madras Handloom Weavers' Provincial Co-operative Society.

Industrialising India.

Sir Alexander Roger has declared in a recent interview that the British Supply Mission has recommended a large factory expansion in India and that though the factories which are being established are intended for war work purely, they will prove useful in peace times also.

Marketing of Fruits.

Mr. S A. Venkataraman, I.C.S., Registrar of Co-operative Societies, Madras, who has concluded a tour in Vizagapatam and East Godavari Districts inspected some Sugar Cane Growers' Societies and investigated one or two problems of major importance.

The first was in respect of marketing of fruits grown in compact areas in the Circars which have extensive markets in various parts of India. He suggested at a meeting convened at Tuni that a preliminary survey of all aspects of the matter by the Agricultural and Co-operative Departments was first necessary. Meanwhile, it was decided to start some fruit growers' societies in Vizagapatam, Godavari and Kistna Districts.

The second proposal was to start a Co-operative Central Wholesale Society for East and West Godavari districts.

Co-operative Societies are Village Republics.

"The Co-operative Societies can be of immense help if the members exert themselves and properly understand their rights and responsibilities. They are small village republics which certain promise of infinite potentialities in the economic, social, cultural and political spheres" said Mr. S. S. Hasan, I.C.S., Registrar of Co-operative Societies, United Provinces at Tanda Co-operative Conference.

Improvement Trust for Madras.

It is understood that an I.C.S. Officer will be placed on special duty for 3 months with a view to formulating proposals for the constitution of an Improvement Trust for the City of Madras.

Reorganisation of Agricultural Department.

To make the activities of the Madras Agricultural Department more useful to ryots and to enable the results of researches made by the Department at its several farms particularly at Coimbatore available to agriculturists, the Department will be reorganised. Under the new scheme there will be two Deputy Directors, instead of four, a demonstrator for each taluk and one Assistant Director for each district.

A Health Society.

A Co-operative Health Society, first of its kind in the Nammakkal taluk, was started at Palapatti. The starting of such societies was a part of the policy of the Congress Ministry.

Official Intervention.

"The tragedy in many societies lay in the fact that one or two prominent men who might have started with good motives, became in time autocrats intent on pursuing their own selfish ends, the bulk of other members being too ignorant or illiterate to oppose or curb them" observed Sri T. A. Ramalingam Chettiar addressing the Cultural Association of the Central Co-operative Institute, Madras, on April 9, 1941. He also said that *in the absence* of enlightened and efficient co-operative public opinion, the Government interference as now existed was very necessary to eradicate the evils that had crept into the movement. He concluded by saying that frankly he would not be a party to any attempt to whittle down the necessary intervention by the Department and the Government.

Economic Uplift.

To provide means of livelihood to Muslims in different parts of the Hyderabad State, and to secure agricultural lands from Government etc., a scheme of economic uplift is under preparation.

Public Servants' Co-operative Bank.

Unveiling a portrait of Sri Rao Saheb B. Ramakrishna Iyer, President of the Madras Government Servants' Co-operative Bank, Mr. S. A. Venkataraman, I.C.S., Registrar of Co-operative Societies, stated that the public Servants running a Co-operative Society like the Bank had set an example for others to follow in co-operative work. He understood that they were contemplating new schemes, and his advice was to 'hasten slow.'

Fact Finding Committee.

It is understood that the Handloom Fact Finding Committee has issued an exhaustive questionnaire concerning every aspect of the industry and its position in relation to the mill industry. There are over seventy questions divided into 10 sections. Replies are to be sent before June 7, 1941.

New rule regarding the use of premises of Co-operative Societies.

Fort St. George, April 16, 1941, (*G.O. Ms. No.* 744, *Development.*)

After rule XIII-A of the said rules, the following rule shall be inserted, namely:—

"XIII-B. No society shall use, or allow to be used, any premises used for its business or portion thereof for any purpose other than such business or other co-operative activities.

List of Societies Registered in March 1941.

S. No.	Name of the Society.	District.
1	The Marlava Sri Seetharamiah Co-op. Credit Society ...	E. Godavari
2	Sri Venugopala Co-operative Credit Society ...	"
3	The Thelesomavaram Scheduled Caste Field Labourers' Co-operative Credit Society ...	W. Godavari
4	" Gurramkonda Co-operative Credit Society ...	Nellore
5	" Chandanamudi Co-operative Credit Society ...	"
6	" Pellakur Kothur Co-operative Credit Society ...	Chittoor
7	" Siddavaram Co operative Credit Society ...	"
8	" Co-op. Fire and General Insurance Society Ltd. ...	Madras
9	" Chingleput Co-operative Sale Society Ltd. ...	Chingleput
10	" Kandapanthangal Perumanthangal Co-operative Credit Society ...	N. Arcot
11	" Vadugapattu Co-operative Credit Society ...	"
12	" Palamcottah Municipal Menial Employees' Co-operative Society Ltd. ...	Tinnevelly
13	" Mangalagiri Co-operative Stores Ltd. ...	"
14	" Chettikurichi Co-operative Stores Ltd. ...	"
15	" Palapatti Health Co-operative Society Ltd. ...	Salem
16	" Velur Co-operative Stores Ltd. ...	"
17	" Kaveripatnam Co-operative Stores Ltd. ...	"
18	" Mohanur Co-operative Stores Ltd. ...	"
19	" Mavureddipatti Co-operative Society ...	"
20	" Poineer Mills Co-operative Stores Ltd. ...	Coimbatore
21	" Uppilipalayam Co-operative Milk Supply Society Ltd. ...	"
22	" Etikoppaka Toy Manufacturers' Co-operative Sale Society Ltd. ...	Vizagapatam
23	" Madura District Police Co-operative Society, Ltd...	Madura
24	" Madhichiam Co-operative Milk Supply Society, Ltd.	"
25	" Chattrapatti Co-operative Society	Ramnad
26	" Sivakasi Co-operative Stores, Ltd.	"

Edited by Sri R. Suryanarayana Rao, B.A., and published by Sri K. Bhashyam, B.A., B.L., M.L.A., at the Provincial Co-operative Bank Buildings, Luz, Mylapore. Printed by Mr. R. Krishnamachari, B.A., at the Central Co-operative Printing Works, Ltd., /17, Mount Road, Madras

(1)	(2)	(1)	(2)

List of Societies Cancelled in February 1941.

Serial No.	Name of Society.	District.	
1	Hindupur Labour Co op. Union Ltd.	Anantapur	
2	Thorrivemula Christian C. S.	Cuddapah	
3	Muthuvattur C. S.	Malabar	
4	Regadapapampalli Christian C. S.	Kurnool	
5	Devipatnam C. S.	Ramnad	
6	Seithur A. D. C. S.	do	
7	Pulvoikarai C. S.	do	
8	Ayyakudi A. D. C. S.	Madura	
9	Bukkapatanam Christian C. S.	Cuddapah	
10	Anantapuram Christian C. S.	do	
11	Kothapalle C. S.	do	
12	Madras No. 1 Survey Party Government Servants' C. S. Ltd.	Salem	
13	Padur Cheri C. S.	Chingleput	
14	Guntur Town Christian C. S. Ltd.	Guntur	
15	Pattu Co-op- Milk Supply Society	Chingleput	
16	Kothamaparru Christian C. S.	West Godavari	8-
17	East Chodavaram C. S.	do	
18	Manuru Roman Catholics F.L.C.S.	do	
19	Pulipadu Tenants C. S.	Guntur	
20	Vidyavan Co-operative Stores Ltd.	do	do
21	Michelpalayam A. D. C. S.	Tinnevelly	do
22	Vanaramutti A.D. and Chucklers' C. S.	do	do
23	Madras Catholic Social Guild Weaving Co-operative Production and Sale Society Ltd.	Madras City	do
24	Gudavallur C. S.	Nellore	do
25	Bhuthamapuram Christian C.S.	Cuddapah	11-2-
26	Rayanallur C. C. S.	South Arcot	18-2-
27	Tekkali Board High School Student's Co-operative Stores Ltd.	Vizagapatam	do
28	Paramanundunipeta A.A.C.S.	Kistna	do
29	Iryar Pudupatti C. S.	Ramnad	do
30	Kottaram C. C. S.	South Arcot	do
31	Malaikottalam C. C. S.	do	do
32	Tirupalapandal C. C. S.	do	do
33	Sendamangalam Fort A.D.C.S.	Salem	22-2-41
34	Dinnadevarapadu Co-operative Labour Union Ltd.	Kurnool	do
35	Milaradugai F. L. C. S.	Tanjore	do